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As filed with the Securities and Exchange Commission on March 16, 2012

Registration No. 333-177262

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 TO

Form S-11

REGISTRATION STATEMENT

FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

Wheeler Real Estate Investment Trust, Inc.

(Exact Name of Registrant as Specified in Its Governing Instruments)

Riversedge North, 2529 Virginia Beach Blvd., Suite 200, Virginia Beach, Virginia 23452
(757) 627-9088
(Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

CT Corporation System
111 Eighth Avenue
New York, New York 10011
(800) 624-0909
(Name, Address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ☒

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement of the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

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

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

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date

until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock	$22,000,000[1]	
Placement Agents' Warrants[2]	$160	
Common Stock Underlying Placement Agents' Warrants[2]	$1,056,000	
Total	$23,056,000	$2,643[3]

[1] The registration fee for securities to be offered by the Registrant is based on an estimate of the Proposed Maximum Aggregate Offering Price of the securities, and such estimate is solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

[2] We have agreed to issue, on the closing date of this offering, warrants to our placement agents, to purchase up to 4% of the aggregate number of shares of common stock sold in this offering. The price to be paid by the placement agents for the placement agents' warrants is $0.001 per warrant. Each placement agents' warrant may be exercised to purchase one share of our common stock. Assuming a maximum placement, on the closing date the placement agent would receive 160,000 placement agents' warrants at an aggregate purchase price of $160. The exercise price of the placement agents' warrants is equal to 120% of the price of the common stock offered hereby. Assuming a maximum placement and an exercise price of $6.30 per share, we would receive, in the aggregate, $1,008,000 upon exercise of the placement agents' warrants.

[3] Previously paid.

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Subject to Completion, dated March , 2012

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Minimum Offering: 3,000,000 Shares
Maximum Offering: 4,000,000 Shares

Wheeler Real Estate Investment Trust, Inc.

Common Stock

This is the initial public offering of Wheeler Real Estate Investment Trust, Inc. We are offering a minimum of 3,000,000 shares and a maximum of 4,000,000 shares of our common stock.

We expect the initial public offering price of our common stock to be between $5.00 and $5.50 per share. Currently, no established public trading market exists for our shares. We intend to apply to have our common stock listed on the Nasdaq Capital Market under the symbol "WHLR." We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a real estate investment trust ("REIT") for federal income tax purposes commencing with our taxable year ending December 31, 2012.

Investing in our common stock involves risks. You should read the section entitled "Risk Factors" beginning on page 14 of this prospectus for a discussion of certain risk factors that you should consider before investing in our common stock. Such risks include, amount others:

- We have no operating history as a REIT or a publicly traded company, nor established financing sources, and may not be able to successfully operate as a REIT or a publicly traded company.
- Our portfolio is dependent upon regional and local economic conditions and is geographically concentrated in the Mid-Atlantic, Southeast and Southwest.
- Our estimated cash available for distribution is insufficient to cover our anticipated annual dividend, which may require us to use proceeds from this offering to find distributions.
- We expect to have approximately $28.5 million of indebtedness outstanding following this offering, which may expose us to the risk of default under our debt obligations.
- Our success depends on key personnel and the loss of such key personnel could adversely affect our ability to manage our business or implement our growth strategies.
- We may be unable to identify, acquire or operate properties successfully, which could harm our financial condition and ability to pay distributions.
- Our Administrative Services Company will face conflicts of interest caused by its arrangements with us, which could result in actions that are not in the long-term best interests of our stockholders.
- We may assume unknown liabilities in connection with our formation transactions, and any recourse against third parties may be limited.
- Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock.

		Total	
	Per Share	Minimum Offering	Maximum Offering
Public offering price	$[ ]	$[ ]	$[ ]
Placement fee[1]	$[ ]	$[ ]	$[ ]
Proceeds, before expenses, to us[2]	$[ ]	$[ ]	$[ ]

(1) The placement fee will be 7% of the public offering price, or $[ ] per share. The placement fee does not reflect additional compensation to the placement agents in the form of a non-accountable expense allowance of 2% or $[ ] per share. See "Plan of Distribution."

(2) The total expenses of this offering, excluding the placement fee and expenses, are approximately $1,025,000.

The placement agents must sell the minimum number of securities offered (3,000,000 shares) if any are sold. The placement agents are

required to use only its best efforts to sell the securities offered. The offering will terminate upon the earlier of: (i) a date mutually acceptable to us and our placement agents after which the minimum offering is sold or (ii) December 22, 2012. Until we sell at least 3,000,000 shares, all investor funds will be held in an escrow account at SunTrust Bank, Richmond, Virginia. If we do not sell at least 3,000,000 shares by December 22, 2012, all funds will be promptly returned to investors (within one business day) without interest or deduction. If we complete this offering, net proceeds will be delivered to our company on the closing date. If we complete this offering, then on the closing date, we will issue common stock to investors in the offering and for nominal consideration warrants to our placement agents exercisable at a rate of one warrant per share to purchase up to 4% of the aggregate number of shares of common stock sold in this offering at a price of 120% of the public offering price for a period of five years from the date of the public offering.

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

Wellington Shields & Co., LLC **Capitol Securities Management, Inc.**

The date of this prospectus is , 2012.

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WHEELER
REAL ESTATE INVESTMENT TRUST

Initial Properties

The Shoppes at Eagle Harbor
Carrollton, VA

Monarch Bank Branch
Virginia Beach, VA

Shoppes at TJ Maxx
Richmond, VA

Walnut Hill Plaza
Petersburg, VA

Riversedge North
Virginia Beach, VA

Lumber River Village
Lumberton, NC

Mandarin Crossing
Jacksonville, FL

Amscot Building
Tampa, FL

Perimeter Square
Tulsa, OK

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You should rely only on the information contained in this document or to which we have referred you. We have not, and the placement agents have not, authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

We use market data, demographic data, industry forecasts and projections throughout this prospectus. We have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on historical market data, and there is no assurance that any of the projected amounts will be achieved. We believe that the market and industry research others have performed are reliable, but we have not independently verified this information.

Prospectus Summary

You should read the following summary together with the more detailed information regarding our company and the historical and pro forma financial statements appearing elsewhere in this prospectus, including under the caption "Risk Factors." References in this prospectus to "we," "our," "us" and "our company" refer to Wheeler Real Estate Investment Trust, Inc., a Maryland corporation, together with our consolidated subsidiaries, including Wheeler Real Estate Investment Trust, L.P., a Virginia limited partnership, of which we are the sole general partner (our "Operating Partnership"). References to our predecessor ("Predecessor") refer to the entities and properties to be contributed to or purchased by our Operating Partnership pursuant to the formation transactions described elsewhere in this prospectus. Unless otherwise indicated, the information contained in this prospectus is as of December 31, 2011 and assumes (1) the formation transactions described under the caption "Structure and Formation of Our Company" are consummated, (2) the common stock to be sold in this offering is sold at $5.25 per share, which is the mid-point of the range of prices indicated on the front cover of this prospectus, and (3) the common units of limited partner interest in our Operating Partnership, or common units, to be issued in the formation transactions are valued at $5.25 per unit. Each common unit is redeemable for cash equal to the then-current market value of one share of common stock or, at our option, one share of our common stock, commencing 12 months following the completion of this offering. For the meanings of all defined terms used herein, please refer to the Glossary at page 157.

Wheeler Real Estate Investment Trust, Inc.

Overview

We are a Maryland corporation formed with the principle objective of acquiring, financing, developing, leasing, owning and managing income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns. We will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. We generally lease our properties to national and regional retailers that offer consumer goods and generate regular consumer traffic. We believe our tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers' disposable income, generating more predictable property-level cash flows.

Upon consummation of this offering, we expect that our portfolio will be comprised of six retail shopping centers, two free-standing retail properties, and one office building. Five of these properties are located in Virginia, two are located in Florida, one is located in North Carolina and one is located in Oklahoma. As of December 31, 2011, our portfolio had a total gross leasable area ("GLA") of 368,865 square feet and an occupancy level of approximately 90%.

We believe our markets, which currently include the Mid-Atlantic, Southeast and Southwest, are characterized by strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate.

We were formed as a Maryland corporation on June 23, 2011. Jon S. Wheeler, our Chairman and President, when combined with his affiliates, is our second largest stockholder. Our administrative services will be provided externally by WHLR Management, LLC (our "Administrative Service Company") which is wholly owned by Mr. Wheeler. Pursuant to the terms of an administrative services agreement between our Administrative Service Company and us, our Administrative Service Company will be responsible for identifying targeted real estate investments for our board of directors consideration; overseeing the management of the investments; handling the disposition of the real estate investments our board of directors has chosen to sell; and administering our day-to-day business operations, including but not limited to, leasing duties, property management, payroll and accounting functions. We will also benefit from Mr. Wheeler's partially or wholly owned related businesses and platform that specializes in retail real estate investment and management. Mr. Wheeler's organization includes (i) Wheeler Interests, LLC, an acquisition and asset management firm, (ii) Wheeler Real Estate, LLC, a real estate leasing management and administration firm, (iii) Wheeler Development, LLC a full service real estate development firm, (iv) Wheeler Capital, LLC, a capital investment firm specializing in venture capital, financing, and small business loans, (v) Site Applications, LLC, a full service facility company, equipped to handle all levels of building maintenance, (vi)

Creative Retail Works, a full service design house, specializing in shopping centers and their tenants, and (vii) TESR, LLC, a tenant coordination company specializing in tenant relations and community events (collectively, our "Services Companies").

Business and Growth Strategies

Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns. Specifically, we intend to pursue the following strategies to achieve these objectives:

- ***Maximize value through proactive asset management.*** We believe our market expertise, targeted leasing strategies and proactive approach to asset management will enable us to maximize the operating performance of our portfolio. We will continue to implement an active asset management program to increase the long-term value of each of our properties. This may include expanding existing tenants, re-entitling site plans to allow for additional outparcels, which are small tracts of land used for freestanding development not attached to the main buildings, and repositioning tenant mixes to maximize traffic, tenant sales and percentage rents. As we grow our portfolio, we will seek to maintain a diverse pool of assets with respect to both geographic distribution and tenant mix, helping to minimize our portfolio risk. We continually monitor our markets for opportunities to selectively dispose of properties where returns appear to have been maximized and redeploy proceeds into new acquisitions that have greater return prospects.
- ***Pursue value oriented investment strategy targeting properties fitting within our acquisition profile.*** We will acquire retail properties based on identified market and property characteristics, including:
  - *Property type.* We focus our investment strategy on income producing assets such as:
    - Strip centers. A strip center is an attached row of stores or service outlets managed as a coherent retail entity.
    - Neighborhood centers. A neighborhood center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. Neighborhood centers are often anchored by a supermarket or drugstore.
    - Community centers. A community center typically offers a wider range of apparel and other soft goods relative to a neighborhood center and in addition to, or in lieu of supermarkets and drugstores, may have discount department stores as anchor tenants.

- Freestanding retail properties. A freestanding retail property constitutes any retail building that is typically occupied by a single tenant.

- *Anchor tenant type.* We will target properties with anchor tenants that offer consumer goods that are less impacted by fluctuations in consumers' disposable income. We believe nationally and regionally recognized anchor tenants that offer consumer goods provide more predictable property-level cash flows as they are typically higher credit quality tenants that generate stable revenues.
- *Lease terms.* In the near term, we intend to acquire properties that feature one or more of the following characteristics in their tenants' lease structure: properties with long-term leases (10 years remaining on primary lease term) for anchor tenants; properties under triple-net leases, which are leases where the tenant agrees to pay rent as well as all taxes, insurance and common area maintenance expenses that arise from the use of the property, thereby minimizing our expenses; and properties with leases which incorporate gross percentage rent and/or rental escalations that act as an inflation hedge while maximizing operating cash flows. As a longer-term strategy, we will look to acquire properties with shorter-term lease structures (2-3 years) for in-line tenants, which are tenants that rent smaller spaces around the anchor tenants within a property, that have below market rents that can be renewed at higher market rates.
- *Geographic markets and demographics.* We plan to seek investment opportunities throughout the United States; however, we will focus on the Mid-Atlantic, Southeast and Southwest, which are characterized by attractive demographic and property fundamental trends. We will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth.

- ***Capitalize on network of relationships to pursue transactions.*** We plan to pursue transactions in our target markets through the relationships we have developed.
- ***Leverage our experienced property management platform.*** Our management team, together with the management teams of our Services Companies, has over 150 years of combined experience managing, operating and leasing retail properties. We consider our Services Companies to be in the best position to oversee the day-to-day operations of our properties, which in turn helps us service our tenants. We feel this generates higher renewal and occupancy rates, minimizes rent interruptions, reduces renewal costs and helps us achieve stronger operating results. Along with this, a major component of our leasing strategy is to cultivate long-term relationships through consistent tenant dialogue in conjunction with a proactive approach to meeting the space requirements of our tenants.
- ***Grow our platform through a comprehensive financing strategy.*** We believe our capital structure will provide us with sufficient financial capacity and flexibility to fund future growth. Based on current capitalization, we believe we will have access to multiple sources of financing that are currently unavailable to many of our private market peers or overleveraged public competitors, which will provide us with a competitive advantage. Over time, these financing alternatives may include follow-on offerings of our common stock, corporate level debt, preferred equity and credit facilities. Upon completion of this offering, we expect to have a ratio of debt to total market capitalization of approximately 46% assuming completion of the minimum offering, or 43% assuming completion of the maximum offering. Although we are not required by our governing documents to maintain this ratio at any particular level, our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward.

Our Competitive Strengths

We believe the following competitive strengths distinguish us from other owners and operators of commercial real estate and will enable us to take advantage of new acquisition and development opportunities, as well as growth opportunities within our portfolio:

- ***Portfolio of Retail Properties.*** We have acquired and developed a portfolio of properties located in business centers in Virginia, North Carolina, Florida and Oklahoma. The retail properties comprising our initial portfolio fit within our property acquisition profile of income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. These properties are located in local markets that exhibit stable demographics and have historically exhibited favorable trends, such as strong population and income growth. These properties represent the initial base of the larger portfolio that we expect to build over time.
- ***Experienced Management Team.*** Our executive officers and the management teams of our Services Companies have significant experience in the commercial real estate industry.
- ***Access to a Pipeline of Acquisition and Leasing Opportunities.*** We believe that our market knowledge and network of relationships in the real estate industry will provide us access to an ongoing pipeline of attractive acquisition and investment opportunities in and near our markets, while also facilitating our leasing efforts and providing us with opportunities to increase occupancy rates at our properties.
- ***Broad Real Estate Expertise with Retail Focus.*** Our management team has experience and capabilities across the real estate sector with experience and expertise particularly in the retail asset class, which we believe provides for flexibility in pursuing attractive acquisition, development and repositioning opportunities.

Summary Risk Factors

You should consider carefully the risks discussed below and under the heading "Risk Factors" beginning on page 14 of this

prospectus before purchasing our common stock. If any of these risks occur, our business, prospects, financial condition, liquidity, results of operations and ability to make distributions to our shareholders could be materially and adversely affected. In that case, the trading price of our common stock could decline and you could lose some or all of your investment. These risks include, among others, the following:

- We have no operating history as a REIT or a publicly traded company, nor established financing sources, and may not be able to successfully operate as a REIT or a publicly traded company.
- Our portfolio is dependent upon regional and local economic conditions and is geographically concentrated in the Mid-Atlantic, Southeast and Southwest.
- Our estimated cash available for distribution is insufficient to cover our anticipated annual dividend, which may require us to use proceeds from this offering to fund distributions.
- We expect to have approximately $28.5 million of indebtedness outstanding following this offering, which may expose us to the risk of default under our debt obligations.
- Our success depends on key personnel and the loss of such key personnel could adversely affect our ability to manage our business or implement our growth strategies.
- We may be unable to identify, acquire or operate properties successfully, which could harm our financial condition and ability to pay distributions.
- Our Administrative Services Company will face conflicts of interest caused by its arrangements with us, which could result in actions that are not in the long-term best interests of our stockholders.
- We may assume unknown liabilities in connection with our formation transactions, and any recourse against third parties may be limited.
- Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock.

Real estate investments are subject to various risks and fluctuations and cycles in value and demand, many of which are beyond our control. Our economic performance and the value of our properties can be affected by many of these factors, including, among others, the following:

- adverse changes in financial conditions of buyers, sellers and tenants of our properties, including bankruptcies, financial difficulties, or lease defaults by our tenants;
- local real estate conditions, such as an oversupply of, or a reduction in demand for, retail space or retail goods, and the availability and creditworthiness of current and prospective tenants;
- vacancies or ability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options;
- changes in operating costs and expenses, including, without limitation, increasing labor and material costs, insurance costs, energy prices, environmental restrictions, real estate taxes, and costs of compliance with laws, regulations and government policies, which we may be restricted from passing on to our tenants;
- fluctuations in interest rates, which could adversely affect our ability, or the ability of buyers and tenants of properties, to obtain financing on favorable terms or at all; and
- competition from other real estate investors with significant capital, including other real estate operating companies, publicly traded REITs and institutional investment funds.

Our Properties

Our Portfolio

Upon completion of this offering and consummation of the formation transactions, we will own nine properties located in the Mid-Atlantic, Southeast, and Southwest markets, containing a total of approximately 368,865 in rentable square feet of retail space, which we refer to as our portfolio. The following table presents an overview of our portfolio, based on information as of December 31, 2011.

Portfolio

Property	Location	Year Built/ Renovated	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot (1)
Amscot Building	Tampa, FL	2004	1	2,500	100.0%	$ 101,400.00	$ 40.56
Lumber River Village	Lumberton, NC	1985/1997-98 (expansion)/2004	11	66,781	100.0%	520,891.80	7.80
Mandarin Crossing	Jacksonville, FL	2004	7	20,375	87.9%	317,904.00	17.76
Monarch Bank	Virginia Beach, VA	2002	1	3,620	100.0%	211,118.40	58.32
Perimeter Square	Tulsa, OK	1982-1983	9	58,277	100.0%	685,337.52	11.76
Riversedge North	Virginia Beach, VA	Virginia Beach, VA	1	10,550	100.0%	273,456.00	25.92
The Shoppes at TJ Maxx	Richmond, VA	Richmond, VA	14	93,552	81.2%	929,517.84	12.24
The Shoppes at Eagle Harbor	Carrollton, VA	2009	7	23,303	100.0%	466,293.03	20.01
Walnut Hill Plaza	Petersburg, VA	Petersburg, VA	11	89,907	82.7%	543,461.95	7.31
Total Portfolio			62	368,865	90.3%	$4,049,380.54	$ 12.13

(1) Annualized base rent per leased square foot includes the impact of tenant concessions.

Structure and Formation of Our Company

Our Operating Entities

Our Operating Partnership

Following the completion of this offering and the formation transactions, substantially all of our assets will be held by, and our operations will be conducted through, the Operating Partnership. As the sole general partner of the Operating Partnership, we will generally have the exclusive power under the Amended and Restated Agreement of Limited Partnership of Wheeler Real Estate Investment Trust, L.P. (the "Partnership Agreement") to manage and conduct the business and affairs of the Operating Partnership, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P." Our board of directors will manage our business and affairs.

Because we plan to conduct substantially all of our operations through the Operating Partnership, we are considered an UPREIT. UPREIT stands for "Umbrella Partnership Real Estate Investment Trust." An UPREIT is a REIT that holds all or substantially all of its properties through a partnership in which the REIT holds a general partner and/or limited partner interest generally based on the value of capital raised by the REIT through sales of its capital stock. Using an UPREIT structure may give us an advantage in acquiring properties from persons who may not otherwise sell their properties because of unfavorable tax results. Generally, a sale or contribution of property directly to a REIT is a taxable transaction to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may contribute the property to the UPREIT in exchange for limited partnership units in the partnership and defer taxation of gain until the seller later exchanges his limited partnership units on a one-for-one basis for REIT shares or for cash pursuant to the terms of the limited partnership agreement or the UPREIT sells the property.

Our Administrative Service Company

We intend to enter into an Administrative Services Agreement with our Administrative Service Company. Pursuant to the Administrative Service Agreement, our Administrative Service Company will provide us with appropriate support personnel to assist our executive management team and will perform certain services for us, subject to the oversight of our board of directors and our executive officers. Our Administrative Service Company will be responsible for, among other duties (1) performing and administering our day-to-day operations, (2) determining investment criteria in conjunction with our board of directors, (3) sourcing, analyzing and executing asset acquisitions approved by our board of directors, sales and financings, (4) performing asset management duties, (5) performing property management duties, (6) performing leasing duties, and (7) performing financial and accounting management. Our Administrative Service Company will receive an administrative services fee of $360,000 per year for the initial nine properties in our operating portfolio, and $20,000 per year for each additional property we acquire subsequent to the completion of this offering. Additionally, Wheeler Real Estate, LLC will receive a property management fee at a rate of 3% of our annual gross revenue and Wheeler Interests, LLC will receive an asset management fee at a rate of 2% of our annual gross revenue. Additionally, we will reimburse our Administrative Service Company for all reasonable out-of-pocket expenses incurred on our behalf, including but not limited to travel and general office expenses, such as copying and telephone usage. Our executive management team will consist of our Chairman/President, Chief Financial Officer, and Secretary. We do not expect to have any employees other than our executive management team. The salaries of such officers will be paid by our Administrative Service Company. They may also be eligible to receive additional compensation in the form of stock options granted under our 2012 Share Incentive Plan.

Formation Transactions

Each property that will be owned by us through our Operating Partnership upon the completion of this offering and the formation transactions is currently owned directly or indirectly by limited liability companies in which Jon S. Wheeler and his affiliates, certain of our other directors and executive officers and their affiliates and/or other third parties own a direct or indirect interest (the "Ownership Entities"). Each of the Ownership Entities is currently owned by a number of investors (the "Prior Investors"). With the exception of the current owners of The Shoppes at Eagle Harbor property, the Prior Investors will enter into contribution agreements with our Operating Partnership, pursuant to which they will contribute their interests in the Ownership Entities to our Operating Partnership substantially concurrently with the completion of this offering. The Prior Investors will receive cash or common units in exchange for their interests in the Ownership Entities. Such common units will be

issued by the Operating Partnership pursuant to the terms of a private offering in which the Operating Partnership will offer for sale, solely to persons and entities that represent in writing that they are either accredited investors, as defined in Rule 501 of the Securities Act of 1933, as amended (the "1933 Act") or sophisticated investors, as described in Rule 506(b)(2)(ii) of the 1933 Act, in a transaction exempt from registration under federal and state securities laws, Operating Partnership common units or cash in exchange for membership interests in the Ownership Entities held by the Prior Investors.

We will directly purchase all of the membership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor. See "Certain Relationships and Related Transactions." The value of the consideration to be paid to each of the Prior Investors in the formation transactions, in each case, will be based upon the terms of the applicable contribution or purchase agreement among our Operating Partnership, on the one hand, and the prior investor or investors, on the other hand, and will be determined based on a relative equity valuation analysis of all of the properties included in our portfolio. These relative values were based on a cash flow analysis (based on information provided by us) and on the face amount of the outstanding secured and mortgage debt on each property on December 31, 2011. This relative equity valuation was not performed by an independent real estate appraiser and is not a determination of the value of the properties to be included in our initial portfolio, but rather was a component taken into account by the participants in the formation transactions and utilized by them in constructing a formula for determination of their relative equity interests in us. See "Structure and Formation of Our Company—Our Structure—Determination of Consideration Payable for Our Properties."

Additionally, common units exchanged for the Amscot Building, Monarch Bank and Riversedge North properties are subject to adjustment immediately following the public release of our audited consolidated financial statements for the year ended December 31, 2012 and upon the approval of a majority of our independent directors as follows:

- The adjustments will be calculated by applying the initial exchange methodology to such properties' cash flows as used in preparing our audited consolidated financial statements for the year ended on December 31, 2012, subject to the adjustments approved by a majority of our independent directors.
- If the adjusted exchange calculation increases the number of common units exchanged for any such property, the Prior Investors in such property will receive an additional number of common units in our Operating Partnership that, when multiplied by the initial offering price for this offering, will equal the increase in value plus the value of any distributions that would have been made with respect to such common units if such common units had been issued at the time of the acquisition of such property.
- If, however, the adjusted exchange calculation decreases the number of common units exchanged for any such property, the Prior Investors in such property will forfeit that number of common units that, when multiplied by the initial offering price for this offering, equals the decrease in value plus that value of any distributions made with respect to such common units. The Prior Investors in such property will be prohibited from selling the common stock underlying their common units until any such adjustments are made.
- If any Prior Investor receives cash instead of Operating Partnership common units, similar adjustments to the cash purchase price will also be made.

Since the properties are being recorded at historical cost, any adjustment, which we do not expect to be significant based on current results at the properties, would only impact the number of common units issued in the exchange.

Each of the Prior Investors has a substantive, pre-existing relationship with us and with the exception of the Prior Investors in The Shoppes at Eagle Harbor, will be required to make an election to receive shares of our common units or cash in the formation transactions. The issuance of such common units will be effected in reliance upon one or more exemptions from registration provided by Section 4(2) of the Securities Act and corresponding provisions under state securities law.

Pursuant to the formation transactions, the following have occurred or will occur substantially concurrently with the completion of this offering. All amounts are based on the mid-point of the range set forth on the cover page of this prospectus.

- We were formed as a Maryland corporation on June 23, 2011, and our Operating Partnership was formed as a Virginia limited partnership, on , 2012.
- We will sell 3,000,000 shares (assuming a minimum offering) or 4,000,000 shares (assuming a maximum offering) of our common stock in this offering and we will contribute the net proceeds from this offering to our Operating Partnership in exchange for 3,000,000 common units (assuming a minimum offering) or 4,000,000 common units (assuming a maximum offering).

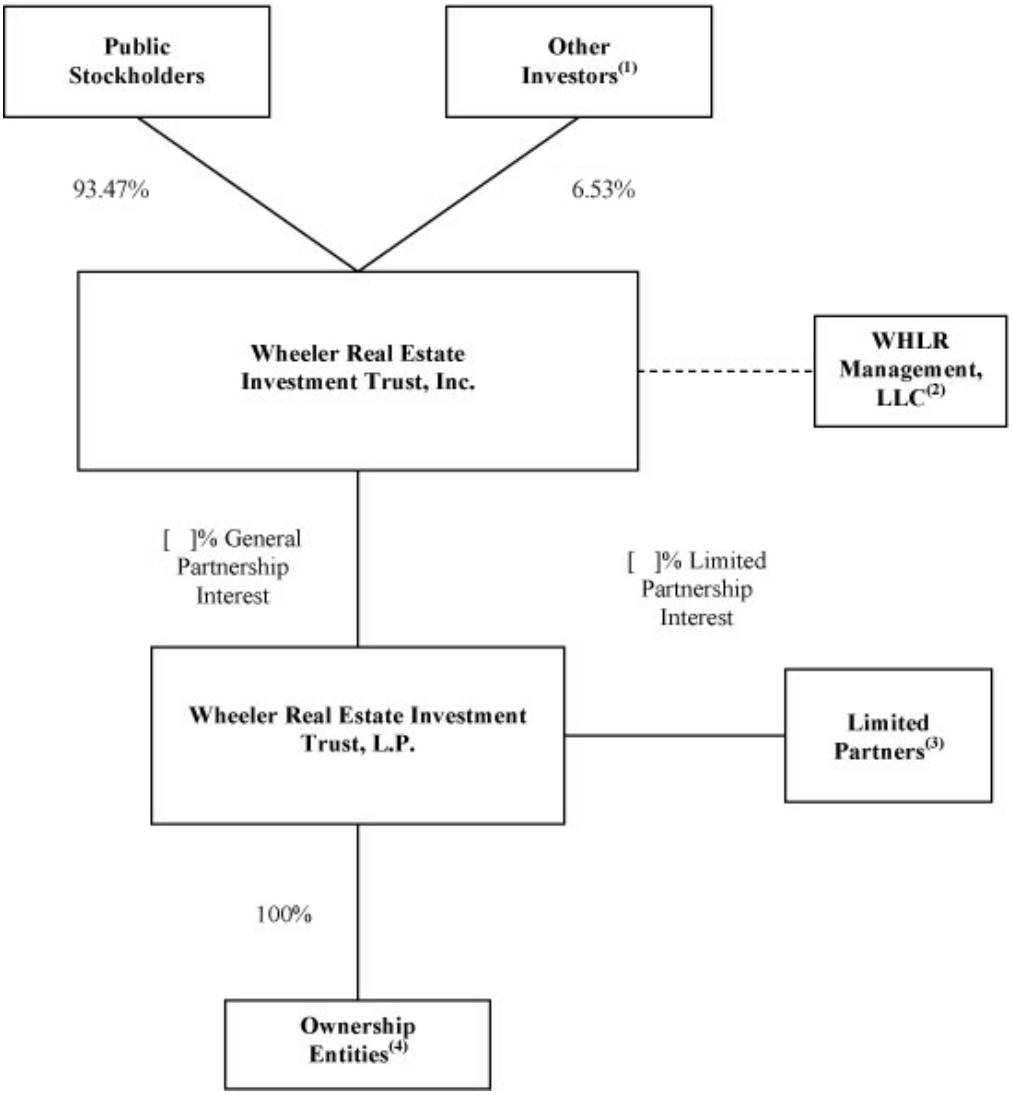
- With the exception of The Shoppes at Eagle Harbor property, we and our Operating Partnership will consolidate the ownership of our portfolio by attempting to acquire 100% of the membership interests in the limited liability companies that directly or indirectly own such properties through a series of contribution agreements with such entities and the owners thereof. The value of the consideration to be paid to each of the owners of such entities in the formation transactions will be determined according to a formula set forth in such contribution agreements.
- Our Operating Partnership intends to use approximately $1.67 million of the net proceeds of this offering to directly purchase 100% of the membership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor property, one of the original nine properties in our operating portfolio.
- Prior Investors in the Ownership Entities will receive as consideration for such contributions, common units, or $ in cash in accordance with the terms of the relevant contribution agreements. The aggregate value of common units to be paid to Prior Investors in such entities at the mid-point of the range of prices shown on the cover of this prospectus is $. This value will increase or decrease if our common stock is priced above or below the mid-point of the range of prices shown on the cover of this prospectus.
- Our Operating Partnership intends to use a portion of the net proceeds of this offering to repay approximately $500,000 of outstanding indebtedness. As a result of the foregoing use of proceeds, we expect to have approximately $28.5 million of total debt outstanding upon completion of this offering and the formation transactions. This will result in a ratio of debt to total market capitalization of approximately 46% assuming completion of the minimum offering, or 43% assuming completion of the maximum offering. Although we are not required by our governing documents to maintain this ratio at any particular level, our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward.
- We expect to adopt our 2012 Share Incentive Plan. We expect that an amount equal to 10% of the common stock sold in the offering or an aggregate of 300,000 shares (assuming a minimum offering) or 400,000 shares (assuming a maximum offering) of our common stock will be available for issuance under the 2012 Share Incentive Plan.

Benefits of the Formation Transactions to Related Parties

In connection with this offering and the formation transactions, Mr. Wheeler, our Chairman and President, and certain of our other directors and executive officers will receive material benefits. Mr. Wheeler and certain of his affiliates are guarantors of approximately $11 million of indebtedness, in the aggregate, that will be assumed by us upon completion of this offering. In connection with this assumption, we will seek to have Mr. Wheeler and his affiliates released from such guarantees and to have our Operating Partnership assume any such guarantee obligations as replacement guarantor. A full discussion of this and all other material benefits to be received by our executive officers and directors can be found in this prospectus under the heading “Certain Relationships and Related Transactions.”

Our Structure

The following diagram depicts the expected ownership structure of Wheeler Real Estate Investment Trust, Inc. upon completion of the minimum offering and the formation transactions. We expect to own a % general partnership interest in our Operating Partnership and our Operating Partnership expects to indirectly own the properties in our portfolio, through the Ownership Entities.



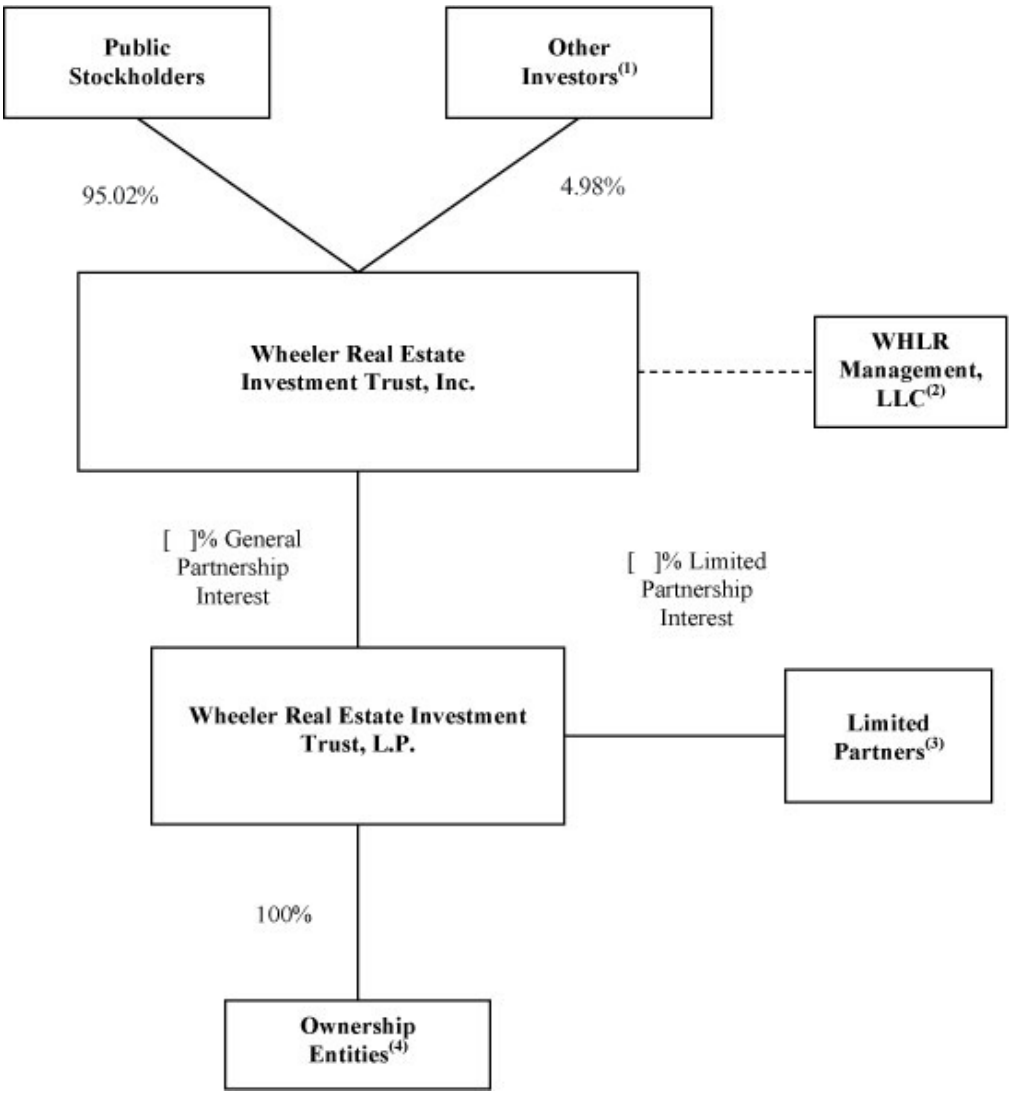
(1) Consists of holders of 183,500 shares of Series A Convertible Preferred Stock. Upon completion of this offering, all issued and outstanding Series A Convertible Preferred Stock will automatically convert into a number of shares of common stock equal to (i) $4.00 divided by (ii) 66.66% of the public offering price of the common stock sold in this offering, or 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus. Jon S. Wheeler, our President and Chairman, controls 2,250 of such shares held by Sooner Capital, LLC.

(2) WHLR Management, LLC, which is wholly-owned by Jon S. Wheeler, will provide administrative services to Wheeler Real Estate Investment Trust, Inc. pursuant to the terms of an administrative services agreement.

(3) Prior Investors will receive [ ] limited partnership units in Wheeler Real Estate Investment Trust, L.P. in exchange for their membership interests in the Ownership Entities. Of those [ ] limited partnership units, 352,641 will be received by Jon S. Wheeler and 3,037 will be received by Robin Hanisch, our Secretary, in exchange for their membership interests in the Ownership Entities.

(4) Upon completion of our formation transactions, we expect our Operating Partnership will own 100% of the membership interests of each of the Ownership Entities that own the initial nine properties in our portfolio.

The following diagram depicts the expected ownership structure of Wheeler Real Estate Investment Trust, Inc. upon completion of the maximum offering and the formation transactions. We expect to own a __% general partnership interest in our Operating Partnership and our Operating Partnership expects to indirectly own the properties in our portfolio, through the Ownership Entities.



(1) Consists of holders of 183,500 shares of Series A Convertible Preferred Stock. Upon completion of this offering, all issued and outstanding Series A Convertible Preferred Stock will automatically convert into a number of shares of common stock equal to (i) $4.00 divided by (ii) 66.66% of the public offering price of the common stock sold in this offering, or 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus. Jon S. Wheeler, our President and Chairman, controls 2,250 of such shares held by Sooner Capital, LLC.

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(4) Upon completion of our formation transactions, we expect our Operating Partnership will own 100% of the membership interests of each of the Ownership Entities that own the initial nine properties in our portfolio.

Restrictions on Transfer

Under the Partnership Agreement, holders of common units do not have redemption or exchange rights, except under limited circumstances, for a period of 12 months, and may not otherwise transfer their units, except under certain limited circumstances, for a period of 12 months, from completion of this offering. After the expiration of this 12-month period, transfers of units by limited partners and their assignees are subject to various conditions, including our right of first refusal, described under "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.—Transfers and Withdrawals." In addition, each of our executive officers, directors and director nominees and their affiliates, have agreed not to sell or otherwise transfer or encumber any shares of our common stock or securities convertible or exchangeable into our common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 180 days after the date of this prospectus.

Restrictions on Ownership of our Stock

Due to limitations on the concentration of ownership of REIT stock imposed by the Internal Revenue Code of 1986, as amended (the "Code"), our charter generally prohibits any person from actually, beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock (the "Ownership Limits"). See "Description of Securities—Restrictions on Ownership and Transfer."

Conflicts of Interest

Following the completion of this offering and the formation transactions, conflicts of interest may arise between the holders of units and our stockholders with respect to certain transactions, such as the sale of any properties or a reduction of indebtedness, which could have adverse tax consequences to holders of units, including Mr. Wheeler, thereby making those transactions less desirable to such holders. In the event of such a conflict, we are under no obligation to give priority to the separate interests of our company or our stockholders. See "Policies with respect to Certain Activities—Conflict of Interest Policies" and "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P." In addition, other affiliates of Mr. Wheeler and/or our other directors and executive officers are parties to or, have interests in, certain agreements with us, including contribution agreements and employment agreements. See "Certain Relationships and Related Transactions—Formation Transactions."

Distribution Policy

We intend to pay cash dividends to holders of our common stock on a monthly basis. We intend to pay a pro rata dividend with respect to the period commencing on the completion of this offering and ending based on $ per share. On an annualized basis, this would be $0.42 per share. We intend to maintain our initial dividend rate for the 12-month period following completion of this offering unless actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. We intend to make dividend distributions that will enable us to meet the distribution requirements applicable to REITs and to eliminate or minimize our obligation to pay income and excise taxes. Initially, we may be required to use a portion of the net proceeds from this offering to make such distributions. We may in the future also choose to pay dividends in shares of our common stock. See "Material U.S. Federal Income Tax Considerations—Federal Income Tax Considerations for Holders of Our Common Stock—Taxation of Taxable U.S. Stockholders" and "Risk Factors—Risks Related to Our Status as a REIT—We may in the future choose to pay dividends in shares of our common stock, in which case you may be required to pay tax in excess of the cash you receive."

Additionally, we have agreed with our placement agents that any common units held by Jon S. Wheeler, directly or indirectly or through his spouse, children or affiliated entities, or any common units held by any holder who would own more than 4.99% of our common stock upon conversion of such units, will be contractually subordinated to the remaining common units and common stock as it relates to dividend payments to be received by the holders of common units and the holders of common stock. See "Distribution Policy."

Our Tax Status

We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2012. We believe that our organization and proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT. To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute at least 90% of our REIT taxable income to our stockholders.

Corporate Information

Our principal executive office is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452. Our telephone number is 757-627-9088. We have reserved the website located at www.WHLR.us. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission (the "SEC").

This Offering	
Common stock offered by us:	Minimum: 3,000,000 shares Maximum: 4,000,000 shares
Common stock to be outstanding after this offering:	Minimum: 3,209,735 shares(1) Maximum: 4,209,735 shares(2)
Common stock and common units to be outstanding after this offering	Minimum: shares and common units(1)(3) Maximum: shares and common units(2)(4)
Use of proceeds	Assuming the mid-point of the price range set forth on the cover page of this prospectus, we estimate that the net proceeds of this offering, after deducting the placement fee and commissions and estimated expenses, will be approximately $13.31 million, assuming a minimum offering, or $18.09 million, assuming a maximum offering. We will contribute the net proceeds of this offering to our Operating Partnership. Our Operating Partnership intends to use the net proceeds of this offering as follows: • Approximately $0.5 million to repay outstanding indebtedness. • Approximately $2.0 million for general working capital, which may be used to fund dividend payments. • Approximately $1.67 million to reimburse our Operating Partnership for the purchase of the membership interests of DF-1 Carrollton, LLC, the current owner of The Shoppes at Eagle Harbor, one of the original nine properties in our operating portfolio. • Approximately $[ ] in cash payments to those prior investors who have elected to receive cash instead of Operating Partnership Units for their contribution of membership interests in the Ownership Entities. • The balance, approximately $[ ] million (assuming a minimum offering) or $[ ] million (assuming a maximum offering) will be used for future acquisitions.
Risk Factors	Investing in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under the heading “Risk Factors” beginning on page 14. and other information included in this prospectus before investing in our common stock.
Nasdaq Capital Market symbol	“WHLR”

(1) Includes (a) 3,000,000 shares of common stock to be issued in this offering, and (b) the 209,735 shares of common stock that will be issued upon the automatic conversion of the 183,500 outstanding shares of Series A Convertible preferred stock. Excludes 300,000 shares of our common stock available for future issuance under our 2012 Equity Incentive Award Plan.

(2) Includes (a) 4,000,000 shares of common stock to be issued in this offering, and (b) the 209,735 shares of common stock that will be issued upon the automatic conversion of the 183,500 outstanding shares of Series A Convertible preferred stock. Excludes 400,000 shares of our common stock available for future issuance under our 2012 Equity Incentive Award Plan.

(3) Includes common units expected to be issued in the formation transactions, which may, subject to certain limitations, be redeemed for cash or, at our option, exchanged for shares of common stock on a one-for-one basis.

(4) Includes common units expected to be issued in the formation transactions, which may, subject to certain limitations, be redeemed for cash or, at our option, exchanged for shares of common stock on a one-for-one basis.

Summary Selected Financial Data

You should read the following selected historical and pro forma financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited pro forma condensed combined financial statements and historical combined financial statements, including the related notes, appearing elsewhere in this prospectus.

Our selected pro forma balance sheet and statements of operation are presented to reflect:

(1) the contribution of the net proceeds of the initial public offering, after the payment of the placement fee and costs relating to the offering, assuming the issuance of 3,000,000 shares of $0.01 par value common stock at $5.25 per share under the minimum offering scenario discussed in the registration statement;

(2) with the exception of The Shoppes at Eagle Harbor property, the contribution to the Operating Partnership of the partnership interests of the Prior Investors in the limited liability companies that directly or indirectly own the respective properties;

(3) the issuance of an additional 57,250 shares of preferred stock subsequent to December 31, 2011 and the corresponding conversion of 183,500 shares of total preferred stock currently outstanding into 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus;

(4) using approximately $1.67 million of the net proceeds of this offering to directly purchase 100% of the partnership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor property, one of the original nine properties in our operating portfolio;

(5) estimated interest income earned on net cash proceeds generated by the offering, net of the effect of all formation transactions;

(6) expected increase in general and administrative expenses as a result of becoming a publicly traded company; and

(7) using approximately $500,000 of the net proceeds of this offering to repay outstanding indebtedness and the corresponding impact on interest expense.

The unaudited pro forma condensed combined balance sheet assumes the formation transactions occurred on December 31, 2011. The unaudited pro forma condensed combined statements of operations assume the formation transactions occurred on January 1, 2011. The unaudited pro forma condensed combined balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2011, nor does it purport to represent the future financial position. The unaudited pro forma condensed combined statements of operations are presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2011, nor does it purport to represent the future results of operations. In the opinion of management, all material adjustments have been made to reflect the effects of transactions referred to above.

	Pro Forma	Historical		
	Year Ended December 31, 2011	Years Ended December 31,		
		2011	2010	2009
	(unaudited)			
OPERATING DATA:				
Total combined revenues	$ 4,938,797	$ 4,908,797	$ 4,716,917	$ 4,504,270
Expenses:				
Property operating	928,900	928,900	699,677	654,427
Depreciation and amortization	1,503,978	1,503,978	1,473,488	1,380,882
Real estate taxes	345,543	345,543	296,440	278,541
Repairs and maintenance	241,352	241,352	246,732	249,087
Advertising and promotion	51,673	51,673	33,407	30,055
Provision for credit losses	55,121	55,121	9,632	73,204
Corporate general & administrative	1,150,000	321,178	—	—
Other	128,337	128,337	96,526	73,784
Total expenses	4,404,904	3,576,082	2,855,902	2,739,980
Operating income	533,893	1,332,715	1,861,015	1,764,290
Non-operating income and expense:				
Interest expense	(1,843,173)	(1,876,173)	(1,762,858)	(1,585,281)
Total non-operating income and expense	(1,843,173)	(1,876,173)	(1,762,858)	(1,585,281)
Net (loss) income (1)	$ (1,309,280)	$ (543,458)	$ 98,157	$ 179,009
Net loss allocated to noncontrolling interests	$ (555,307)			
Net loss allocated to common stockholders	$ (753,973)			
Pro forma earnings (loss) per share:				
Basic	$ (0.24)			
Diluted	$ (0.24)			
Pro forma weighted-average number of shares:				
Basic	3,183,500			
Diluted	3,183,500			

BALANCE SHEET DATA (as of period end):				
Investment properties, net	$28,971,553	$28,971,553	$30,202,357	$27,850,310
Cash and cash equivalents	11,825,756	218,902	363,623	434,705
Tenant Receivables	998,273	998,273	1,043,324	886,125
Other assets	966,435	1,890,833	1,095,471	912,849
Total assets	$42,762,017	$32,079,561	$32,704,774	$30,083,989
Mortgages and other indebtedness	$28,233,226	$28,733,226	$29,199,131	$26,548,619
Other liabilities	516,274	2,400,318	1,569,942	1,298,296
Total liabilities	28,749,500	31,133,544	30,769,073	27,846,915
Total equity	14,012,517	946,017	1,935,701	2,237,074
Total liabilities and equity	$42,762,017	$32,079,561	$32,704,774	$30,083,989
OTHER DATA:				
Cash flows provided by (used in):				
Operating activities		$ 1,211,896	$ 1,351,090	$ 1,223,145
Investing activities		$ (93,451)	$ (683,886)	$ (999,492)
Financing activities		$ (1,263,166)	$ (738,286)	$ (413,100)
Funds from Operations (FFO) (2)	$ 14,844	$ 780,666	$ 1,408,668	$ 1,441,236

(1) Earnings Per Share information not included in the schedule for historical results of operations since it is considered not applicable.
(2) Below is the calculation of FFO and the reconciliation to net income (loss) for the periods presented:

	Pro Forma		Historical	
	Year Ended December 31, 2011	2011	Years Ended December 31, 2010	2009
Net income (loss)	$(1,309,280)	$ (543,458)	$ 98,157	$ 179,009
Depreciation of real estate assets	1,324,124	1,324,124	1,310,511	1,262,227
Total FFO	$ 14,844	$ 780,666	$1,408,668	$1,441,236

RISK FACTORS

Investing in our common stock involves risks. In addition to other information contained in this prospectus, you should carefully consider the following factors before acquiring shares of our common stock offered by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our stockholders, which could cause you to lose all or a part of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled "Forward-Looking Statements."

Risks Related to Our Business and Operations

We have no operating history as a REIT or a publicly traded company, nor established financing sources, and may not be able to successfully operate as a REIT or a publicly traded company.

We have no operating history as a REIT or a publicly traded company. As of the date of this prospectus, we have not acquired any properties or other investment nor do we have any operations or independent financing. The initial properties are described herein and will not be subject to review by our common stockholders. We cannot assure you that the past experience of Mr. Wheeler and the management teams of our Services Companies will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements of the SEC, and comply with the Sarbanes-Oxley Act of 2002 and REIT requirements imposed by the Code. Upon completion of this offering, we will be required to develop and implement control systems and procedures in order to qualify and maintain our qualification as a REIT and satisfy our periodic and current reporting requirements under applicable SEC regulations and comply with Nasdaq listing standards, and this transition could place a significant strain on our management systems, infrastructure and other resources. Failure to operate successfully as a public company or maintain our qualification as a REIT would have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. See "—Risks Related to Our Status as a REIT—Failure to qualify as a REIT would have significant adverse consequences to us and the value of our common stock."

Additionally, we do not have any established financing sources. If our capital resources are insufficient to support our operations, we will not be successful. You should consider our prospects in light of the risks, uncertainties and difficulties frequently encountered by companies that are, like us, in their early stage of development. To be successful in this market, we must, among other things:

- Identify and acquire additional investments that further our investment strategies;
- Increase awareness of our REIT within the investment products market;
- Attract, integrate, motivate and retain qualified personnel to manage our day-to-day operations;
- Respond to competition for our targeted real estate properties and other investment as well as for potential investors; and
- Continue to build and expand our operations structure to support our business.

We cannot guarantee that we will succeed in achieving these goals, and our failure to do so could cause you to lose all or a portion of your investment.

Our portfolio of properties is dependent upon regional and local economic conditions and is geographically concentrated in the Mid-Atlantic, Southeast and Southwest, which may cause us to be more susceptible to adverse developments in those markets than if we owned a more geographically diverse portfolio.

Our properties are located in Virginia, North Carolina, Florida and Oklahoma, and the majority of our properties are concentrated in Virginia, which exposes us to greater economic risks than if we owned a more geographically diverse portfolio. Our Riversedge North property, which houses our company's offices and the offices of our Administrative Service Company, comprises 6.84% of the total annualized base rent of the properties in our portfolio. As of December 31, 2011, our properties in Virginia represented approximately 60%, of the total annualized base rent of the properties in our portfolio. As a result, we are particularly susceptible to adverse economic or other conditions in this market (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes and the cost of complying with governmental regulations or increased regulation). If there is a downturn in the economy in

our markets, our operations and our revenue and cash available for distribution, including cash available to pay distributions to our stockholders, could be materially adversely affected. We cannot assure you that our markets will grow or that underlying real estate fundamentals will be favorable to owners and operators of retail properties. Our operations may also be affected if competing properties are built in our markets. Moreover, submarkets within any of our markets may be dependent upon a limited number of industries. Any adverse economic or real estate developments in the Mid-Atlantic, Southeast or Southwest markets, or any decrease in demand for retail space resulting from the regulatory environment, business climate or energy or fiscal problems, could adversely impact our financial condition, results of operations, cash flow, our ability to satisfy our debt service obligations and our ability to pay distributions to our stockholders.

We expect to have approximately $28.5 million of indebtedness outstanding following this offering, which may expose us to the risk of default under our debt obligations.

Upon completion of this offering and consummation of the formation transactions, we anticipate that our total indebtedness will be approximately $28.5 million, a substantial portion of which will be guaranteed by our Operating Partnership, and we may incur additional debt to finance future acquisition and development activities.

Payments of principal and interest on borrowings may leave us with insufficient cash resources to operate our properties or to pay the dividends currently contemplated or necessary to maintain our REIT qualification. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- our cash flow may be insufficient to meet our required principal and interest payments;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to meet operational needs;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on unfavorable terms or in violation of certain covenants to which we may be subject;
- we may violate financial covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and
- our default under any loan with cross default provisions could result in a default on other indebtedness.

If any one of these events were to occur, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected. Furthermore, foreclosures could create taxable income without accompanying cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

The majority of our properties are retail shopping centers and depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants.

Our properties typically are anchored by large, regionally or nationally recognized tenants. At any time, our tenants may experience a downturn in their business that may weaken significantly their financial condition. As a result, our tenants, including our anchor and other major tenants, may fail to comply with their contractual obligations to us, seek concessions in order to continue operations or declare bankruptcy, any of which could result in the termination of such tenants' leases and the loss of rental income attributable to the terminated leases. In addition, certain of our tenants may cease operations while continuing to pay rent, which could decrease customer traffic, thereby decreasing sales for our other tenants at the applicable retail property. In addition to these potential effects of a business downturn, mergers or consolidations among large retail establishments could result in the closure of existing stores or duplicate or geographically overlapping store locations, which could include stores at our retail properties.

Loss of, or a store closure by, an anchor or major tenant could significantly reduce our occupancy level or the rent we receive from our retail properties, and we may not have the right to re-lease vacated space or we may be unable to re-lease vacated space at attractive rents or at all. Moreover, in the event of default by a major tenant or

anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties. The occurrence of any of the situations described above, particularly if it involves an anchor tenant with leases in multiple locations, could seriously harm our performance and could adversely affect the value of the applicable retail property.

Some of the leases at our retail properties contain "co-tenancy" or "go-dark" provisions, which, if triggered, may allow tenants to pay reduced rent, cease operations or terminate their leases, any of which could adversely affect our performance or the value of the applicable retail property.

Some of the leases at our retail properties contain "co-tenancy" provisions that condition a tenant's obligation to remain open, the amount of rent payable by the tenant or the tenant's obligation to continue occupancy on certain conditions, including: (1) the presence of a certain anchor tenant or tenants; (2) the continued operation of an anchor tenant's store; and (3) minimum occupancy levels at the applicable retail property. If a co-tenancy provision is triggered by a failure of any of these or other applicable conditions, a tenant could have the right to cease operations, to terminate its lease early or to a reduction of its rent. In periods of prolonged economic decline, there is a higher than normal risk that co-tenancy provisions will be triggered as there is a higher risk of tenants closing stores or terminating leases during these periods. In addition to these co-tenancy provisions, certain of the leases at our retail properties contain "go-dark" provisions that allow the tenant to cease operations while continuing to pay rent. This could result in decreased customer traffic at the applicable retail property, thereby decreasing sales for our other tenants at that property, which may result in our other tenants being unable to pay their minimum rents or expense recovery charges. These provisions also may result in lower rental revenue generated under the applicable leases. To the extent co-tenancy or go-dark provisions in our retail leases result in lower revenue or tenant sales or tenants' rights to terminate their leases early or to a reduction of their rent, our performance or the value of the applicable retail property could be adversely affected.

We may be unable to renew leases, lease vacant space or re-let space as leases expire, thereby increasing or prolonging vacancies, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

As of December 31, 2011, leases representing approximately 10.17% of the square footage and approximately 13.86% of the annualized base rent of the properties in our portfolio will expire in the remainder of 2012, and an additional 9.66% of the square footage of the properties in our portfolio was available. We cannot assure you that leases will be renewed or that our properties will be re-let at net effective rental rates equal to or above the current average net effective rental rates or that substantial rent abatements, tenant improvements, early termination rights or below-market renewal options will not be offered to attract new tenants or retain existing tenants. If the rental rates for our properties decrease, our existing tenants do not renew their leases or we do not re-let a significant portion of our available space and space for which leases will expire, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may be unable to identify and complete acquisitions of properties that meet our criteria, which may impede our growth and ability to pay dividends as expected.

Our business strategy involves the acquisition of income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. These activities require us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategies. We continue to evaluate the market of available properties and may attempt to acquire properties when strategic opportunities exist. However, we may be unable to acquire properties identified as potential acquisition opportunities. Our ability to acquire properties on favorable terms, or at all, may be exposed to the following significant risks:

- we may incur significant costs and divert management attention in connection with evaluating and negotiating potential acquisitions, including ones that we are subsequently unable to complete;
- even if we enter into agreements for the acquisition of properties, these agreements are subject to conditions to closing, which we may be unable to satisfy; and
- we may be unable to finance the acquisition on favorable terms or at all.

If we are unable to finance property acquisitions or acquire properties on favorable terms, or at all, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected. In addition, failure to identify or complete acquisitions of suitable properties could slow our growth and hinder our ability to pay dividends as expected.

We face significant competition for acquisitions of real properties, which may reduce the number of acquisition opportunities available to us and increase the costs of these acquisitions.

The current market for acquisitions continues to be extremely competitive. This competition may increase the demand for the types of properties in which we typically invest and, therefore, reduce the number of suitable acquisition opportunities available to us and increase the prices paid for such acquisition properties. We also face significant competition for attractive acquisition opportunities from an indeterminate number of investors, including publicly traded and privately held REITs, private equity investors and institutional investment funds, some of which have greater financial resources than we do, a greater ability to borrow funds to acquire properties and the ability to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher acquisition prices. This competition will increase if investments in real estate become more attractive relative to other forms of investment. Competition for investments may reduce the number of suitable investment opportunities available to us and may have the effect of increasing prices paid for such acquisition properties and/or reducing the rents we can charge and, as a result, adversely affecting our operating results.

Our future acquisitions may not yield the returns we expect, and we may otherwise be unable to operate these properties to meet our financial expectations, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our future acquisitions and our ability to successfully operate the properties we acquire in such acquisitions may be exposed to the following significant risks:

- even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price;
- we may acquire properties that are not accretive to our results upon acquisition, and we may not successfully manage and lease those properties to meet our expectations;
- our cash flow may be insufficient to meet our required principal and interest payments;
- we may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations, and as a result our results of operations and financial condition could be adversely affected;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties, liabilities incurred in the ordinary course of business and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

If we cannot operate acquired properties to meet our financial expectations, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may not be able to control our operating costs or our expenses may remain constant or increase, even if our revenues do not increase, causing our results of operations to be adversely affected.

Factors that may adversely affect our ability to control operating costs include the need to pay for insurance and other operating costs, including real estate taxes, which could increase over time, the need periodically to repair,

renovate and re-lease space, the cost of compliance with governmental regulation, including zoning, environmental and tax laws, the potential for liability under applicable laws, interest rate levels and the availability of financing. If our operating costs increase as a result of any of the foregoing factors, our results of operations may be adversely affected.

The expense of owning and operating a property is not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the property. As a result, if revenues decline, we may not be able to reduce our expenses accordingly. Costs associated with real estate investments, such as real estate taxes, insurance, loan payments and maintenance, generally will not be reduced even if a property is not fully occupied or other circumstances cause our revenues to decrease. If we are unable to decrease operating costs when demand for our properties decreases and our revenues decline, our financial condition, results of operations and our ability to make distributions to our stockholders may be adversely affected.

High mortgage rates and/or unavailability of mortgage debt may make it difficult for us to finance or refinance properties, which could reduce the number of properties we can acquire, our net income and the amount of cash distributions we can make.

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. If we place mortgage debt on properties, we may be unable to refinance the properties when the loans become due, or to refinance on favorable terms. If interest rates are higher when we refinance our properties, our income could be reduced. If any of these events occur, our cash flow could be reduced. This, in turn, could reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

Incurring mortgage and other secured debt obligations increases our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

Failure to hedge effectively against interest rate changes may adversely affect financial condition, results of operations, cash flow and per share trading price of our common stock.

Subject to maintaining our qualification as a REIT, we may enter into hedging transactions to protect us from the effects of interest rate fluctuations on floating rate debt. Our hedging transactions may include entering into interest rate cap agreements or interest rate swap agreements. These agreements involve risks, such as the risk that such arrangements would not be effective in reducing our exposure to interest rate changes or that a court could rule that such an agreement is not legally enforceable. In addition, interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates. Hedging could reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes could materially adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock. In addition, while such agreements would be intended to lessen the impact of rising interest rates on us, they could also expose us to the risk that the other parties to the agreements would not perform, we could incur significant costs associated with the settlement of the agreements or that the underlying transactions could fail to qualify as highly-effective cash flow hedges under generally accepted accounting principles in the United States of America.

Adverse economic and geopolitical conditions and dislocations in the credit markets could have a material adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, including the recent dislocations in the credit markets and general global economic downturn. These conditions, or similar conditions existing in the future, may adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock as a result of the following potential consequences, among others:

- decreased demand for retail space, which would cause market rental rates and property values to be negatively impacted;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans; and
- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from our acquisition and development activities and increase our future interest expense.

In addition, the economic downturn has adversely affected, and may continue to adversely affect, the businesses of many of our tenants. As a result, we may see increases in bankruptcies of our tenants and increased defaults by tenants, and we may experience higher vacancy rates and delays in re-leasing vacant space, which could negatively impact our business and results of operations.

We are subject to risks that affect the general retail environment, such as weakness in the economy, the level of consumer spending, the adverse financial condition of large retailing companies and competition from discount and internet retailers, any of which could adversely affect market rents for retail space and the willingness or ability of retailers to lease space in our shopping centers.

With the exception of our Riversedge North property, which houses our company's offices and the offices of our Administrative Service Company, all of our properties are in the retail real estate market. This means that we are subject to factors that affect the retail sector generally, as well as the market for retail space. The retail environment and the market for retail space have been, and could continue to be, adversely affected by weakness in the national, regional and local economies, the level of consumer spending and consumer confidence, the adverse financial condition of some large retailing companies, the ongoing consolidation in the retail sector, the excess amount of retail space in a number of markets and increasing competition from discount retailers, outlet malls, internet retailers and other online businesses. Increases in consumer spending via the internet may significantly affect our retail tenants' ability to generate sales in their stores. In addition, some of our retail tenants face competition from the expanding market for digital content and hardware. New and enhanced technologies, including new digital technologies and new web services technologies, may increase competition for certain of our retail tenants.

Any of the foregoing factors could adversely affect the financial condition of our tenants and the willingness of retailers to lease space in our shopping centers. In turn, these conditions could negatively affect market rents for retail space and could materially and adversely affect our financial condition, results of operations, cash flow, the trading price of our common shares and our ability to satisfy our debt service obligations and to pay distributions to our stockholders.

We face significant competition in the leasing market, which may decrease or prevent increases of the occupancy and rental rates of our properties.

We compete with numerous developers, owners and operators of real estate, many of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates we currently charge our tenants, we may lose existing or potential tenants and we may be pressured to reduce our rental rates below those we currently charge or to offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in

order to retain tenants when our tenants' leases expire. As a result, our financial condition, results of operations, cash flow and per share trading price of our common stock could be adversely affected.

We may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, causing our financial condition, results of operations, cash flow and per share trading price of our common stock to be adversely affected.

To the extent adverse economic conditions continue in the real estate market and demand for retail space falls, we expect that, upon expiration of leases at our properties, we may be required to make rent or other concessions to tenants, accommodate requests for renovations, build-to-suit remodeling and other improvements or provide additional services to our tenants. As a result, we may have to make significant capital or other expenditures in order to retain tenants whose leases expire and to attract new tenants in sufficient numbers. Additionally, we may need to raise capital to make such expenditures. If we are unable to do so or capital is otherwise unavailable, we may be unable to make the required expenditures. This could result in non-renewals by tenants upon expiration of their leases, which could cause an adverse effect to our financial condition, results of operations, cash flow and per share trading price of our common stock.

The actual rents we receive for the properties in our portfolio may be less than our asking rents, which could negatively impact our ability to generate cash flow growth.

As a result of various factors, including competitive pricing pressure in our submarkets, adverse conditions in the Mid-Atlantic, Southeast and Southwest real estate markets, a general economic downturn and the desirability of our properties compared to other properties in our submarkets, we may be unable to realize the asking rents across the properties in our portfolio. In addition, the degree of discrepancy between our asking rents and the actual rents we are able to obtain may vary both from property to property and among different leased spaces within a single property. If we are unable to obtain rental rates that are on average comparable to our asking rents across our portfolio, then our ability to generate cash flow growth will be negatively impacted. In addition, depending on asking rental rates at any given time as compared to expiring leases in our portfolio, from time to time rental rates for expiring leases may be higher than starting rental rates for new leases.

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

In the future we may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our Operating Partnership, which may result in stockholder dilution. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties and/or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions.

Our real estate development activities are subject to risks particular to development, such as unanticipated expenses, delays and other contingencies, any of which could adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock.

We may engage in development and redevelopment activities with respect to certain of our properties. To the extent that we do so, we will be subject to the following risks associated with such development and redevelopment activities:

- unsuccessful development or redevelopment opportunities could result in direct expenses to us;
- construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable;
- time required to complete the construction or redevelopment of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting our cash flow and liquidity;
- contractor and subcontractor disputes, strikes, labor disputes or supply disruptions;

- failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all;
- delays with respect to obtaining or the inability to obtain necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;
- occupancy rates and rents of a completed project may not be sufficient to make the project profitable;
- our ability to dispose of properties developed or redeveloped with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and
- the availability and pricing of financing to fund our development activities on favorable terms or at all.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on our financial condition, results of operations, cash flow and the per share trading price of our common stock.

We did not conduct arm's-length negotiations with Mr. Wheeler with respect to the terms of the formation transactions, and we have not obtained any independent third-party appraisals of the properties and other assets to be acquired by us from the Prior Investors in connection with the formation transactions.

We did not conduct arm's-length negotiations with Mr. Wheeler with respect to the terms of the formation transactions, and in the course of structuring the formation transactions, Mr. Wheeler had the ability to influence the type and level of benefits that he will receive from us. Moreover, we have not obtained any third-party appraisals of the properties and other assets to be acquired by us from the Prior Investors in connection with the formation transactions.

The value of the common units and cash to be issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and will exceed their aggregate historical combined net tangible book value of approximately $0.41 million as of December 31, 2011.

The value of the cash or common units that we will pay or issue as consideration for the properties and assets that we will acquire will be higher or lower than the estimated value used in this prospectus if our common stock is priced above or below the mid-point of the estimated price range set forth on the cover of this prospectus. The initial public offering price of our common stock will be determined in consultation with the placement agents. Among other factors that will be considered in determining the initial public offering price of our common stock are the history and prospects for the industry in which we compete, our results of operations, the ability of our management, our business potential and earning prospects, our estimated net income, our estimated funds from operations, our estimated cash available for distribution, our anticipated dividend yield, our growth prospects, the prevailing securities markets at the time of this offering, the recent market prices of, and the demand for, publicly traded shares of companies considered by us and the placement agents to be comparable to us and the current state of the commercial real estate industry and the economy as a whole. The initial public offering price does not necessarily bear any relationship to the book value or the fair market value of such assets. As a result, the price to be paid by us for the acquisition of the assets in the formation transactions may exceed the fair market value of those assets.

Our success depends on key personnel whose continued service is not guaranteed, and the loss of one or more of our key personnel could adversely affect our ability to manage our business and to implement our growth strategies, or could create a negative perception in the capital markets.

Our ability to manage anticipated future growth depends, in large part, upon the efforts of key personnel, particularly Mr. Wheeler, who has experience with the market, beneficial relationships and exercises substantial influence over our operational, financing, acquisition and disposition activity. Among the reasons that Mr. Wheeler is important to our success is that he has a national and regional industry reputation that attracts business and investment opportunities and assists us in negotiations with lenders, existing and potential tenants and industry personnel. If we lose his services, our relationships with such personnel could diminish.

The loss of services of one or more members of our management team, or our inability to attract and retain highly qualified personnel, could adversely affect our business, diminish our investment opportunities and

weaken our relationships with lenders, business partners, existing and prospective tenants and industry participants, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Mr. Wheeler will continue to be involved in outside businesses, which may interfere with his ability to devote time and attention to our business and affairs.

We will rely on Mr. Wheeler and our Administrative Service Company for the day-to-day operations of our business. Our employment agreement with Mr. Wheeler will require him to devote his best efforts and a significant portion of his time to our business and affairs. Following the completion of this offering, however, Mr. Wheeler will continue to serve as President and CEO of Wheeler Interests, LLC which will continue to be involved in other businesses. As such, Mr. Wheeler will have certain ongoing duties to Wheeler Interests, LLC that could require a portion of his time and attention. Although we expect that Mr. Wheeler will devote a significant amount of his business time and attention to us, we cannot accurately predict the amount of time and attention that will be required of Mr. Wheeler to perform such ongoing duties. To the extent that Mr. Wheeler is required to dedicate time and attention to Wheeler Interests, LLC, his ability to devote a significant amount of his business time and attention to our business and affairs may be limited and could adversely affect our operations.

Upon the completion of this offering and our formation transactions, we may be subject to on-going or future litigation, including existing claims relating to the entities that own the properties described in this prospectus and otherwise in the ordinary course of business, which could have a material adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

Upon the completion of this offering and our formation transactions, we may be subject to on-going litigation, including existing claims relating to the entities that own the properties and operate the businesses described in this prospectus and otherwise in the ordinary course of business. As of the date of this prospectus, the only existing claims to which we will succeed as a result of completing the formation transactions are claims arising in the ordinary course of business, such as unlawful detainer/eviction against certain tenants, damages for alleged breaches of leases and personal injury claims. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. We generally intend to vigorously defend ourselves; however, we cannot be certain of the ultimate outcomes of currently asserted claims or of those that may arise in the future. In addition, we may become subject to litigation in connection with the formation transactions in the event that Prior Investors dispute the valuation of their respective interests, the adequacy of the consideration to be received by them in the formation transactions or the interpretation of the agreements implementing the formation transactions. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage, which could adversely impact our results of operations and cash flows, expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors.

We may not be able to rebuild our existing properties to their existing specifications if we experience a substantial or comprehensive loss of such properties.

In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications. Further, reconstruction or improvement of such a property would likely require significant upgrades to meet zoning and building code requirements. Environmental and legal restrictions could also restrict the rebuilding of our properties.

Because Mr. Wheeler and our Administrative Service Company are not prohibited from creating further real estate programs that may use investment strategies that are similar to ours, our Administrative Service Company and its and our executive officers may face conflicts of interest relating to the purchase and leasing of properties and other investments, and such conflicts may not be resolved in our favor.

If Mr. Wheeler or our Administrative Service Company were to create additional real estate programs, there may be periods during which one or more such sponsored programs are seeking to invest in similar properties and other real estate-related investments. As a result, we may be buying properties and other real estate-related investments at the same time as one or more other such sponsored programs managed by officers and employees of our Administrative Service Company, and these other such sponsored programs may use investment strategies that are similar to ours. There is a risk that our Administrative Service Company will choose a property that provides lower returns to us than a property purchased by another program. In the event these conflicts arise, we cannot assure you that our best interests will be met when officers and employees acting on behalf of our Administrative Service Company and on behalf of other such sponsored programs decide whether to allocate any particular property to us or to another such sponsored program or affiliate of our Administrative Service Company or Mr. Wheeler, which may have an investment strategy that is similar to ours. In addition, we may acquire properties in geographic areas where such future sponsored programs own properties. If one of the other such sponsored programs attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. You will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making your investment.

Our Administrative Service Company will face conflicts of interest caused by its arrangements with us, which could result in actions that are not in the long-term best interests of our stockholders.

Our Administrative Service Company is entitled to fees from us under the terms of the Administrative Service Agreement. Our Administrative Service Company is wholly owned by Mr. Wheeler. As a result, we did not have the benefit of arm's length negotiation of the type normally conducted between unrelated parties when this agreement was negotiated. These fees could influence our Administrative Service Company's advice to us as well as the judgment of the Services Companies performing services for us. Among other matters, these compensation arrangements could affect their judgment with respect to:

- the continuation, renewal or enforcement of the Administrative Service Agreement;
- property acquisitions from third parties, which entitle our Administrative Service Company to asset management fees; and
- borrowings to acquire properties, which acquisitions will increase the aggregate fees payable to our Administrative Service Company.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers.

We may co-invest in the future with other third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. Consequently, with respect to any such arrangement we may enter into in the future, we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflict of interest issues. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability to dispose of our interest in the joint venture. Where we are a limited partner or non-managing member in any partnership or limited liability company, if such entity 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. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, in the current volatile credit market, the refinancing of such debt may require equity capital calls.

Our growth depends on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability, among other things, to meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

In order to maintain our qualification as a REIT, we are required under the Code, among other things, to distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we intend to rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms or at all and any additional debt we incur will increase our leverage and likelihood of default. Our access to third-party sources of capital depends, in part, on:

- general market conditions;
- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

Recently, the capital markets have been subject to significant disruptions. If we cannot obtain capital from third-party sources, we may not be able to acquire or develop properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

Risks Related to the Real Estate Industry

Our performance and value are subject to risks associated with real estate assets and the real estate industry, including local oversupply, reduction in demand or adverse changes in financial conditions of buyers, sellers and tenants of properties, which could decrease revenues or increase costs, which would adversely affect our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Our ability to pay expected dividends to our stockholders depends on our ability to complete future acquisitions as well as our ability to generate revenues in excess of expenses, scheduled principal payments on debt and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include many of the risks set forth above under "—Risks Related to Our Business and Operations," as well as the following:

- local oversupply or reduction in demand for retail space;
- adverse changes in financial conditions of buyers, sellers and tenants of properties;
- vacancies or our inability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options, and the need to periodically repair, renovate and re-let space;
- increased operating costs, including insurance premiums, utilities, real estate taxes and state and local taxes;

- civil unrest, acts of war, terrorist attacks and natural disasters, including earthquakes and floods, which may result in uninsured or underinsured losses;
- decreases in the underlying value of our real estate;
- changing submarket demographics; and
- changing traffic patterns.

In addition, periods of economic downturn or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and to be made, by us are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, our ability to dispose of one or more properties within a specific time period is subject to weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions, such as the current economic downturn, and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interest. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms, which may adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our property taxes could increase due to property tax rate changes or reassessment, which would adversely impact our cash flows.

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay some state and local taxes on our properties. The real property taxes on our properties may increase as property tax rates change or as our properties are assessed or reassessed by taxing authorities. The amount of property taxes we pay in the future may increase substantially from what we have paid in the past. If the property taxes we pay increase, our cash flow would be adversely impacted, and our ability to pay any expected dividends to our stockholders could be adversely affected.

As an owner of real estate, we could incur significant costs and liabilities related to environmental matters.

Under various federal, state and local laws and regulations relating to the environment, as a current or former owner or operator of real property, we may be liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances, waste or petroleum products at, on, in, under or migrating from such property, including costs to investigate, clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines or other costs could exceed the value of the property and/or our aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for costs of remediation and/or personal or property damage or materially adversely affect our ability to sell, lease or develop our properties or to borrow using the properties as collateral. In addition, environmental laws may create liens on contaminated sites in favor of the government for

damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on our properties, environmental laws may impose restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures.

Additionally, we possess Phase I Environmental Site Assessments for all of the properties in our portfolio. However, the assessments are limited in scope (e.g., they do not generally include soil sampling, subsurface investigations, hazardous materials surveys or lead-based paint inspections or asbestos inspections) and may have failed to identify all environmental conditions or concerns. Furthermore, the Phase I Environmental Site Assessment reports for all of the properties in our portfolio are limited to the information available to the licensed site professional at the time of the investigation, and, as such, may not disclose all potential or existing environmental contamination liabilities at the properties in our portfolio arising after the date of such investigation. As a result, we could potentially incur material liability for these issues, which could adversely impact our financial condition, results of operations, cash flow and the per share trading price of our common stock. Some of the Phase I Environmental Site Assessments in our possession indicate the possibility of lead-based paint and asbestos containing materials located on and within buildings on some of our properties and polychlorinated biphenyl-containing electrical transformers located or adjacent to some of our properties.

As the owner of the buildings on our properties, we could face liability for the presence of hazardous materials (e.g., asbestos or lead) or other adverse conditions (e.g., poor indoor air quality) in our buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if we do not comply with such laws, we could face fines for such noncompliance. Also, we could be liable to third parties (e.g., occupants of the buildings) for damages related to exposure to hazardous materials or adverse conditions in our buildings, and we could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in our buildings. In addition, some of our tenants routinely handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject us or our tenants to liability resulting from these activities. Environmental liabilities could affect a tenant's ability to make rental payments to us, and changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect our operations, or those of our tenants, which could in turn have an adverse effect on us.

We cannot assure you that costs or liabilities incurred as a result of environmental issues will not affect our ability to make distributions to you or that such costs or other remedial measures will not have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock. If we do incur material environmental liabilities in the future, we may face significant remediation costs, and we may find it difficult to sell any affected properties.

Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury is alleged to have occurred.

We may incur significant costs complying with various federal, state and local laws, regulations and covenants that are applicable to our properties.

The properties in our portfolio are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or restrict our use of our properties and may require us to obtain approval from local officials of community standards organizations at any time with

respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic or hazardous material abatement requirements. There can be no assurance that existing laws and regulatory policies will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our growth strategy may be affected by our ability to obtain permits, licenses and zoning relief. Our failure to obtain such permits, licenses and zoning relief or to comply with applicable laws could have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

In addition, federal and state laws and regulations, including laws such as the Americans with Disabilities Act (the "ADA") and the Fair Housing Amendment Act of 1988 (the "FHAA"), impose further restrictions on our properties and operations. Under the ADA and the FHAA, all public accommodations must meet federal requirements related to access and use by disabled persons. Some of our properties may currently be in non-compliance with the ADA or the FHAA. If one or more of the properties in our portfolio is not in compliance with the ADA, the FHAA or any other regulatory requirements, we may be required to incur additional costs to bring the property into compliance and we might incur governmental fines or the award of damages to private litigants. In addition, we do not know whether existing requirements will change or whether future requirements will require us to make significant unanticipated expenditures that will adversely impact our financial condition, results of operations, cash flow and per share trading price of our common stock.

Risks Related to Our Organizational Structure

Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our Operating Partnership, which may impede business decisions that could benefit our stockholders.

Conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, we, as the general partner of our Operating Partnership, have fiduciary duties and obligations to our Operating Partnership and its limited partners under Virginia law and the Partnership Agreement of our Operating Partnership in connection with the management of our Operating Partnership. Our fiduciary duties and obligations as the general partner of our Operating Partnership may come into conflict with the duties of our directors and officers to our company.

Under Virginia law, a general partner of a Virginia limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the Partnership Agreement or Virginia law consistently with the obligation of good faith and fair dealing. The Partnership Agreement provides that, in the event of a conflict between the interests of our Operating Partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our Operating Partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the Operating Partnership under its Partnership Agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our Operating Partnership, owe to the Operating Partnership and its partners.

Additionally, the Partnership Agreement provides that we will not be liable to the Operating Partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Operating Partnership or any limited partner, except for liability for our intentional harm or gross negligence. Our Operating Partnership must indemnify us, our directors and officers, officers of our Operating Partnership and our designees from and against any and all claims that relate to the operations of our Operating Partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the person actually received an improper personal benefit in violation or breach of the Partnership Agreement or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our Operating Partnership must also pay or

reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our Operating Partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the Partnership Agreement) or if the person is found to be liable to our Operating Partnership on any portion of any claim in the action.

We may assume unknown liabilities in connection with our formation transactions, and any recourse against third parties, including the Prior Investors in our assets, for certain of these liabilities will be limited.

As part of our formation transactions, we will acquire entities and assets that are subject to existing liabilities, some of which may be unknown or unquantifiable at the time this offering is completed. These liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by tenants, vendors or other persons dealing with our predecessor entities (that had not been asserted or threatened prior to this offering), tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances we may have the right to seek reimbursement against an insurer, any recourse against third parties, including the Prior Investors in our assets, for certain of these liabilities will be limited. There can be no assurance that we will be entitled to any such reimbursement or that ultimately we will be able to recover in respect of such rights for any of these historical liabilities.

Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.

Our charter contains certain Ownership Limits with respect to our stock. Our charter, subject to certain exceptions, authorizes our board of directors to take such actions as it determines are advisable to preserve our qualification as a REIT. Our charter also prohibits the actual, beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock, excluding any shares that are not treated as outstanding for federal income tax purposes. Our board of directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from these Ownership Limits if certain conditions are satisfied. See "Description of Securities—Restrictions on Ownership and Transfer." The restrictions on ownership and transfer of our stock may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; or
- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval. Our board of directors, without stockholder approval, has the power under our charter to amend our charter to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue, to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the terms of such newly classified or reclassified shares. See "Description of Securities—Power to Increase or Decrease Authorized Shares of Common Stock and Issue Additional Shares of Common and Preferred Stock." As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our board of directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interest. Certain provisions of the Maryland General Corporation Law (the "MGCL"), may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof or an affiliate or associate of ours who was the beneficial owner, directly or indirectly, of 10% or more of the voting power of our then outstanding voting stock at any time within the two-year period immediately prior to the date in question) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose fair price and/or supermajority and stockholder voting requirements on these combinations; and
- "control share" provisions that provide that "control shares" of our company (defined as shares that, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights with respect to their control shares, except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

We have opted out of these provisions of the MGCL, in the case of the business combination provisions of the MGCL, by resolution of our Board of Directors and, in the case of the control share provisions, by a provision in our bylaws. However, we cannot assure you that our board of directors will not opt to be subject to such business combination and control share provisions of the MGCL in the future.

Certain provisions of the MGCL permit our board of directors, without stockholder approval and regardless of what is currently provided in our charter or bylaws, to implement certain corporate governance provisions, some of which are not currently applicable to us. These provisions may have the effect of limiting or precluding a third party from making an unsolicited acquisition proposal for us or of delaying, deferring or preventing a change in control of us under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then current market price. Our charter contains a provision whereby we elect, at such time as we become eligible to do so, to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our board of directors. See "Material Provisions of Maryland Law and of Our Charter and Bylaws."

We may pursue less vigorous enforcement of terms of the contribution agreements with members of our management and our affiliates because of our dependence on them and conflicts of interest.

Mr. Wheeler is party to or has interests in contribution agreements with us pursuant to which we have acquired or will acquire interests in our properties and assets. In addition, our other executive officers are parties to employment agreements with us. We may choose not to enforce, or to enforce less vigorously, our rights under these agreements because of our desire to maintain our ongoing relationships with members of our management and their affiliates, with possible negative impact on stockholders.

Our board of directors may change our investment and financing policies without stockholder approval and we may become more highly leveraged, which may increase our risk of default under our debt obligations.

Our investment and financing policies are exclusively determined by our board of directors. Accordingly, our stockholders do not control these policies. Further, while we have agreed with our placement agents that our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our board of directors may alter or eliminate our current policy on borrowing at any time without stockholder approval.

If this policy changed, we could become more highly leveraged which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regard to the foregoing could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

As permitted by Maryland law, our charter eliminates the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- a final judgment based upon a finding of active and deliberate dishonesty by the director or officer that was material to the cause of action adjudicated.

As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist. Accordingly, in the event that actions taken in good faith by any of our directors or officers impede the performance of our company, your ability to recover damages from such director or officer will be limited.

We are a holding company with no direct operations and, as such, we will rely on funds received from our Operating Partnership to pay liabilities, and the interests of our stockholders will be structurally subordinated to all liabilities and obligations of our Operating Partnership and its subsidiaries.

We are a holding company and will conduct substantially all of our operations through our Operating Partnership. We do not have, apart from an interest in our Operating Partnership, any independent operations. As a result, we will rely on distributions from our Operating Partnership to pay any dividends we might declare on shares of our common stock. We will also rely on distributions from our Operating Partnership to meet any of our obligations, including any tax liability on taxable income allocated to us from our Operating Partnership. In addition, because we are a holding company, your claims as stockholders will be structurally subordinated to all existing and future liabilities and obligations (whether or not for borrowed money) of our Operating Partnership and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our Operating Partnership and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and our Operating Partnership's and its subsidiaries' liabilities and obligations have been paid in full.

Our Operating Partnership may issue additional partnership units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our Operating Partnership and would have a dilutive effect on the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders.

After giving effect to this offering, we will own % of the outstanding common units assuming a minimum offering, or % assuming the maximum offering, and we may, in connection with our acquisition of properties or otherwise, issue additional partnership units to third parties. Such issuances would reduce our ownership percentage in our Operating Partnership and affect the amount of distributions made to us by our Operating Partnership and, therefore, the amount of distributions we can make to our stockholders. Because you will not directly own partnership units, you will not have any voting rights with respect to any such issuances or other partnership level activities of our Operating Partnership.

The Ownership Entities and we are subject to compliance with securities law, which exposes us to potential liabilities, including potential rescission rights.

The Ownership Entities have offered and sold membership interests in the Ownership Entities to the Prior Investors pursuant to certain exemptions from the registration requirements of the 1933 Act, as well as those of various state securities laws. The basis for relying on such exemptions is factual; that is, the applicability of such exemptions depends upon our conduct and that of those persons contacting prospective investors and making the

offering. We have not received a legal opinion to the effect that any of such prior offerings were exempt from registration under any federal or state law. Instead, we have relied upon the operative facts as the basis for such exemptions, including information provided by the Prior Investors themselves.

If any prior offering did not qualify for such exemption, a Prior Investor would have the right to rescind its purchase of the securities if it so desired. It is possible that if a Prior Investor should seek rescission, such Prior Investor could succeed. A similar situation prevails under state law in those states where the securities may be offered without registration in reliance on the partial preemption from the registration or qualification provisions of such state statutes under the National Securities Markets Improvement Act of 1996. If Prior Investors were successful in seeking rescission, we would face financial demands that could adversely affect our business and operations. Additionally, if we did not in fact qualify for the exemptions upon which the Ownership Entities relied, we may become subject to significant fines and penalties imposed by the SEC and state securities agencies.

In connection with the exchange by the Prior Investors of their membership interests with the Operating Partnership, we will require certain additional investment representations and warranties of each Prior Investor maintaining its investment by exchanging their interest for one in the Operating Partnership or, if a Prior Investor is unable or unwilling to make the representations and warranties, we will require such Prior Investor to receive cash for their interests in lieu of participating in the Operating Partnership. This process may not resolve any challenges we may face under state or federal securities laws resulting from past activity in connection with the offer and sale of the interests in the Ownership Entities.

Loss of our exemption from regulation pursuant to the Investment Company Act of 1940 would adversely affect us.

We conduct our business so as not to become regulated as an investment company under the Investment Company Act of 1940 (the "1940 Act") in reliance on the exemption provided by Section 3(c)(5)(C) of the 1940Act. Section 3(c)(5)(C), as interpreted by the staff of the SEC, requires that: (i) at least 55% of our investment portfolio consist of "mortgages and other liens on and interest in real estate," or "qualifying real estate interests," and (ii) at least 80% of our investment portfolio consist of qualifying real estate interests plus "real estate-related assets." If we fail to qualify for an exemption from registration as an investment company or an exclusion from the definition of an investment company, our ability to use leverage would be substantially reduced. Our business will be materially and adversely affected if we fail to qualify for this exemption from regulation pursuant to the 1940 Act.

Risks Related to Our Status as a REIT

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

We intend to elect to be taxed and to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2012. We have not requested and do not plan to request a ruling from the Internal Revenue Service (the "IRS"), that we qualify as a REIT, and the statements in the prospectus are not binding on the IRS or any court. Therefore, we cannot assure you that we will qualify as a REIT, or that we will remain qualified as such in the future. If we lose our REIT status, we will face serious tax consequences that would substantially reduce the funds available for distribution to you for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;
- we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions to stockholders. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT

also could impair our ability to expand our business and raise capital, and could materially and adversely affect the value of our common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury regulations that have been promulgated under the Code, or the Treasury Regulations, is greater in the case of a REIT that, like us, holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the ownership of our stock, requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year must be derived from qualifying sources, such as "rents from real property." Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, excluding net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may materially adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local income, property and excise taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer. In addition, our taxable REIT subsidiaries will be subject to tax as regular corporations in the jurisdictions they operate.

If our Operating Partnership failed to qualify as a partnership for federal income tax purposes, we would cease to qualify as a REIT and suffer other adverse consequences.

We believe that our Operating Partnership will be treated as a partnership for federal income tax purposes. As a partnership, our Operating Partnership will not be subject to federal income tax on its income. Instead, each of its partners, including us, will be allocated, and may be required to pay tax with respect to, its share of our Operating Partnership's income. We cannot assure you, however, that the IRS will not challenge the status of our Operating Partnership or any other subsidiary partnership in which we own an interest as a partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our Operating Partnership or any such other subsidiary partnership as an entity taxable as a corporation for federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of our Operating Partnership or any subsidiary partnerships to qualify as a partnership could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners, including us.

To maintain our REIT status, we may be forced to borrow funds during unfavorable market conditions, and the unavailability of such capital on favorable terms at the desired times, or at all, may cause us to curtail our investment activities and/or to dispose of assets at inopportune times, which could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, excluding net capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our REIT taxable income each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. In order to maintain our REIT status and avoid the payment of income and excise taxes, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from, among other things, differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. These sources, however, may not be available on favorable terms or at all. Our access to third-party sources of capital depends on a number of factors, including the market's perception of our growth potential, our current debt levels, the market price of our common stock, and our current and potential future earnings. We cannot assure you that we will have access to such capital on favorable terms at the desired times, or at all, which may cause us to curtail our

investment activities and/or to dispose of assets at inopportune times, and could adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock.

We may in the future choose to pay dividends in our common stock, in which case you may be required to pay tax in excess of the cash you receive.

We may distribute taxable dividends that are payable in our stock. Under recent IRS guidance, up to 90% of any such taxable dividend with respect to calendar years through 2011, and in some cases declared as late as December 31, 2012, could be payable in our stock. Taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of the cash received. If a U.S. stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. For more information on the tax consequences of distributions with respect to our common stock, see "Federal Income Tax Considerations." Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, such sales may have an adverse effect on the per share trading price of our common stock.

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

The maximum tax rate applicable to income from "qualified dividends" payable to U.S. stockholders that are individuals, trusts and estates is 15% through the end of 2012. Dividends payable by REITs, however, generally are not eligible for the 15% rate. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, to the extent that the 15% rate continues to apply to regular corporate qualified dividends, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including the per share trading price of our common stock.

The tax imposed on REITs engaging in "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

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

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could have an adverse effect on our business results, profitability and ability to execute our business plan. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

Legislative or other actions affecting REITs could have a negative effect on us, including our ability to qualify as a REIT or the federal income tax consequences of such qualification.

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

Risks Related to this Offering

There has been no public market for our common stock prior to this offering and an active trading market for our common stock may not develop following this offering.

Prior to this offering, there has not been any public market for our common stock, and there can be no assurance that an active trading market will develop or be sustained or that shares of our common stock will be resold at or above the initial public offering price. We intend to apply to have our common stock listed on the Nasdaq Capital Market under the symbol "WHLR." The initial public offering price of our common stock will be determined by agreement among us and the placement agents, but there can be no assurance that our common stock will not trade below the initial public offering price following the completion of this offering. See "Plan of Distribution." The market value of our common stock could be substantially affected by general market conditions, including the extent to which a secondary market develops for our common stock following the completion of this offering, the extent of institutional investor interest in us, the general reputation of REITs and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate-based companies), our financial performance and general stock and bond market conditions.

Our estimated cash available for distribution is insufficient to cover our anticipated annual dividend of $0.42 per share and distributions paid from sources other than our cash flow from operations, particularly proceeds of this offering, will result in us having fewer funds available for the acquisition of properties, which may adversely affect our ability to fund future distributions with cash flow from operations and may adversely affect your overall return.

Upon the closing of this offering, we intend to declare a monthly distribution on our shares of common stock at an annual rate of $0.42 per share. This rate represents approximately 445% of our estimated cash available for distribution based on our pro forma operating results for the year ended December 31, 2012. Therefore, we expect that our operating cash flow will be insufficient to cover our anticipated initial monthly distributions to stockholders for the year ending December 31, 2012 and thereafter. See "Distribution Policy."

As mentioned above, we may pay distributions from sources other than from our cash flow from operations. Until we acquire additional properties, we will not generate sufficient cash flow from operations to pay distributions. Our inability to acquire properties may result in a lower return on your investment than you expect. If we have not generated sufficient cash flow from our operations and other sources, such as from borrowings or sales of additional securities, to fund distributions, we may use the proceeds from this offering. Moreover, our board of directors may change this policy, in its sole discretion, at any time. Distributions made from offering proceeds are a return of capital to stockholders, from which we will have already paid offering and organization expenses in connection with this offering.

If we fund distributions from the proceeds of this offering, we will have less funds available for acquiring properties. As a result, the return you realize on your investment may be reduced. Funding distributions from borrowings could restrict the amount we can borrow for investments, which may affect our profitability. Funding distributions with the sale of assets or the proceeds of the offerings may affect our ability to generate cash flows. Funding distributions from the sale of additional securities could dilute your interest in us if we sell shares of our common stock or securities convertible or exercisable into shares of our common stock to third party investors. Payment of distributions from the mentioned sources could restrict our ability to generate sufficient cash flow from operations, affect our profitability and/or affect the distributions payable to you, any or all of which may have an adverse effect on your investment.

Some of our distributions may include a return of capital for federal income tax purposes.

Some of our distributions may include a return of capital. To the extent that we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes to the extent of the holder's adjusted tax basis in its shares, and

thereafter as gain on a sale or exchange of such shares. See "Federal Income Tax Considerations—Federal Income Tax Considerations for Holders of Our Common Stock."

The market price and trading volume of our common stock may be volatile following this offering.

Even if an active trading market develops for our common stock, the per share trading price of our common stock may be volatile. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the per share trading price of our common stock declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the per share trading price of our common stock will not fluctuate or decline significantly in the future.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results or monthly dividends;
- changes in our funds from operations or earnings estimates;
- publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this prospectus;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets, generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualifications;
- changes in our credit ratings; and
- general market and economic conditions.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have an adverse effect on our financial condition, results of operations, cash flow and per share trading price of our common stock.

We may use a portion of the net proceeds from this offering to make distributions to our stockholders and unitholders, which would, among other things, reduce our cash available to acquire properties and may reduce the returns on your investment in our common stock.

Prior to the time we have fully invested the net proceeds of this offering, we may fund distributions to our stockholders and unitholders out of the net proceeds of this offering, which would reduce the amount of cash we have available to acquire properties and may reduce the returns on your investment in our common stock. The use of these net proceeds for distributions to stockholders could adversely affect our financial results. In addition, funding distributions from the net proceeds of this offering may constitute a return of capital to our stockholders, which would have the effect of reducing each stockholder's tax basis in our common stock.

Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock.

As of December 31, 2011, the aggregate historical combined net tangible book value of our Predecessor was approximately $0.41 million, or $ per share of our common stock held by the Prior Investors and Series A Convertible Preferred Shareholders, assuming the exchange of common units into shares of our common stock on a one-for-one basis. As a result, the pro forma net tangible book value per share of our common stock after the completion of this offering and the formation transactions will be less than the initial public offering price. The purchasers of shares of our common stock offered hereby will experience immediate and substantial dilution of $ per share in the pro forma net tangible book value per share of our common stock, assuming completion of the maximum offering and $ per share in the pro forma net tangible book value per share of our common stock, assuming completion of the minimum offering.

Increases in market interest rates may have an adverse effect on the value of our common stock as prospective purchasers of our common stock may expect a higher dividend yield and as an increased cost of borrowing may decrease our funds available for distribution.

One of the factors that will influence the price of our common stock will be the dividend yield on the common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our common stock to expect a higher dividend yield and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common stock to decrease.

The number of shares of our common stock available for future issuance or sale could adversely affect the per share trading price of our common stock.

We are offering a minimum of 3,000,000 shares and a maximum of 4,000,000 shares of our common stock as described in this prospectus. Upon completion of this offering and the formation transactions, we will have outstanding approximately 4,209,735 shares of our common stock, assuming completion of the maximum offering, or 3,209,735 shares, assuming completion of the minimum offering. Of these shares, the shares sold in this offering will be freely tradable, except for any shares purchased in this offering by our affiliates, as that term is defined by Rule 144 under the Securities Act. Upon completion of this offering and the formation transactions, Mr. Wheeler and our other directors and management and their affiliates, together with third party Prior Investors, will beneficially own 565,413 shares of our outstanding common stock, assuming the exchange of common units into shares of our common stock on a one-for-one basis.

The issuance of substantial numbers of shares of our common stock in the public market, or upon exchange of common units, or the perception that such issuances might occur could adversely affect the per share trading price of the shares of our common stock.

The exchange of common units for common stock or the vesting of any restricted stock granted to certain directors, executive officers and other employees under our 2012 Share Incentive Plan, the issuance of our common stock or common units in connection with future property, portfolio or business acquisitions and other issuances of our common stock could have an adverse effect on the per share trading price of our common stock, and the existence of units, options or shares of our common stock issuable under our 2012 Share Incentive Plan or upon exchange of common units may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future issuances of shares of our common stock may be dilutive to existing stockholders.

Future offerings of debt or equity securities, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the per share trading price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our Operating Partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution to the holders of our common stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments that could limit our ability pay dividends to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings.

We will have an ongoing relationship with our placement agents that may impact our ability to obtain additional capital.

In connection with this offering, we will, for a nominal amount, sell our placement agents warrants exercisable at a rate of one warrant per share to purchase up to four percent of the shares sold in the offering. These warrants are exercisable for a period of five years from the date of issuance at a price equal to 120% of the price of the shares in this offering. During the term of the warrants, the holders thereof will be given the opportunity to profit from a rise in the market price of our common shares, with a resulting dilution in the interest of our other shareholders. Further, commencing on the closing date of this offering, if any, we have granted to our Placement Agent an eighteen (18) month right of first refusal to provide financing arrangements to us, in a role to be determined at such time, for any and all future public and private equity offerings as well as any debt offerings for us (or any successor to us) during such eighteen (18)-month period. In addition, during the one (1) year period following the closing date of this offering, we have granted our Placement Agent the preferential right to participate as co-manager of any of our future public and private equity offerings as well as any debt offerings with at least 25% of the economic interest (fees) of such offering(s). These provisions could impact the terms on which we could obtain additional capital during the life of these provisions and we may be adversely affected. Future financiers and investors may find these provisions costly and burdensome and may take this into account when pricing our securities. See “Plan of Distribution.”

FORWARD-LOOKING STATEMENTS

We make statements in this prospectus that are forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, our pro forma financial statements and all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- adverse economic or real estate developments in our markets;
- our failure to generate sufficient cash flows to service our outstanding indebtedness;
- defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants;
- on-going litigation;
- difficulties in identifying properties to acquire and completing acquisitions;
- our failure to successfully operate acquired properties and operations;
- fluctuations in interest rates and increased operating costs;
- risks related to joint venture arrangements;
- our failure to obtain necessary outside financing;
- general economic conditions;
- financial market fluctuations;
- risks that affect the general retail environment;
- the competitive environment in which we operate;
- decreased rental rates or increased vacancy rates;
- conflicts of interests with our officers;
- lack or insufficient amounts of insurance;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- other factors affecting the real estate industry generally;
- our failure to maintain our status as a REIT;
- limitations imposed on our business and our ability to satisfy complex rules in order for us to qualify as a REIT for U.S. federal income tax purposes; and
- changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section above entitled "Risk Factors."

USE OF PROCEEDS

After deducting the placement fee and commissions and estimated expenses of this offering and the formation transactions, we expect net proceeds from this offering of approximately $13.31 million, assuming completion of the minimum offering, or $18.09 million, assuming completion of the maximum offering, in each case assuming an initial public offering price of $5.25 per share, which is the mid-point of the range set forth on the cover of this prospectus.

We intend to contribute the net proceeds of this offering to our Operating Partnership in exchange for common units and our Operating Partnership will use the net proceeds received from us as described below:

- Approximately $0.5 million to repay outstanding indebtedness.
- Approximately $2.0 million for general working capital, which may be used to fund dividend payments.
- Approximately $1.67 million to reimburse our Operating Partnership for the purchase of the membership interests of DF-1 Carrollton, LLC, the current owner of The Shoppes at Eagle Harbor, one of the original nine properties in our operating portfolio.
- Approximately $[ ] in cash payments to those Prior Investors who have elected to receive cash instead of Operating Partnership Units for their contribution of membership interests in the Ownership Entities.
- The balance, approximately $[ ] million (assuming a minimum offering) or $[ ] million (assuming a maximum offering) will be used for future acquisitions.

DISTRIBUTION POLICY

We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ending December 31, 2012. U.S. federal income tax law requires that a REIT distribute annually at least 90% of its REIT taxable income excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income including capital gains. For more information, see "Federal Income Tax Considerations." Our current policy is to target the payment of regular monthly distributions to our stockholders and holders of Operating Partnership units at an annual distribution rate of $0.42 per share, based on the initial public offering price, or such other amount as will be sufficient to enable us to qualify and maintain our status as a REIT and to avoid the payment of corporate level taxes on our undistributed taxable income. We plan to pay our first dividend in respect of the period from the closing of this offering through , which may be prior to the time that we have fully used the net proceeds of this offering to acquire retail properties. We may use funds from this offering to fund dividend payments.

The timing, form, frequency and amount of distributions will be authorized by our board of directors based upon a variety of factors, including:

- actual results of operations,
- our level of retained cash flows,
- the timing of the investment of the net proceeds of this offering,
- the terms and provisions of our financing agreements,
- any debt service requirements,
- capital expenditure requirements for our properties,
- our taxable income,
- the annual distribution requirements under the REIT provisions of the Code,
- our operating expenses, and
- other factors that our board of directors may deem relevant, including the amount of distributions made by our peers.

Additionally, we have agreed with our placement agent that any common units held by Jon S. Wheeler, directly or indirectly or through his spouse, children or affiliated entities, or any common units held by any holder who would own more than 4.99% of our common stock upon conversion of such units, will be contractually subordinated to the remaining common units and common stock as it relates to distributions to be received by the holders of common units and the holders of common stock. Such dividends owed to Mr. Wheeler will accrue and once we make distributions to the holders of common stock and common units and assuming that there are no other accrued but unpaid distributions, our Operating Partnership may make distributions to Mr. Wheeler. The subordination will terminate: (a) upon the earlier of (i) the date that is three years following the date of the final prospectus of this offering, or (ii) the calendar day following the date upon which our common stock closes at or above the dollar price that is 16.67% above the offering price for this offering for a period of at least five consecutive trading days; and (b) if there are no unpaid distributions then outstanding. During the term of such subordination, the holders of such subordinated common units shall not be permitted to convert such common units into common stock.

We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and we may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make some distributions. We cannot assure you that our distribution policy will not change in the future.

Our distributions will be determined by the board of directors and will depend on a number of factors, including the amount of funds from operations, the Operating Partnership's financial condition, capital expenditure requirements for our properties, the annual distribution requirements under the REIT provisions of the Code and such other factors as our board of directors deem relevant. Our ability to make distributions will be dependent on the receipt of distributions from our Operating Partnership and lease payments from the tenants at our properties. Initially, the Operating Partnership's sole source of revenue will be rent payments from the tenants in the properties in our portfolio. We must rely on the tenants to generate sufficient cash flow from the operation of their businesses to meet their rent obligations.

We cannot assure you that our estimated distributions will be made or sustained. Any distributions that we pay in the future will depend upon our actual results of operations, economic conditions and other factors that could differ materially from our current expectations. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations, restrictions under applicable law and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, see "Risk Factors."

As illustrated in the pro forma table below, the distributions we intend to pay during the twelve months following completion of the offering significantly exceed projected cash flow available for distributions during that period. Eliminating this deficit will be conditional upon us successfully executing the acquisition strategy discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis. If we are unable to generate sufficient earnings to accommodate the distribution, a portion of our distributions may represent a return of capital for U.S. federal income tax purposes. For a more complete discussion of the tax treatment of distributions to holders of our common stock, see "Federal Income Tax Considerations."

The following table describes our pro forma net income (loss) available to our equity owners for the year ended December 31, 2011, and the adjustments that we have made thereto to estimate our initial cash available for distribution for the year ending December 31, 2012:

Pro forma net loss for the twelve months ended December 31, 2012 (1)	$(1,309,280)
Add: Pro forma depreciation and amortization	1,504,000
Add: Pro forma non-cash straight line rental income (2)	89,000
Add: Pro forma non-cash straight line rental expense (3)	17,000
Add: Net increase in contractual rent income (4)	219,000
Less: Net decrease in contractual rent income due to lease expirations, assuming historical average retention (4)	(75,863)
Add: Net increase in CAM, taxes and insurance recoveries (5)	112,108
Less: Non-recurring other income (6)	(52,000)
Add: Estimated non-recurring operating expenses (7)	456,000
Add: Reduction in interest expense on mortgage debt	26,000
Estimated cash provided by operating activities for the twelve months ended December 31, 2012	985,965
Estimated cash used in investing activities for the twelve months ended December 31, 2012 (8)	(100,000)
Estimated cash used in financing activities for the twelve months ended December 31, 2012 (9)	(377,000)
Estimated cash available for distribution for the twelve months ended December 31, 2012	$ 508,965
Estimated initial annual distributions to stockholders and operating partnership unit holders (10)	2,267,289
Estimated difference between cash available for distribution and the estimated distributions for year ended December 31, 2012 (11)	$(1,758,324)
Estimated initial annual distributions per share (12)	$ 0.42
Payout ratio based on estimated cash available for distribution (13)	445%

(1) Represents actual results for the year ended December 31, 2011 plus the impact of pro forma adjustments related to the offering and formation transactions.
(2) Represents the straight-line rent adjustment for operating lease revenues based on the December 31, 2011 twelve month results.
(3) Represents the straight-line rent adjustment for ground lease expense based on the December 31, 2011 twelve month results.
(4) Represents increased rent revenue generated from contractual scheduled rent adjustments and renewals for existing tenants, net of approximately $15,100 in leasing commissions to be paid by applying our standard 3% renewal commission rate to the estimated rent retained on renewals of $502,317 (per below). Also includes additional revenues generated from vacancies existing at December 31, 2011 that were subsequently filled through new leases signed prior to February 29, 2012. There were no additional vacancies during 2011 that would create a decrease in 2012 pro forma rental income and the pro forma does not include the impact of any vacancies filled during the remainder of 2012. For leases expiring after December 31, 2011, assumes renewal probability based on historical average retention rate, as calculated in the following schedule:

	Year Ended December 31,			Total/ Weighted Average
	2009	2010	2011	2009-2011
Annualized base rent expiring in year	$767,015	$288,867	$573,885	$1,629,767
Annualized base rent renewed	740,146	159,860	515,919	1,415,925

Retention rate	96.5%	55.3%	89.9%	86.9%
Pro forma combined base rent expiring in 2012				578,180
Weighted average retention rate				86.9%
Estimated rent retained				502,317
Estimated rent decline				(75,863)

(5) Represents adjustments to 2012 CAM, taxes and insurance amounts to be billed to the tenants based on the 2012 operating pool and the 2011 adjustments that were billed in 2012. We perform annual reconciliations subsequent to December 31 of each year and any additional amounts due for the prior year are billed to the tenant. The following breaks down 2012 CAM, taxes and insurance scheduled billings:

Increases to 2012 tenant reimbursement billings (a)	78,990
2011 reconciliation adjustments to be billed in 2012 (b)	33,118
	112,108

(a) Scheduled CAM, taxes and insurance amounts to be billed during 2012 are $934,376, which is net of the impact of potential non-renewals based on the retention factor calculated in (4) above. This compares to $855,386 billed and recorded for 2011, resulting in a $78,990 net increase in 2012 billings over 2011.

(b) Subsequent to December 31, 2011, we billed CAM, taxes and insurance reconciliation adjustments for 2011 totaling $122,513 which will be received during 2012. This compares to 2010 reconciliation adjustments totaling $89,395 that are reflected in 2011 pro forma net income, resulting in a $33,118 net increase in prior year reconciliation adjustments.

(6) Represents net non-recurring gains realized during the year ended December 31, 2011.

(7) Represents estimated decreases resulting from non-recurring operating expenses included in the December 2011 results. Walnut Hill required major repairs, maintenance and renovations during the past several years due to the property being neglected by its previous owner. The Shoppes at TJ Maxx also incurred significant repairs and maintenance to improve the property's appearance to potential tenants for the vacant space. Additionally, we incurred significant legal expense during the year ended December 31, 2011 related to lawsuits we filed against tenants that defaulted on their lease. The lawsuit incurring the largest amount of legal is getting closer to a resolution so we anticipate a significant decline in legal fees during the twelve months following the offering. Other non-recurring property operating expenses primarily relate to reductions in grounds and landscaping expenses that we incurred to improve several of the properties. Additionally, we do not anticipate incurring the same level of advertising and marketing expenses during the twelve months following the offering. A breakdown of these expenses is as follows:

Non-recurring legal and administrative expense related to lawsuits against tenants (a)	$145,000
Non-recurring repairs and maintenance expenses (b)	119,000
Non-recurring costs associated with forming the REIT (c)	110,000
Provision for credit losses (d)	55,000
Non-recurring marketing and advertising costs (e)	17,000
Reduction in non-recurring utility expenses (f)	10,000
	$456,000

(a) Primarily consists of approximately $125,000 and $20,000 related to legal matters at Perimeter Square and Lumber River, respectively, which are considered non-recurring for the twelve months ended December 31, 2012.

(b) Primarily relates to approximately $85,000 incurred on major repairs to the awnings, lighting and roofing at The Shoppes at TJ Maxx, approximately $24,000 of sewer line and roof repairs at Walnut Hill Plaza and approximately $10,000 of roof repairs at Perimeter Square, all considered non-recurring for the twelve months ended December 31, 2012.

(c) Primarily consists of auditing and accounting fees associated with the three years of audited financial information required to form the REIT.

(d) Represents the non-cash bad debt provision.

(e) Represents 2011 marketing and advertising costs that will not be incurred during 2011 due to a decrease in annual membership charges related to an outside industry group of which we are a member.

(f) Represents 2010 utility costs billed and paid in 2011 due to a billing error by the vendor.

(8) Represents projected capital improvements and tenant improvements on existing properties. This compares to average annual capital and tenant improvements of $86,567 as detailed in the table below, excluding acquisition, development and other expenditures incurred on newly acquired or developed properties which are considered non-recurring.

	Year Ended December 31,			Weighted Average 2009-2011
	2009	2010	2011	
Capital and tenant improvements	$40,800	$125,400	$93,500	$86,567

(9) Represents scheduled principal payments on mortgage loans for the year ended December 31, 2012; excludes $12.1 million of debt maturities during that period based on the assumption we will be able to renew those mortgages under terms similar to those currently in place.

(10) Assumes we issue approximately 3,000,000 shares of common stock based on the minimum offering scenario, approximately 2,210,000 common units in the Operating Partnership and 209,735 of common shares upon conversion of the preferred stock.

(11) Represents the amount of offering proceeds that may be required to fund distributions at $0.42 per share prior to factoring in additional cash flow generated from property acquisitions made subsequent to the offering. See "Risk Factors."

(12) Represents the expected initial annual dividend rate per share which would result in an 8% yield assuming an offering price at the mid-point of the range set forth in the Registration Statement.
(13) Calculated as estimated initial annual distribution per share divided by estimated cash available for distribution per share for the year ending December 31, 2012.

Our expected initial annual dividend rate of $0.42 per common share represents approximately 445% of our estimated cash available for distribution for the year ended December 31, 2012. Assuming a pro rata amount of the estimated cash available for distribution for the year ended December 31, 2012 is available for distribution for the first month ending April 30, 2012, we estimate our operating cash flow will be insufficient to cover our expected initial monthly distribution to stockholders for the month ending April 30, 2012. Moreover, we believe our dividends may exceed our cash available for distribution after the month ending April 30, 2012. However, the above table does not include any increases or decreases in revenues or costs associated with: (1) any rental and related revenue increases or decreases from changes in occupancy for the combined properties from leases that may be executed subsequent to February 29, 2012; (2) rental and related revenue from additional acquisitions completed subsequent to the completion of the offering from our current acquisition pipeline and other acquisition opportunities; and (3) any offsetting costs associated with any increases in revenue. Additionally, Mr. Wheeler, our Chairman and President, has agreed to contractually subordinate to the remaining common units and common stock as it relates to dividend payments. As a result, our actual payout ratio could be higher or lower than the payout ratio shown in the table above. In any event, unless our operating cash flow increases, we will be required to fund future distributions from proceeds of the offerings or to reduce such distributions. We have established a working capital and dividend reserve for this purpose. See “Use of Proceeds”.

CAPITALIZATION

The following table sets forth the capitalization of our Predecessor as of December 31, 2011, on a historical basis, on a pro forma pre-offering basis to reflect our formation transactions, and on a pro forma as adjusted basis to give effect to our formation transactions, this offering and the use of net proceeds as set forth in "Use of Proceeds." You should read this table in conjunction with "Use of Proceeds," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

Minimum Offering

	As of December 31, 2011		
	Historical	Pro Forma Pre-Offering	Pro Forma As Adjusted
		($ in 000s)	
Mortgages and other secured loans	$ 28,733	$ 28,733	$ 28,233
Stockholders' equity:			
Common stock, par value $0.01 per share, 15,000,000 shares authorized, 3,209,735 shares issued and outstanding on an as adjusted basis	—	—	32
Preferred stock, without par value, 500,000 shares authorized, 126,150, 183,500 and 0 shares issued and outstanding as of December 31, 2011, pro forma pre-offering and pro forma as adjusted, respectively	555	734	—
Additional paid in capital	—	—	14,877
Members' equity	441	(7,056)	(7,526)
Non-controlling interest	—	7,497	7,497
Total stockholders' equity	996	1,175	14,880
Total capitalization	$ 29,729	$ 29,908	$ 43,113

Maximum Offering

	As of December 31, 2011		
	Historical	Pro Forma Pre-Offering	Pro Forma As Adjusted
		($ in 000s)	
Mortgages and other secured loans	$ 28,733	$ 28,733	$ 28,233
Stockholders' equity:			
Common stock, par value $0.01 per share, 15,000,000 shares authorized, 4,209,735 shares issued and outstanding on an as adjusted basis	—	—	42
Preferred stock, without par value, 500,000 shares authorized, 126,150, 183,500 and 0 shares issued and outstanding as of December 31, 2011, pro forma pre-offering and pro forma as adjusted, respectively	555	734	—
Additional paid in capital	—	—	19,592
Members' equity	441	(7,056)	(7,526)
Non-controlling interest	—	7,497	7,497
Total stockholders' equity	996	1,175	19,605
Total capitalization	$ 29,729	$ 29,908	$ 47,838

DILUTION

Purchasers of our common stock offered in this prospectus will experience an immediate and substantial dilution of the net tangible book value of our common stock from the initial public offering price. At December 31, 2011, we had a combined net tangible book value of approximately $0.41 million, or $ per share of our common stock held by the Prior Investors, assuming the exchange of outstanding common units (other than common units held by us) into shares of our common stock on a one-for-one basis. After giving effect to the sale of the shares of our common stock offered hereby, including the use of proceeds as described under "Use of Proceeds" and the formation transactions, and the deduction of placement fees and commissions and estimated offering and formation expenses, the pro forma net tangible book value at December 31, 2011 attributable to common stockholders would have been $ million, or $ per share of our common stock, assuming a minimum offering, and $ million, or $ per share of our common stock, assuming a maximum offering. Assuming a minimum offering, this amount represents an immediate increase in net tangible book value of $ per share to the Prior Investors and an immediate dilution in pro forma net tangible book value of $ per share from the assumed public offering price of $ per share of our common stock to new public investors. Assuming a maximum offering, this amount represents an immediate increase in net tangible book value of $ per share to the Prior Investors and an immediate dilution in pro forma net tangible book value of $ per share from the assumed public offering price of $ per share of our common stock to new public investors. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in the formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock." The following table illustrates this per share dilution:

Minimum Offering

Assumed initial public offering price per share		$[ ]
Net tangible book value per share before the formation transactions and this offering[1]	$ [ ]	
Decrease in pro forma net tangible book value per share attributable to the formation transactions[2]	($[ ])	
Increase in pro forma net tangible book value per share attributable to this offering[3]	$ [ ]	
Pro forma net tangible book value per share after the formation transaction and this offering[4]		$[ ]
Dilution in pro forma net tangible book value per share to new investors[5]		$[ ]

(1) Net tangible book value per share of our common stock before the formation transactions and this offering is determined by dividing the net tangible book value based on December 31, 2011 net book value of tangible assets (consisting of total assets less intangible assets, which are comprised of deferred financing and leasing costs, acquired above-market leases and acquired in-place lease value, net of liabilities to be assumed, excluding acquired below-market leases) of our Predecessor by the number of shares of our common stock held by Prior Investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(2) The decrease in pro forma net tangible book value per share of our common stock attributable to our formation transactions, but before this offering, is determined by dividing the difference between (a) the pro forma net tangible book value before our formation transactions and this offering and (b) the pro forma net tangible book value after our formation transactions and before this offering, by the number of shares of our common stock held by Prior Investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(3) The increase in pro forma net tangible book value per share attributable to this offering is determined by subtracting (a) the sum of (i) the net tangible book value per share before the formation transactions and this offering (see note (1) above) and (ii) the decrease in pro forma net tangible book value per share attributable to our formation transactions (see note (2) above) from (b) the pro forma net tangible book value per share after our formation transactions and this offering (see note (4) below).

(4) Based on pro forma net tangible book value of approximately $ million divided by the sum of shares of our common stock and common units to be outstanding after this offering (excluding units held by us), not including (a) shares of our common stock available for issuance under our 2012 Share Incentive Plan.

(5) Dilution is determined by subtracting pro forma net tangible book value per share of our common stock after giving effect to the formation transactions and this offering from the initial public offering price paid by a new investor for a share of our common stock.

Maximum Offering

Assumed initial public offering price per share		$[ ]
Net tangible book value per share before the formation transactions and this offering[1]	$ [ ]	
Decrease in pro forma net tangible book value per share attributable to the formation transactions[2]	($[ ])	
Increase in pro forma net tangible book value per share attributable to this offering[3]	$ [ ]	
Pro forma net tangible book value per share after the formation transaction and this offering[4]		$[ ]
Dilution in pro forma net tangible book value per share to new investors[5]		$[ ]

(1) Net tangible book value per share of our common stock before the formation transactions and this offering is determined by dividing the net tangible book value based on December 31, 2011 net book value of tangible assets (consisting of total assets less intangible assets, which are comprised of deferred financing and leasing costs, acquired above-market leases and acquired in-place lease value, net of liabilities to be assumed, excluding acquired below-market leases) of our Predecessor by the number of shares of our common stock held by Prior Investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(2) The decrease in pro forma net tangible book value per share of our common stock attributable to our formation transactions, but before this offering, is determined by dividing the difference between (a) the pro forma net tangible book value before our formation transactions and this offering and (b) the pro forma net tangible book value after our formation transactions and before this offering, by the number of shares of our common stock held by Prior Investors after this offering, assuming the exchange for shares of our common stock on a one-for-one basis of the common units to be issued in connection with the formation transactions.

(3) The increase in pro forma net tangible book value per share attributable to this offering is determined by subtracting (a) the sum of (i) the net tangible book value per share before the formation transactions and this offering (see note (1) above) and (ii) the decrease in pro forma net tangible book value per share attributable to our formation transactions (see note (2) above) from (b) the pro forma net tangible book value per share after our formation transactions and this offering (see note (4) below).

(4) Based on pro forma net tangible book value of approximately $ million divided by the sum of shares of our common stock and common units to be outstanding after this offering (excluding units held by us), not including (a) shares of our common stock available for issuance under our 2012 Share Incentive Plan.

(5) Dilution is determined by subtracting pro forma net tangible book value per share of our common stock after giving effect to the formation transactions and this offering from the initial public offering price paid by a new investor for a share of our common stock.

Additionally, the purchase prices paid for the Amscot Building, Monarch Bank and Riversedge North properties will be adjusted following the public release of our audited consolidated financial statements for the year ended December 31, 2012. Such adjustments will be calculated by applying the initial pricing methodology to such properties' cash flows as used in preparing our audited consolidated financial statements for the year ended on December 31, 2012, subject to the adjustments approved by a majority of our independent directors. If the re-pricing produces a higher value for any such property, the Prior Investors in such property will receive an additional number of common units in our Operating Partnership that, when multiplied by the initial offering price for this offering, will equal the increase in value plus the value of any distributions that would have been made with respect to such common units if such common units had been issued at the time of the acquisition of such property. Assuming the exchange of any such common units into common stock, purchasers of the common stock offered in this prospectus will experience additional dilution.

Comparative Data

The following charts illustrate our pro forma proportionate ownership. Assuming the exchange of outstanding common units (other than common units held by us) into shares of our common stock on a on-for-one basis, and upon completion of the offering under alternative minimum and maximum offering assumptions, of present shareholders and of investors in this offering, compared to the relative amounts paid and comparative to our capital by present shareholders as of the date the consideration was received and by investors in this offering, assuming no changes in net tangible book value other than those resulting from the offering.

	Shares Purchased		Total Consideration		Average Price Per Share
	Amount	Percent	Amount	Percent	
MINIMUM OFFERING					
Existing shareholders	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]
New investors	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]
Total	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]

	Shares Purchased		Total Consideration		Average Price Per Share
	Amount	Percent	Amount	Percent	
MAXIMUM OFFERING					
Existing shareholders	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]
New investors	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]
Total	[ ]	[ ]%	$ [ ]	[ ]%	$ [ ]

SELECTED FINANCIAL DATA

You should read the following selected historical and pro forma financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited pro forma condensed combined financial statements and historical combined financial statements, including the related notes, appearing elsewhere in this prospectus.

Our selected pro forma balance sheet and statements of operation are presented to reflect:

(1) the contribution of the net proceeds of the initial public offering, after the payment of the placement fee and costs relating to the offering, assuming the issuance of 3,000,000 shares of $0.01 par value common stock at $5.25 per share under the minimum offering scenario discussed in the registration statement;

(2) with the exception of The Shoppes at Eagle Harbor property, the contribution to the Operating Partnership of the partnership interests of the Prior Investors in the limited liability companies that directly or indirectly own the respective properties;

(3) the issuance of an additional 57,250 shares of preferred stock subsequent to December 31, 2011 and the corresponding conversion of 183,500 shares of total preferred stock currently outstanding into 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus;

(4) using approximately $1.67 million of the net proceeds of this offering to directly purchase 100% of the partnership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor property, one of the original nine properties in our operating portfolio;

(5) estimated interest income earned on net cash proceeds generated by the offering, net of the effect of all formation transactions;

(6) expected increase in general and administrative expenses as a result of becoming a publicly traded company; and

(7) using approximately $500,000 of the net proceeds of this offering to repay outstanding indebtedness and the corresponding impact on interest expense.

The unaudited pro forma condensed combined balance sheet assumes the formation transactions occurred on December 31, 2011. The unaudited pro forma condensed combined statements of operations assume the formation transactions occurred on January 1, 2011. The unaudited pro forma condensed combined balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2011, nor does it purport to represent the future financial position. The unaudited pro forma condensed combined statements of operations are presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2011, nor does it purport to represent the future results of operations. In the opinion of management, all material adjustments have been made to reflect the effects of transactions referred to above.

	Pro Forma	Historical		
	Year Ended December 31,	Years Ended December 31,		
	2011	2011	2010	2009
	(unaudited)			
OPERATING DATA:				
Total combined revenues	$ 4,938,797	$ 4,908,797	$ 4,716,917	$ 4,504,270
Expenses:				
Property operating	928,900	928,900	699,677	654,427
Depreciation and amortization	1,503,978	1,503,978	1,473,488	1,380,882
Real estate taxes	345,543	345,543	296,440	278,541
Repairs and maintenance	241,352	241,352	246,732	249,087
Advertising and promotion	51,673	51,673	33,407	30,055
Provision for credit losses	55,121	55,121	9,632	73,204
Corporate general & administrative	1,150,000	321,178	—	—
Other	128,337	128,337	96,526	73,784
Total expenses	4,404,904	3,576,082	2,855,902	2,739,980
Operating income	533,893	1,332,715	1,861,015	1,764,290
Non-operating income and expense:				
Interest expense	(1,843,173)	(1,876,173)	(1,762,858)	(1,585,281)
Total non-operating income and expense	(1,843,173)	(1,876,173)	(1,762,858)	(1,585,281)
Net (loss) income (1)	$ (1,309,280)	$ (543,458)	$ 98,157	$ 179,009
Net loss allocated to noncontrolling interests	$ (555,307)			
Net loss allocated to common stockholders	$ (753,973)			
Pro forma earnings (loss) per share:				
Basic	$ (0.24)			
Diluted	$ (0.24)			
Pro forma weighted-average number of shares:				
Basic	3,183,500			
Diluted	3,183,500			
BALANCE SHEET DATA (as of period end):				
Investment properties, net	$ 28,971,553	$28,971,553	$30,202,357	$27,850,310
Cash and cash equivalents	11,825,756	218,902	363,623	434,705
Tenant Receivables	998,273	998,273	1,043,324	886,125
Other assets	966,435	1,890,833	1,095,471	912,849
Total assets	$ 42,762,017	$32,079,561	$32,704,774	$30,083,989
Mortgages and other indebtedness	$ 28,233,226	$28,733,226	$29,199,131	$26,548,619
Other liabilities	516,274	2,400,318	1,569,942	1,298,296
Total liabilities	28,749,500	31,133,544	30,769,073	27,846,915
Total equity	14,012,517	946,017	1,935,701	2,237,074
Total liabilities and equity	$ 42,762,017	$32,079,561	$32,704,774	$30,083,989
OTHER DATA:				
Cash flows provided by (used in):				
Operating activities		$ 1,211,896	$ 1,351,090	$ 1,223,145
Investing activities		$ (93,451)	$ (683,886)	$ (999,492)
Financing activities		$ (1,263,166)	$ (738,286)	$ (413,100)
Funds from Operations (FFO) (2)	$ 14,844	$ 780,666	$ 1,408,668	$ 1,441,236

(1) Earnings Per Share information not included in the schedule for historical results of operations since it is considered not applicable.

(2) Below is the calculation of FFO and the reconciliation to net income (loss) for the periods presented:

	Pro Forma		Historical	
	Year Ended December 31,		Years Ended December 31,	
	2011	2011	2010	2009
Net income (loss)	$(1,309,280)	$ (543,458)	$ 98,157	$ 179,009
Depreciation of real estate assets	1,324,124	1,324,124	1,310,511	1,262,227
Total FFO	$ 14,844	$ 780,666	$1,408,668	$1,441,236

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

We are a Maryland corporation formed with the principal objective of acquiring, financing, developing, leasing, owning and managing income producing, strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. Our strategy is to opportunistically acquire quality, well-located, predominantly retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns. We generally target competitively protected properties located within developed areas, commonly referred to as in-fill, that possess minimal competition risk and are surrounded by communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth.

We generally lease our properties to national and regional retailers that offer consumer goods and generate regular consumer traffic. We believe our tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers' disposable income, which we believe generates more predictable property-level cash flows.

We operate using a very hands-on approach to managing our properties which we believe gives us a distinct advantage over our competitors in both our ability to maximize profits from these properties and to attract and retain ideal tenants. Our approach places a high value on relationships at the property level as well as within the community to ensure the success of our asset. Our management style and capabilities are well suited to benefit from previously neglected assets. By applying our hands-on approach, we believe that we can address the concerns of the tenants, address property maintenance issues and facilitate leasing efforts to stabilize and enhance the financial viability of the asset; hopefully resulting in longer term, profitable leases to high quality tenants. An example of this is shown below in "Recent Company Transactions and Events"—see Walnut Hill Plaza.

Our asset management, leasing, lease administration and tenant relations team members (our "Property Management Team") establish and maintain regular contact with the existing and new tenants. Prior to acquisition, the existing tenants will have met their leasing agent and/or the director of leasing. The tenant will receive a hand delivered letter from a member of our Property Management Team, typically the assigned property manager, as close to the closing date as physically possible (in addition to the formal written notice per the lease) notifying them of our acquisition . The tenant's welcome letter / notification letter includes all contact information for all members of our Property Management Team including their cell phone numbers. Once members of our Property Management Team have made the initial visit to the property, any pre-closing identified repairs and maintenance items are addressed. The property manager will also further evaluate the property for immediate and future needs so that our Property Management Team can prepare a budget for the property.

The property manager continues developing relationships with existing tenants, as well as with service providers at the property. Additionally, our property management model usually includes us joining the Chamber of Commerce in markets where we have an asset. We believe that taking the time to make the experience personal for each tenant ensures we are able to monitor activity at the property appropriately and be ahead of any challenges that may develop. This high touch relationship makes the tenant more comfortable with phoning in questions, issues or alerts to the property manager before they become serious issues. The relationship generated by our Property Management Team and enhanced service approach facilitates on-going communication and a mutually beneficial partnership for the ownership and the tenants, which we believe improves each property's performance and gives us an advantage over our competitors.

Through the combined efforts of our Property Management Team, we also work closely with our tenants in an effort to maximize their success in our centers. Our tenant relations group will discuss specifically the tenant's marketing efforts and offer guidance on maximizing exposure for their advertising dollars. They will also coordinate property specific events to obtain exposure for the asset in line with the market's demographics. We believe showing interest in the tenant's success benefits everyone. If the tenant is successful, we hope they will remain long-term and in good standing. In addition, the service and reputation of our ownership enable us to attract quality tenants and better negotiate lease terms. Our entire Property Management Team is willing to take this broader

approach on how to assist in our tenants' and each property's success. A recent example of this philosophy in action at Mandarin Crossing is further detailed in "Recent Company Transactions and Events" below.

Our management approach ensures the property as well as the tenant is being visited in person at least every three weeks. In the interim, the internal communication of our Property Management Team ensures that all team members associated with the asset have the most current information available on any matter. Our communication process includes: (i) generating summary reports whenever a member of the Property Management Team visits the property; (ii) monthly Property Management Team meetings which involves reviewing each property in detail; and (iii) ongoing open dialogue concerning leasing activity.

Our Portfolio

Upon consummation of this offering, we expect that our portfolio will be comprised of six retail shopping centers, two free-standing retail properties, and one office building. Five of these properties are located in Virginia, two are located in Florida, one is located in North Carolina and one is located in Oklahoma. As of December 31, 2011, our portfolio had a total GLA of 368,865 square feet and an occupancy level of approximately 90%. We expect our portfolio to consist of the following entities and their related properties:

- DF-1 Carrollton, LLC—The Shoppes at Eagle Harbor (Carrollton, VA)
- Lumber River Associates, LLC—Lumber River Village (Lumberton, NC)
- Lynnhaven Parkway Associates, LLC—Monarch Bank Building (Virginia Beach, VA)
- Mandarin Crossing Associates, LLC—Mandarin Crossing (Jacksonville, FL)
- North Pointe Investors, LLC—North Pointe Crossing/Amscot Building (Tampa, FL)
- Perimeter Associates, LLC—Perimeter Square (Tulsa, OK)
- Riversedge Office Associates, LLC—Riversedge North (Virginia Beach, VA)
- Tuckernuck Associates, LLC—Shoppes at TJ Maxx (Richmond, VA)
- Walnut Hill Plaza Associates, LLC—Walnut Hill Plaza (Petersburg, VA)

Details regarding these properties can be found in the "Business and Properties—Our Portfolio" section of this prospectus.

We believe our target markets, which currently include the Mid-Atlantic, Southeast and Southwest, are characterized by strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate.

Overall Company Trends

The challenging economic environment continues to impact the national and local commercial real estate industry. Credit tightening among our usual financing resources has restricted our ability to aggressively pursue the acquisition and development of new shopping centers and other opportunities; accordingly, we have been cautious by selecting properties less dependent on traditional financing over the past three years. Identifying new opportunities had posed a challenge until recently. However, we believe the environment for potential property acquisitions at reasonable capitalization rates is improving, which has resulted in our evaluation of alternative funding sources. We anticipate that our entry into the capital markets will expand the financing resources available to us and allow us to pursue performing investment opportunities that may not qualify for traditional financing, while providing our investors with competitive returns and increased liquidity.

During the economic crisis over the past three years, we have been faced with a number of tenants requesting rent reductions. Our Property Management Team has taken a proactive approach to addressing this trend by creating and implementing a systematic process for cataloguing, reviewing and analyzing these requests. This formalized mechanism for reviewing individual deals and maximizing the opportunity presented to us has allowed us to anticipate the impact of the downward pressure and to make lease accommodations appropriate for the circumstances. For example, we have required adjustments to exclusive or radius language, terms, rent caps, etc. in the lease agreement in exchange for any rent concessions made. Our process has afforded us the flexibility to work with and maintain otherwise strong tenants, while ensuring their ability to weather the economic crisis. During 2011,

these requests have declined, signifying a stabilizing economic environment in our local markets. Additionally, downward pressure on rental rates appears to be lessening as the weighted average base rent per square foot for our nine properties increased from $11.64 at December 31, 2010 to $12.13 at December 31, 2011; occupancy increased from 89.6% to 90.3% during this same period.

While the economy continues to struggle, we believe our diversity, array of resources, hands-on approach to managing our properties, as well as the experience and industry relationships we have established, enable us to focus on improving the performance of existing properties through concerted efforts in the leasing, marketing and overall asset management functions within our organization. Our management philosophy has allowed us to navigate through the recent recession which we believe has resulted in several success stories within our portfolio during this challenging time, including: maintaining 100% occupancy at Lumber River Plaza during 2009, 2010 and 2011; doubling Perimeter Square's return on investment since acquiring the property; improving cash flows at the Shoppes at TJ Maxx center through expense reimbursement management; and negotiating a build-out and long term lease on the Amscot Building. We continue to seek avenues for improving our performance on existing properties, in addition to pursuing potential acquisitions and other growth opportunities. Notwithstanding our belief in our talents and the future, a number of factors exists that may influence our continued success and our financial performance. Please carefully review the "Risk Factors" section of this prospectus.

Recent Company Transactions and Events

The Shoppes at Eagle Harbor

Completed during 2008, The Shoppes at Eagle Harbor construction project exemplifies the strength of our company which provided us with the resources to build a custom center that fits the lifestyle of the consumer in a particular market. In partnership with Wheeler Development, LLC and Wheeler Real Estate, LLC, we constructed a 23,303 square foot center with the majority of the space being under lease contracts prior to its opening; the center is currently 100% leased. We managed the project's entitlement process from start to finish, including navigating the zoning process, developing the site plan, obtaining necessary permits, acquiring the certificate of occupancy, conducting the grand opening and subsequently managing an expansion project to accommodate two existing tenants. We believe the magnitude and complexity of this project demonstrated the true depth of our capabilities and resources.

The Shoppes at Eagle Harbor represents, in its purest form, our focus on centers with a good mix of merchandising, cross-shopping and co-tenancy. The center houses a strong mix of tenants, including retail, restaurants and services such as health care and fitness. We believe the center provides services desired by the consumer within the market to address their lifestyle requirements. Our strong relationship with our tenants and the local communities represents a core strength of our company and provides the foundation for our ongoing success.

Mandarin Crossing

During August 2010, through our subsidiary, Mandarin Crossing Associates, LLC ("MCA"), we purchased the Mandarin Crossing strip center consisting of 20,375 square feet of GLA located in Jacksonville, Florida. While not anchored by a large regional tenant, the area's top producing Lowes Home Improvement store located adjacent to Mandarin Crossing generates significant traffic flow for our center; we refer to these large, unaffiliated stores as shadow-anchors due to their proximity, customer draw and spillover effect on our properties . MCA purchased Mandarin Crossing for approximately $3.4 million which included the assumption of $3.2 million in debt (See Note 5 of the Combined Financial Statements for further details regarding the transaction).

Mandarin Crossing was generally neglected prior to us acquiring it, which resulted in poor tenant relations and financial performance in addition to property maintenance issues. We used our hands-on approach to strengthen relationships with existing tenants and attract new tenants. Our philosophy is highlighted by the efforts of our leasing agent who worked with an existing tenant to facilitate the approvals necessary to obtain a license. The license requirement was critical to the tenant's ability to not only remain successful, but also allowed the tenant to expand his space. The approval process required coordination with various property owners and the receipt of a variance—all efforts which were spearheaded by our leasing agent. While we have been able to execute lease renewals with several of the property's other tenants under terms more in line with our leasing philosophy as well, it

will take some time to realize the full extent of the benefits from the efforts required by our model. Accordingly, we believe our current results of operations in the periods presented do not reflect the full profit potential of the property. Currently, Mandarin Crossing generates approximately $500,000 in annual rental income for our company and carries an 88% occupancy rate which does not reflect the expanded square footage of the tenant referenced above, once their buildout project is complete.

Walnut Hill Plaza

Similar to Mandarin Crossing, the Walnut Hill Plaza property was a neglected shopping center when our subsidiary, Walnut Hill Plaza Associates, LLC ("WHP"), acquired it in 2007. The physical appearance resulted in it being unattractive to prospective tenants; existing tenants carried month-to-month leases due to their hesitancy to sign long term commitments in a dilapidated center with no future plans for improvement that would draw brand name tenants typically associated with generating high customer traffic volumes. After the customary financial reviews and an in-depth review of the market, we purchased the property with a plan of making significant improvements and employing our hands-on management approach which we believe generates higher returns. The property's proximity to Fort Lee (Virginia) was evaluated in detail because the Federal Base Realignment and Closure ("BRAC") review process was occurring during our due diligence. Ultimately, the BRAC review process resulted in not only the base remaining open, but it also being identified as a designated relocation post for many displaced troops. The center's strong co-tenancy, the earnings upside potential of existing leases, and its location near a large regional medical center, a Food Lion supermarket and other significant industries further supported our vision for the center.

During 2009, we completed a major renovation and face lift project of the shopping center. Improvements included: updating the parking lot lighting, upgrading electrical service, renovating the dated, incomplete façade and a complete parking lot re-design which allowed us to incorporate head-in parking to better facilitate customer traffic. Wheeler Development and Site Applications managed all aspects of the process and did so without displacing any of the existing tenants. Additionally, we were able to negotiate with the City of Petersburg for a five year real estate tax credit on the renovations, improving the early cash flows of the property. The renovations allowed us to negotiate long term leases with the existing tenants and to use our strong relationships with other non-market tenants as a means of attracting them to the property. Management makes regular visits to the property and has established strong relationships with the tenants. We also embrace the center's military market and our tenant relations group focuses center-wide events on dates which honor the military.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based upon our combined financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these combined financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The critical accounting policies summarized in this section are discussed in further detail in the notes to the combined financial statements appearing elsewhere in this prospectus. Management believes that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.

Revenue Recognition

Principal components of our total revenues include base and percentage rents and tenant reimbursements. We accrue minimum (base) rent on a straight-line basis over the terms of the respective leases which results in an unbilled rent asset or deferred rent liability being recorded on the balance sheet. Certain lease agreements contain provisions that grant additional rents based on tenants' sales volumes (contingent or percentage rent) which we recognize when the tenants achieve the specified targets as defined in their lease agreements. We periodically review

the valuation of the asset/liability resulting from the straight-line accounting treatment of our leases in light of any changes in lease terms, financial condition or other factors concerning our tenants.

Our leases generally require the tenant to reimburse us for a substantial portion of operating expenses incurred in operating, maintaining, repairing, insuring and managing the property and common areas (collectively defined as Common Area Maintenance or "CAM" expenses). This significantly reduces our exposure to increases in costs and operating expenses resulting from inflation or other outside factors. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. We calculate the tenant's share of operating costs by multiplying the total amount of the operating costs by a fraction, the numerator of which is the total number of square feet being leased by the tenant, and the denominator of which is the average total square footage of all leasable buildings in the property. We receive escrow payments for these reimbursements from substantially all its tenants on a monthly basis throughout the year. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year.

When and where applicable, any relatively large expense items are amortized into the CAM pool and are reimbursed by the tenants according to their leases. By amortizing the expenses, the tenants are able to absorb the cost without creating unrealistic monthly CAM charges that would then hinder our ability to fill any vacancy. We monitor market rates for CAM as well as rents to ensure our property's expense and expectations are consistent with what the market will bear.

We record a tenant receivable for amounts due from tenants such as base rents, tenant reimbursements and other charges allowed under the lease terms. We periodically review tenant receivables for collectability and determine the need for an allowance for the uncollectible portion of accrued rents and other accounts receivable based upon customer creditworthiness (including expected recovery of a claim with respect to any tenants in bankruptcy), historical bad debt levels and current economic trends. We consider a receivable past due once it becomes delinquent per the terms of the lease; our standard lease form considers a rent charge past due after five days. A past due receivable triggers certain events such as notices, fees and other allowable and required actions per the lease.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results when ultimately realized could differ from those estimates. Significant estimates in the years ended December 31, 2011, 2010 and 2009 include accrued rents and tenant reimbursements, impairment analysis of investment properties and the useful life of investment properties.

Impairment of Long-lived Assets

We periodically review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable, with an evaluation performed at least annually. These circumstances include, but are not limited to, declines in the property's cash flows, occupancy and fair market value. We measure any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization, plus its residual value, is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We estimate fair value using unobservable data such as operating income, estimated capitalization rates or multiples, leasing prospects and local market information. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We did not record any impairment charges during the years ended December 31, 2011, 2010 and 2009, respectively.

Principal Factors Affecting our Results of Operations

Revenues

The principal components of our total revenues include the following:

- *Base and percentage rents*. We accrue minimum (base) rent on a straight-line basis over the terms of the respective leases. Accordingly, in most cases rent revenue recognized on leases will differ from actual rent collections which may cause fluctuations in rent revenue and cash flows from period to period. Additional factors impacting rent revenues may include terms specified in new, renewed or renegotiated leases and the financial condition and success of our tenants.
- *Tenant reimbursements*. We accrue reimbursements from tenants for recoverable portions of our expenses as revenue in the period the applicable expenditures are incurred. These reimbursements consist primarily of CAM, real estate taxes and property insurance expenses related to the properties. We receive escrow payments for these reimbursements from substantially all tenants on a monthly basis throughout the year with any differences between estimated recoveries and the final billed amounts being recognized in the subsequent year. Accordingly, our estimated billings and post year-end adjustments may fluctuate from period to period due to several factors, including reimbursable expense levels and any changes in lease terms.

The following factors affect the revenues we derive from our operations. For other factors affecting our revenues, see "Risk Factors—Risks Related to Our Business and Operations."

- *Our ability to maximize lease terms and occupancy rates*. While many outside factors may impact our success in these areas, we rely heavily on our hands-on management approach in maximizing property revenues. Accordingly, our ability to execute on this approach will impact revenues from period to period.
- *Competition and market conditions*. Our need to be competitive in our various markets often requires us to adjust lease terms when trying to retain or attract tenants, especially in down economies similar to that experienced in recent years. Again, we rely on our experience and ability to adjust in order to manage through these challenges.
- *Financial health of our tenants*. The distressed economic environment during recent years has resulted in some of our tenants requesting temporary or permanent modifications in lease terms, being more aggressive in negotiating new leases of renewals, not renewing leases and, in extreme cases, closing their business and walking away from their contractual lease agreements. The resulting impact on revenues varies and may cause fluctuations from period to period.

Operating Expenses

The principal components of our total operating expenses include the following:

- *Property operating expenses*. We include in property operating expenses all costs associated with managing and maintaining the properties including: grounds and landscaping; management fees; utilities; legal and professional fees; and other related expenses. This expense category could be affected by the acquisition or development of new properties, changes in management service agreements or other factors not necessarily in our control.
- *Depreciation and amortization expenses*. We include investment property depreciation and amortization associated with lease commissions and in place leases in this category. The most significant factors affecting this category would be property acquisitions and lease commission activities.

- *Real estate taxes*. We include all real estate taxes associated with the properties in this category. The amount of these taxes varies by the jurisdiction where the property resides which could result in changes from period to period.
- *Repairs and maintenance*. This expense category includes all routine repairs and maintenance associated with keeping our properties in operating condition and attractive to existing and potential tenants. The need and timing of repairs and maintenance projects may impact this expense category from period to period.

The following factors affect our operating expense levels. For other factors affecting our operating expenses, see "Risk Factors—Risks Related to Our Business and Operations."

- *Property acquisitions, development and renovations*. Acquiring, building and significantly renovating a property will impact all operating expense categories. We factor this impact into our planning and due diligence procedures related to these properties.
- *The condition of our properties*. We attempt to diligently control our property expenses through our hands-on management process. However, unanticipated expenses related to property management, repairs and maintenance, real estate taxes or other areas related to the property may impact our operations from period to period. Additionally, newly acquired properties may impact expenses while we transition it into our management program.
- *Legal expense associated with tenant and other matters*. During the past three years, we have incurred a significant amount of legal expense resulting from tenant lawsuits (primarily brought by us), financing activities and construction matters. These expenses are not reimbursable from our tenants under our lease agreements. While we anticipate these costs will decrease as the economy improves and the outstanding matters are resolved, they continue to significantly impact operating expenses.
- *Transition to public company*. Once we complete this offering, we expect that our administrative costs will increase materially, as we need to comply with detailed public reporting requirements.

Interest Expense

Interest expense primarily results from indebtedness incurred to acquire and development investment properties. Factors affecting interest expense levels include acquisition, development and refinancing activities associated with a particular property.

Funds from Operations

We use FFO as an alternative measure of our operating performance, specifically as it relates to results of operations and liquidity. We compute FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999 and April 2002). As defined by NAREIT, FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization (excluding amortization of loan origination costs) and after adjustments for unconsolidated partnerships and joint ventures. Most industry analysts and equity REITs, including us, consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO is a helpful tool that can assist in the comparison of the operating performance of a company's real estate between periods, or as compared to different companies. Management uses FFO as a supplemental measure to conduct and evaluate our business because there are certain limitations associated with using GAAP net income alone as the primary measure of our operating performance. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, while historically real estate values have risen or fallen with market conditions. Accordingly, we believe FFO provides a valuable alternative measurement tool to GAAP when presenting our operating results.

Principal Factors Affecting Liquidity and Capital Resources

Liquidity

Our sources of immediate liquidity primarily consist of cash flows generated from the operation of our properties and available cash and cash equivalents. The cash generated from operations is primarily paid to our equity members (common stockholders) in the form of distributions (dividends). As a REIT, generally we must make annual distributions to our stockholders of at least 90% of our REIT taxable income. In addition to our sources of immediate liquidity, we utilize several other forms of capital for funding our long-term liquidity requirements including our proceeds from secured mortgages and unsecured indebtedness, proceeds from equity issuances (including this offering) and cash generated from the sale of property. We routinely review our liquidity requirements and believe that our current cash flow levels are sufficient to allow us to continue operations, satisfy our contractual obligations and pay dividends to our stockholders.

Our business may be affected by market and economic challenges experienced by the U.S. economy or real estate industry as a whole, including the recent dislocations in the credit and equity markets and the general global economic downturn. These conditions, or similar conditions existing in the future, may adversely affect our financial condition, results of operations, cash flow and per share trading price of our common stock and may also result in the following potential consequences, among others:

- decreased demand for retail space which would cause market rental rates and property values to be negatively impacted;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties; and
- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from our acquisition and development activities and increase our future interest expense.

Indebtedness

Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets, our board's efforts to maintain a reasonable ratio of debt to total capital and borrowing restrictions that may be imposed by lenders. Our ability to access the equity capital markets will also be dependent on a number of factors, including general market conditions for REITs and market perceptions about our company. Potential disruptions in the financial markets and deteriorating economic conditions could adversely affect our ability to utilize any one or more of these sources of funds.

We expect our debt to contain customary restrictive covenants, including provisions that may limit our ability, without the prior consent of the lender, to incur additional indebtedness, further mortgage or transfer the applicable property, purchase or acquire additional property, discontinue insurance coverage, change the conduct of our business or make loans or advances to, enter into any merger or consolidation with, or acquire the business, assets or equity of, any third party.

Equity

We anticipate that our primary future uses of capital will include, but will not be limited to, operating expenses; making scheduled debt service payments; principal curtailments; stockholder distributions; acquiring new assets compatible with our investment strategy, subject to the availability of attractive properties and our ability to consummate acquisitions on satisfactory terms; and funding renovations, expansions and other significant capital expenditures for our existing portfolio of properties. These expenditures include building improvement projects, as well as amounts for tenant improvements and leasing commissions related to re-leasing, which are subject to change as market and tenant conditions dictate.

Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

Results of Operations

The following table presents a comparison of our combined statements of operations for the years ended December 31, 2011 and 2010, respectively.

	For the Years Ended December 31,		Period Over Period Changes	
	2011	2010	$	%
REVENUE:				
Minimum rent	$ 3,782,942	$ 3,754,691	$ 28,251	0.75%
Percentage of sales rent	23,756	33,557	(9,801)	-29.21%
Tenant reimbursements	948,487	906,883	41,604	4.59%
Other income	153,612	21,786	131,826	605.10%
Total Revenue	4,908,797	4,716,917	191,880	4.07%
OPERATING EXPENSES:				
Property operating	928,900	699,677	229,223	32.76%
Depreciation and amortization	1,503,978	1,473,488	30,490	2.07%
Real estate taxes	345,543	296,440	49,103	16.56%
Repairs and maintenance	241,352	246,732	(5,380)	-2.18%
Advertising and promotion	51,673	33,407	18,266	54.68%
Provision for doubtful accounts	55,121	9,632	45,489	472.26%
Corporate general & administrative	321,178	—	321,178	N/A
Other	128,337	96,526	31,811	32.96%
Total Operating Expenses	3,576,082	2,855,902	720,180	25.22%
Operating Income	1,332,715	1,861,015	(528,300)	-28.39%
Interest expense	(1,876,173)	(1,762,858)	(113,315)	6.43%
Net Income (Loss)	$ (543,458)	$ 98,157	$ (641,615)	-653.66%

Revenues

Total revenues for the year ended December 31, 2011 increased 4.07% to $4.91 million, compared to $4.72 million for the year ended December 31, 2010. We benefited from the Mandarin Crossing acquisition (August 2010) which contributed $448,300 in revenues during the year ended December 31, 2011, consisting of $309,000 and $139,300 in base rents and tenant reimbursements, respectively. Mandarin Crossing generated $199,100 in revenues during the year ended December 31, 2010, consisting of $157,600 and $28,400 in base rents and tenant reimbursements, respectively. We anticipate revenues to increase at Mandarin Crossing as we continue to enhance the property's performance by implementing our management approach and leasing methodologies. Additionally, the property's occupancy rate has increased to 88% as a result of recent leasing activities. We will realize the full benefit of this increase during 2012 and subsequent periods. Excluding the impact of Mandarin Crossing and straight-line rent adjustments discussed below, base rents at our other eight properties increased $72,300, primarily due to improvements at Perimeter Square, the Shoppes at TJ Maxx and The Shoppes at Eagle Harbor. The Shoppes at TJ Maxx and Perimeter Square are beginning to recover from prior challenges due to vacancies and market conditions, while performance at The Shoppes at Eagle Harbor continues to improve due to the center reaching 100% occupancy.

Straight-line rent adjustments reduced minimum rent revenues by $89,500 during the year ended December 31, 2011, primarily at the Shoppes at TJ Maxx and The Shoppes at Eagle Harbor. This compares to an $89,900 increase in revenues during the December 2010 annual period due to the straight-line rent adjustments, resulting in a total period to period negative fluctuation of $179,400. The 2011 adjustments primarily resulted from lease modifications and some vacancies occurring prior to the end of contractual lease periods due to financial difficulties experienced by several of our tenants. The Shoppes at TJ Maxx was especially impacted by poor economic conditions which caused us to lose several tenants, including one occupying 14,000 square feet of space, who vacated in September 2010, resulting in the property's occupancy rate declining to 81.2%. However, we believe the property's location, trends in its local market and recent improvements made to the property's appearance create opportunities for performance to improve as economic conditions improve. The straight-line rent adjustments at The

Shoppes at Eagle Harbor primarily resulted from lease amendments for one large tenant related to CAM provisions, tenant improvement allowances and lease term adjustments to accommodate them leasing additional space and making other improvements to their existing space. We believe the impact of straight-line rent adjustments will lessen going forward as economic conditions improve, resulting in the stabilization of vacancies and financial performance at our properties.

Excluding the impact of Mandarin Crossing, tenant reimbursements declined approximately $79,100 during the year ended December 31, 2011 as compared to the December 2010 annual period. The Shoppes at Eagle Harbor and the Shoppes at TJ Maxx experienced the majority of the decrease, primarily due to reasons discussed above regarding lease modifications, lease amendments and vacancies. Tenant reimbursements for 2011 were impacted by a $38,000 decline in revenue recognized for reconciliation adjustments to 2010 tenant reimbursements when compared to the same adjustments recorded in 2010 for the 2009 period. The level of tenant reimbursement estimates recorded throughout the year, changes in tenants and lease term modifications represent the primary factors impacting the amount of these adjustments during the periods presented. Also impacting tenant reimbursement revenue comparisons during the 2011 and 2010 annual periods was a $25,000 lease termination fee collected during 2010 from a tenant at the Shoppes at TJ Maxx; we did not collect any lease termination fees during 2011.

The $131,826 increase in other income during the year ended December 31, 2011 as compared to the December 2010 annual period included a settlement of approximately $82,300 with a tenant at Walnut Hill Plaza related to past due 2011 rents and reimbursements. The tenant still occupies space at the center and is making the agreed upon monthly payments toward the settlement in addition to normal rent payments. Due to our history with the tenant, we believe a certain level of collectability risk may exist with this receivable; accordingly, we recorded a $20,000 provision for doubtful accounts against this receivable during the year ended December 31, 2011. Additional factors impacting other income include $15,000 reimbursement from an adjacent property owner for sewer and parking lot repairs, $13,000 received for insurance reimbursements, $8,500 in other tenant settlements and a $9,900 increase in late fees, primarily at the Shoppes at TJ Maxx property which was impacted the most by the poor economic conditions over the past three years.

Operating Expenses

Total operating expenses for the year ended December 31, 2011 increased 25.22% to $3.58 million, compared to $2.86 million for the year ended December 31, 2010. Corporate general and administrative expenses of $321,178 associated with our formation transactions and $176,900 of additional property operating expenses related to professional fees accounted for a portion of the increase. Additionally, Mandarin Crossing added $195,800 to expenses during the year ended December 31, 2011, primarily consisting of $41,400, $112,400 and $38,400 of property operating expense, depreciation and amortization expense and real estate tax expense increases, respectively. The corporate general and administrative expenses primarily consist of expenses incurred for our formation, ongoing operations and preparation for the offering, including personnel and other required internal and external resources. The increase in professional fees consisted of a $101,000 increase in legal fees, primarily related to a large lawsuit filed by us against a former tenant of the Perimeter Square property, and a $77,600 increase in accounting fees, primarily due to the external audits performed in conjunction with our formation and preparation for this offering. While legal and accounting expenses are not reimbursable from our tenants under our lease agreements, we consider the majority of the legal fees related to tenant lawsuits to be non-recurring items that should decrease as the economy improves and the related matters are resolved; the majority of the accounting fees will be recurring going forward.

Increases of $18,266, $45,489 and $31,811 in advertising and promotion, the provision for doubtful accounts and other operating expenses, respectively, also impacted total operating expenses during the December 2011 annual period. Advertising and promotion expenses increased due additional marketing efforts surrounding attracting new tenants, helping existing tenants maximize their potential in our centers and annual membership charges related to an outside industry group of which we are a member. We manage our advertising and promotion expense based on what we perceive to be the best use of our marketing dollars; therefore, these expenses will fluctuate from period to period. The increase in the provision for doubtful accounts primarily consisted of $20,000 related to the $82,300 lawsuit settlement at Walnut Hill Plaza discussed in the “Revenue” section above, and $17,900 pertaining to transitioning the Mandarin Crossing property to our management and leasing program; in this

case, the charge specifically related to tenants being held to our lease terms for tenant reimbursement as opposed to the lease structure they were accustomed to under the property's previous ownership. The increase in other operating expenses primarily related to higher administrative expenses associated with Mandarin Crossing, increased time and travel related to the Perimeter Square legal matter and increased travel related to our tenant coordination efforts at all the properties.

Operating Income

Total operating income decreased 28.39% to $1.33 million for the year ended December 31, 2011, compared to $1.86 million during the December 2010 annual period. Factors impacting operating income were the $191,880 increase in revenues offset by the $720,180 increase in operating expenses; both categories were impacted by the Mandarin Crossing acquisition and other factors discussed above. The straight-line rent adjustments at The Shoppes at Eagle Harbor and the Shoppes at TJ Maxx and the vacancies affected revenues, while increased costs associated with our formation, preparing for the offering and ongoing operations, along with increases in professional fees, advertising and promotion and uncollectible receivables impacted total expenses.

Mandarin Crossing added $36,600 to 2011 operating income while the other changes related to operating activities discussed above accounted for the offsetting decrease. We believe operating income generated by Mandarin Crossing will improve as: (1) we fully integrate the property with our property management systems; (2) one of the tenants completes their expansion into one of the property's remaining vacant spaces; (3) a result of recent leasing activity which caused an increase in the property's rate occupancy rate to 92.3%; and (4) the property stabilizes once tenants are transitioned and become acclimated to our approach regarding tenant reimbursements. We believe the increase in the provision for doubtful accounts incurred in recent years directly relates to poor economic conditions and other non-recurring matters and that our ability to collect on receivables will improve as the economy recovers.

Other Expense

Interest expense was $1.88 million for the year ended December 31, 2011, compared to $1.76 million for the year ended December 31, 2010. The debt assumed as part of the Mandarin Crossing acquisition created additional interest expense of $121,500 during the December 2011 annual period, while declining principal balances on the debt of the other eight properties reduced interest expense by approximately $8,200.

Funds from Operations

Below is a comparison of FFO for the year ended December 31, 2011 and 2010:

	Years Ended December 31,		Period Over Period Changes	
	2011	2010	2011	2010
	(unaudited)			
Net income (loss)	$ (543,458)	$ 98,157	$ (641,615)	-653.66%
Depreciation of real estate assets	1,324,124	1,310,511	13,613	1.04%
Total FFO	$ 780,666	$1,408,668	$ (628,002)	-44.58%

During the year ended December 31, 2011, FFO decreased $628,002 as compared to the December 2010 annual period. The primary factors causing the decrease, discussed in detail above, included: (1) the $321,178 of corporate general and administrative expenses; (2) the $179,400 negative impact of straight-line rent adjustments; (3) the $176,900 increase in professional fees; (4) the $18,266 increase in advertising and promotion costs; and (5) the $45,489 increase in the provision for doubtful accounts. FFO benefited from the addition of Mandarin Crossing and improved performance at Walnut Hill Plaza as a result of us fully implementing our management and leasing strategies at the property and scheduled rent escalations take effect. In one case at Walnut Hill Plaza, a tenant that occupies 14,812 square feet was paying rent of $2.25 per square foot with two renewal options in place when we bought the center. On March 1, 2011, they exercised the first option which increased their rent to $6.60 per square foot, resulting in additional annual revenue of $64,432. Under previous ownership, such a tenant may not have renewed its lease without a rent reduction; however, showing our commitment to the property and the tenants

through our investments in property improvements and our hands-on management and leasing approach enhance the center's appeal to both tenants and customers.

Liquidity and Capital Resources

Cash flows from operating activities, investing activities and financing activities for the year ended December 31, 2011 and 2010 are as follows:

	Years Ended December 31,		Period Over Period Change	
	2011	2010	$	%
Operating activities	$ 1,211,896	$1,351,090	$ (139,193)	-11.49%
Investing activities	$ (93,451)	$ (683,886)	$ 590,435	-631.81%
Financing activities	$(1,263,166)	$ (738,286)	$ (524,880)	41.55%

Operating Activities

During the year ended December 31, 2011, we had cash flows from operating activities of $1.21 million, an 11.49% decrease over cash flows from operating activities of $1.35 million during the December 2010 annual period. The most significant impact on operating cash flows was due to approximately $321,000 of net cash used for corporate general and administrative expenses related expenses incurred for our formation, ongoing operations and preparation for the offering, including personnel and other required internal and external resources. Increases in operating cash flow at Mandarin Crossing and Walnut Hill during the December 2011 annual period partially offset the impact of the corporate general and administrative expenses as compared to the December 2010 annual period. We benefited from a full year of activity at Mandarin Crossing, while operations at Walnut Hill continued to improve as a result of management efforts and lease renewals since we acquired that property. Nominal fluctuations in operating cash flows at the other properties and the timing of payments associated with the operating expenses accounted for the remaining increase in cash flows from operating activities.

Investing Activities

During the year ended December 31, 2011, our cash flows used in investing activities were $93,451, compared to cash flows used in investing activities of $683,886 during the December 2010 annual period. Investing activities during the 2011 and 2010 periods included capital expenditures of $93,451 and $217,558, respectively, for construction, renovations and major repair projects at The Shoppes at Eagle Harbor, Perimeter Square, Shoppes at TJ Maxx and Walnut Hill Plaza. The 2011 decrease resulted from fewer capital projects occurring during 2011 since the majority of these projects occurred during the 2010 period. Additionally, 2010 investing activities included $466,328 related to the Mandarin Crossing acquisition.

Financing Activities

During the year ended December 31, 2011, our cash flows used in financing activities were $1.26 million, representing a 41.55% increase over the $738,286 of cash flows used in financing activities during the December 2010 annual period. During the December 2011 period, we used approximately $391,200 of cash flow towards offering expenses which was offset by the $505,000 of proceeds from the sale of preferred stock to cover expenses related to our formation and the offering. Investing activities for the year ended December 2010 included $674,982 of proceeds from sales of member units in conjunction with the Mandarin Crossing acquisition. Also impacting cash flows from financing activities were distributions to members of $951,226 and $1.07 million during the year ended December 31, 2011 and 2010, respectively.

Mortgage indebtedness activity during the year ended December 31, 2011 and 2010 included principal payments of $465,905 and $601,810, respectively, and indebtedness proceeds of $0 and $68,401, respectively. The higher debt service levels during 2010 primarily resulted from a $250,000 one-time principal curtailment made on The Shoppes at Eagle Harbor construction loan as required by the lender in conjunction with converting the loan to permanent financing; the lender required this payment due to cap rate changes and other factors occurring

subsequent to their original underwriting of the construction loan as a result of declining economic conditions. The Shoppes at Eagle Harbor received the $250,000 from a related party which, along with other related party activity, is reflected in our combined statements of cash flows under "net proceeds from related parties" during the period. The $68,401 in mortgage proceeds received during the December 2010 annual period related to the construction loan used to finance the Walnut Hill shopping center renovations.

The Shoppes at Eagle Harbor $250,000 principal curtailment requirement was unique to this particular loan in that we were converting from a construction loan to a permanent loan during one of the worse economical environments on record. The terms of the construction loan were agreed to before the real estate market collapse which significantly impacted cap rates, bank credit philosophies, financing availability and the overall commercial real estate market. Historically, principal curtailment requirements by lenders have been rare and when it has occurred, the amount was generally insignificant when compared to the total loan amount. Events that may trigger a principal curtailment include extending, renewing or refinancing loans, releasing collateral, significant changes to loan terms, loan assumptions and loan defaults. The loan agreements for our properties do not contain provisions that specify a principal curtailment amount due when certain events occur; however, any future events triggering such a requirement would affect cash flows.

We intend to continue managing our debt prudently so as to maintain a conservative capital structure and minimize leverage within our company. As of December 31, 2011 and 2010, our unaudited debt balances consisted of the following:

	December 31,	
	2011	2010
Fixed-rate mortgages	$28,733,226	$28,818,956
Variable-rate mortgages	—	380,175
Total	$28,733,226	$29,199,131

The decrease in total mortgage indebtedness at December 31, 2011 is primarily due to $465,905 in principal payments being made since December 2010. Additionally, during the December 2011 annual period we refinanced the variable rate mortgage into a fixed rate product. The weighted average interest rate and term of our fixed-rate debt are 6.38% and 2.3 years, respectively, at December 31, 2011. We have $12.1 million of debt maturing during the 12 months ending December 31, 2012, comprised primarily of a $4.02 million fixed-rate loan on The Shoppes at Eagle Harbor property which matures in April 2012, a $6.04 million fixed-rate loan on the Shoppes at TJ Maxx property which matures in September 2012 and a $2.04 million fixed-rate loan on the Shoppes at TJ Maxx property which matures in December 2012. We have begun the renewal process for The Shoppes at Eagle Harbor with all indications so far leading us to believe we will be able to renew the loan at comparable terms. While we anticipate being able to refinance all the loans at reasonable market terms upon maturity, our inability to do so may require us to repay the $12.1 million out of existing funds, most likely using proceeds from this offering. Additionally, our ability to refinance the loans may be conditioned upon us making principal curtailments which would also likely come from the offering net proceeds. See Note 6 of the Combined Financial Statements for additional mortgage indebtedness details.

Future Liquidity Needs

The $12.1 million in debt maturities, anticipated recurring debt service of approximately $2.2 million and the $0.42 per share initial dividend we intend to pay for the 12-month period following completion of this offering represent the most significant factors outside of normal operating activities impacting cash flow over the next twelve months. Our success in refinancing the debt and executing on the acquisition strategy discussed below will dictate how we use the offering proceeds. If a significant portion of the proceeds must be used to fund distributions and debt maturities, our ability to grow and pay future dividends may be limited without additional capital. Additionally, distributions paid in excess of earnings and profits may represent a return of capital for U.S. federal income tax purposes.

The pro forma cash flow illustrated in the Distribution Policy section on page 40 results in a $1.76 million deficit based on the $508,965 estimated cash available for distribution and $2.27 million in estimated distributions assuming out intended dividend rate of $0.42 per share. We believe significant opportunities exist in the current commercial real estate environment that will enable us to sufficiently leverage the funds received in the offering to fund planned distributions. We believe the public REIT model provides a unique growth vehicle whereby we can either acquire properties through traditional third party acquisitions using a combination of cash generated in the capital markets and debt financing; contributions of properties by third parties in exchange for common units issued by the Operating Partnership; and contributions of existing Wheeler properties in exchange for common units issued by the Operating Partnership. Additionally, access to public market capital enhances our ability to formulate acquisition structures and terms that better meet our growth strategies.

We envision acquiring properties during the twelve months following the offering, consisting primarily of a blend of traditional acquisitions using equity capital provided by this offering and external financing, and property contributions in exchange for common units and debt assumption. Based on our knowledge of the property acquisition markets, there appears to be an ample inventory of properties available to enable us to meet our acquisition goals over the next twelve months, especially as it relates to those in the secondary and tertiary markets where we have historically excelled. Current cap rates in these markets have typically ranged from 8% to 10% and beyond. We believe that acquisitions at these price ranges, assuming a reasonable blend of traditional acquisition strategies and property contributions in exchange for common units and external debt financing, will produce excess cash flow sufficient to fund current and future dividends to our shareholders and common unit holders. We intend to aggressively pursue acquisitions that fit these parameters and that will generate sufficient cash flow to support our operating model. Since 1999, Jon S. Wheeler and his affiliates have acquired in excess of 60 properties. We believe our experience and success in acquiring and managing these properties will enable us to execute on our strategies for investing the offering proceeds.

In addition to liquidity required to fund debt payments, distributions and acquisitions, we may incur some level of capital expenditures during the year for the existing nine properties that cannot be passed on to our tenants. In the past, the majority of these expenditures occurred subsequent to acquiring a new property that required significant improvements to maximize occupancy and lease rates, with an existing property that needed a facelift to improve its marketability or when tenant improvements were required to make a space fit a particular tenant's needs. As discussed in our Investing Activities section above, these expenditures were especially high during the past three years due to the acquisitions of Walnut Hill and Mandarin Crossing and the development of the Shoppes at Eagle Harbor. However, since the work related to these properties is complete, we only anticipate approximately $100,000 of capital expenditures for the 9 properties during the next twelve months.

Year Ended December 31, 2010 Compared to the Year Ended December 31, 2009

Results of Operations

The following table presents a comparison of our combined statements of operations for the years ended December 31, 2010 and 2009, respectively.

	For the Years Ended December 31,		Period Over Period Changes	
	2010	2009	$	%
REVENUE:				
Minimum rent	$ 3,754,691	$ 3,654,409	$ 100,282	2.74%
Percentage of sales rent	33,557	34,605	(1,048)	-3.03%
Tenant reimbursements	906,883	745,097	161,786	21.71%
Other income	21,786	70,159	(48,373)	-68.95%
Total Revenue	4,716,917	4,504,270	212,647	4.72%
OPERATING EXPENSES:				
Property operating	699,677	654,427	45,250	6.91%
Depreciation and amortization	1,473,488	1,380,882	92,606	6.71%
Real estate taxes	296,440	278,541	17,899	6.43%
Repairs and maintenance	246,732	249,087	(2,355)	-0.95%
Advertising and promotion	33,407	30,055	3,352	11.15%
Provision for doubtful accounts	9,632	73,204	(63,572)	-86.84%
Other	96,526	73,784	22,742	30.82%
Total Operating Expenses	2,855,902	2,739,980	115,922	4.23%
Operating Income	1,861,015	1,764,290	96,725	5.48%
Interest expense	(1,762,858)	(1,585,281)	(177,577)	11.20%
Net Income	$ 98,157	$ 179,009	(80,851)	-45.17%

Revenues

Total revenues increased by $212,647, or 4.72%, to $4.72 million in 2010 as compared to $4.50 million in 2009, primarily due to increases in base rents of $100,282, or 2.74%, and increases in tenant reimbursements of $161,786, or 21.71%. We benefited from the Mandarin Crossing acquisition (August 2010) which contributed $199,100 in revenues during the five months we owned the property in 2010, consisting of $170,700 and $28,400 in base rents and tenant reimbursements, respectively. Additionally, we have realized revenue improvements at Walnut Hill and The Shoppes at Eagle Harbor and been able to impose scheduled rent increases, resulting in increased revenues.

Operating Expenses

Total operating expenses increased by $115,922, or 4.23%, to $2.86 million in 2010 as compared to $2.74 million in 2009, primarily due to increases in property operating expense, depreciation and amortization expense and real estate tax expenses of 6.91%, 6.71% and 6.43%, respectively. Mandarin Crossing added $168,100 of additional operating expenses, primarily in the aforementioned three expense categories. Mandarin Crossing's impact on property operating expenses included approximately $11,200 of grounds and landscaping expenses, $5,700 of insurance expense, $9,500 of management fees and $2,900 of utilities. Included in property operating expenses are professional fees totaling $132,098 and 131,148 during the years ended December 31, 2010 and 2009, respectively. Professional fees consist of legal expenses totaling $94,700 and $85,600 for the years ended December 31, 2010 and 2009, respectively, primarily related to tenant lawsuits, financing activities and construction projects, and accounting fees of $32,500 and $21,100 for the respective periods. While legal expenses are not reimbursable from our tenants under our lease agreements, we consider these to be non-recurring items. We believe that our existing tenant lawsuits will be resolved in the near future which coupled with improvement in the economy should result in lower legal fees going forward. Also impacting property operating expenses during 2010 was an increase in management fees of approximately $10,800 at The Shoppes at Eagle Harbor due to the property being fully operational during 2010.

We experienced increases of approximately $22,100, $37,500 and $37,000 in depreciation and amortization expense at The Shoppes at Eagle Harbor, Shoppes at TJ Maxx and Walnut Hill Plaza, respectively, as a result of recent completed construction and renovation projects; while depreciation and amortization expense at Lumber River decreased approximately $88,300 primarily due the property's shorter useful life assets becoming fully depreciated. Additionally, Mandarin Crossing accounted for approximately $82,000 of the increase in depreciation and amortization expense.

The $73,204 of provision for doubtful accounts incurred in 2009 primarily related to uncollectible rent and reimbursement receivables at The Shoppes at Eagle Harbor and Shoppes at TJ Maxx of $42,600 and $21,500, respectively.

Operating Income

Total operating income was $1.86 million for the year ended December 31, 2010, representing a 5.48% increase over the $1.76 million generated during 2009. Factors impacting operating income were a $212,646 increase in revenues, primarily related to rents and tenant reimbursements, partially offset by an $115,921 increase in operating expenses, primarily in property operating expense, depreciation and amortization expense and real estate tax expense, as described above. The Mandarin Crossing acquisition during August 2010 contributed $32,700 to 2010 operating income; while Lumber River's operating profit increased $106,400, primarily due to a decline in depreciation and amortization expense.

Other Expense

Interest expense increased by $177,577, or 11.20%, to $1.76 million in 2010 as compared to $1.59 million in 2009. An additional $82,300 in interest expense associated with debt assumed as part of the Mandarin Crossing purchase, along with an $85,000 increase in interest expense related to larger average balances outstanding on the

Eagle Harbor construction loan, accounted for the majority of the increase in interest expense during 2010 as compared to 2009.

Funds from Operations

Below is a comparison of FFO for the years ended December 31, 2010 and 2009:

	Years Ended December 31,		Period Over Period Changes	
	2010	2009	2011	2009
Net income	$ 98,157	$ 179,009	$ (80,852)	-45.17%
Depreciation of real estate assets	1,310,511	1,262,227	48,284	3.83%
Total FFO	$1,408,668	$1,441,236	$ (32,568)	-2.26%

During the year ended December 31, 2010, FFO declined by $32,568, or 2.26%, as compared to the December 2009 year. Mandarin Crossing contributed $24,000 to FFO while Walnut Hill Plaza and The Shoppes at Eagle Harbor experienced declines in FFO of $41,400 and $24,300, respectively, as they completed their renovation and construction projects and were still implementing management and leasing processes at the properties.

Liquidity and Capital Resources

As of December 31, 2010, our cash and cash equivalents totaled $363,600, compared to cash on hand of $434,700 at December 31, 2009. Cash flows from operating activities, investing activities and financing activities for the years ended December 31, 2010 and 2009 are as follows:

	Years Ended December 31,		Period Over Period Change	
	2010	2009	$	%
Operating activities	$1,351,090	$1,223,145	$ 127,945	9.47%
Investing activities	$ (683,886)	$ (999,492)	$ 315,606	-46.15%
Financing activities	$ (738,286)	$ (413,100)	$ (325,186)	44.05%

Operating Activities

During the year ended December 31, 2010, we had cash flows from operating activities of $1.35 million, a 9.47% increase over cash flows from operating activities of $1.22 million during 2009. The primary factors impacting operating cash flows during the period were the additional cash generated from operations at Mandarin Crossing (acquired August 2010) and higher leasing commissions being paid during the 2010 period as compared to the 2009 period.

Investing Activities

During the year ended December 31, 2010, our cash flows used in investing activities were $683,886, a 46.15% decrease over cash flows used in investing activities of $999,492 during 2009. Investing activities during 2010 consisted of approximately $466,300 related to the Mandarin Crossing acquisition and approximately $217,600 related to tenant build-out, improvement or renovation projects at The Shoppes at Eagle Harbor, Mandarin Crossing, Perimeter Square, Shoppes at TJ Maxx and Walnut Hill Plaza. Investing activities during 2009 consisted of approximately $176,500 related to The Shoppes at Eagle Harbor construction project, approximately $753,000 related to the Walnut Hill Plaza renovation project and approximately $69,900 related to tenant build-out and improvement projects at Perimeter Square and Shoppes at TJ Maxx.

Financing Activities

During the year ended December 31, 2010, our cash flows used in financing activities were $738,286, a 44.05% increase over cash flows used in financing activities of $413,100 during 2009. Mortgage indebtedness

activity during 2010 and 2009 included principal payments of $601,800 and $225,400, respectively, and indebtedness proceeds of $68,400 and $773,100, respectively. The increase in debt service during 2010 primarily resulted from a $250,000 one-time principal curtailment made on The Shoppes at Eagle Harbor construction loan as required by the lender in conjunction with converting the loan to permanent financing; the lender required this payment due to cap rate changes and property value declines occurring subsequent to their original underwriting of the construction loan. The Shoppes at Eagle Harbor received the $250,000 from a related party which, along with other related party activity, is reflected in our combined statements of cash flows under "net proceeds from related parties" during the period. Mortgage proceeds received declined during 2010 as compared to 2009 as loan activity related to the construction and renovation projects at The Shoppes at Eagle Harbor and Walnut Hill Plaza were completed.

As of December 31, 2010 and 2009, our debt consisted of the following:

	December 31,	
	2010	2009
Fixed-rate mortgages	$28,818,956	$26,136,408
Variable-rate mortgages	380,175	412,211
Total	$29,199,131	$26,548,619

The period over period increase in total mortgage indebtedness is due to the $3.18 million in debt assumed as part of the Mandarin Crossing acquisition. See Note 6 of the Combined Financial Statements for additional mortgage indebtedness details.

During the years ended December 31, 2010 and 2009, we paid investor distributions of $1.07 million and $993,700, respectively. During 2010, we received new investor funds totaling $675,000 related to acquiring Mandarin Crossing, while during 2009, we received $29,100 of investor funds related to an additional equity contribution in the Riversedge property.

Off-Balance Sheet Arrangements

As of December 31, 2011, we were not involved in any significant off-balance sheet arrangements that are likely to have a material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital resources or capital expenditures.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued additional guidance under Accounting Standards Update ("ASU") 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements*. This ASU improves disclosures regarding fair value under FASB Accounting Standard Codification ("ASC") No. 820 including (1) requiring an entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; (2) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances and settlements; and (3) providing clarification that a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring fair value measurements. The adoption of ASU 2010-06 had no material impact on our financial position, results of operations and cash flows.

In May 2011, the FASB issued guidance under FASB ASC No. 820 – *Fair Value Measurement*, which serves to converge guidance between the FASB and the International Accounting Standards Board ("IASB") for fair value measurements and their related disclosures. This guidance provides for common requirements for measuring fair value and for disclosing information about fair value measurements including the consistency of the meaning of the term "fair value". This guidance also provides clarification about the application of existing fair value measurements and disclosure requirements as well as changes in particular requirements for measuring fair value or for disclosing information about fair value measurements. The new requirements are effective for interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact of this guidance on its financial position, results of operations and cash flows.

The FASB and the IASB have initiated a joint project to develop a new approach to lease accounting that would ensure that assets and liabilities arising under leases are recognized in the statement of financial position. This proposed amendment to Topic 840 of the FASB Accounting Standards Codification would require a lessor to apply either a performance obligation approach or a derecognition approach to account for the assets and liabilities arising from a lease, depending on whether the lessor retains exposure to significant risks or benefits associated with the underlying asset during or after the expected term of the lease. We have not yet determined the effect of this proposed accounting proposal to the balance sheet.

In October 2011, the FASB issued a proposed accounting standards update to Real Estate – Investment Property Entities (Topic 973). The amendments of this proposed update would provide accounting guidance for entities that meet the criteria to be an investment property entity. The amendment would also introduce additional presentation and disclosure requirements. Investment properties acquired by an investment property entity would initially be measured at transaction price, including related transaction costs, and subsequently measured at fair value with all changes in fair value recognized in net income. In connection with this, a lessor of an investment property would not be required to apply the above mentioned proposed lessor accounting requirements for leases if the lessor measures its investment properties at fair value but would account for lease rental income on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. We have not yet determined the impact of this proposed standard to the balance sheet.

In January 2012, the FASB issued a proposed ASC update to Topic 350, *"Intangibles – Goodwill and Other; Testing Goodwill for Impairment."* This amendment would give us the option to first assess qualitative factors to determine whether the existence of an event or circumstance indicates that it is more likely than not that indefinite –lived intangible assets are impaired before having to determine the fair value using the current quantitative approach.

PRIOR PERFORMANCE SUMMARY

The information presented in this section represents information on prior programs organized by our sponsor, Jon S. Wheeler, and his affiliates to invest in real estate. Prospective investors should not assume they will experience returns comparable to those experienced by investors in past real estate programs sponsored by affiliates of our sponsor. The programs discussed in this section were conducted through privately held entities that were not subject to the up-front commissions, fees and expenses associated with this offering or the laws and regulations that will apply to us as a public company.

The information contained herein is included solely to provide prospective investors with background to be used to evaluate the real estate experience of our sponsor and his affiliates. The information summarized below is set forth in greater detail in the Prior Performance Tables included in this prospectus. Investors should direct their attention to the Prior Performance Tables for further information regarding the prior performance of the sponsor and his affiliates. In addition, as part of our registration statement, we have filed certain tables with the Securities and Exchange Commission which report detailed information regarding program property acquisitions by prior programs. Investors can obtain copies of such tables, without charge, by requesting Table VI—Acquisition of Properties by Programs from Part II of this registration statement from us.

THE INFORMATION IN THIS SECTION AND THE TABLES REFERENCED HEREIN SHOULD NOT BE CONSIDERED AS INDICATIVE OF HOW WE WILL PERFORM. THIS DISCUSSION REFERS TO THE PERFORMANCE OF PRIOR PROGRAMS AND PROPERTIES SPONSORED BY OUR SPONSOR OR HIS AFFILIATES OVER THE PERIODS LISTED THEREIN. IN ADDITION, THE TABLES INCLUDED WITH THIS PROSPECTUS (WHICH REFLECT RESULTS OVER THE PERIODS SPECIFIED IN EACH TABLE) DO NOT MEAN THAT WE WILL MAKE INVESTMENTS COMPARABLE TO THOSE REFLECTED IN SUCH TABLES.

Prior Performance of Affiliates of Our Sponsor

Over the past 12 years, our sponsor completed the purchase of 47 properties through private real estate programs with over 1,200 individual investors. These properties are primarily located in the Southeast (79.17%) with locations in other regions as follows: Southwest (12.50%); Mid-Atlantic (6.25%); and Northeast (2.08%). With investors' cash totaling $74,047,729 used toward the purchases, the aggregate dollar amount for the purchase of these properties is $274,328,102. Based on this total purchase price, such programs are 95.83% shopping centers, 1.99% office buildings and 2.18% other commercial properties, including self-storage and warehouse. Existing properties ("Used") are the vast majority, consisting of 96.1% of the aggregate purchase price spent on this type of property. New construction comprises the remaining 3.9%. Of the 47 properties, 13 have been sold. All such programs have investment objectives similar to those of Wheeler Real Estate Investment Trust, Inc.

In the last three years, programs sponsored by our sponsor acquired a total of six properties. Three of such properties are located in Oklahoma and one property is located in each of Virginia, Georgia and Florida. Such properties were all financed through a combination of cash raises through the sale of LLC membership interests and mortgage financing.

Adverse Business Developments and Conditions

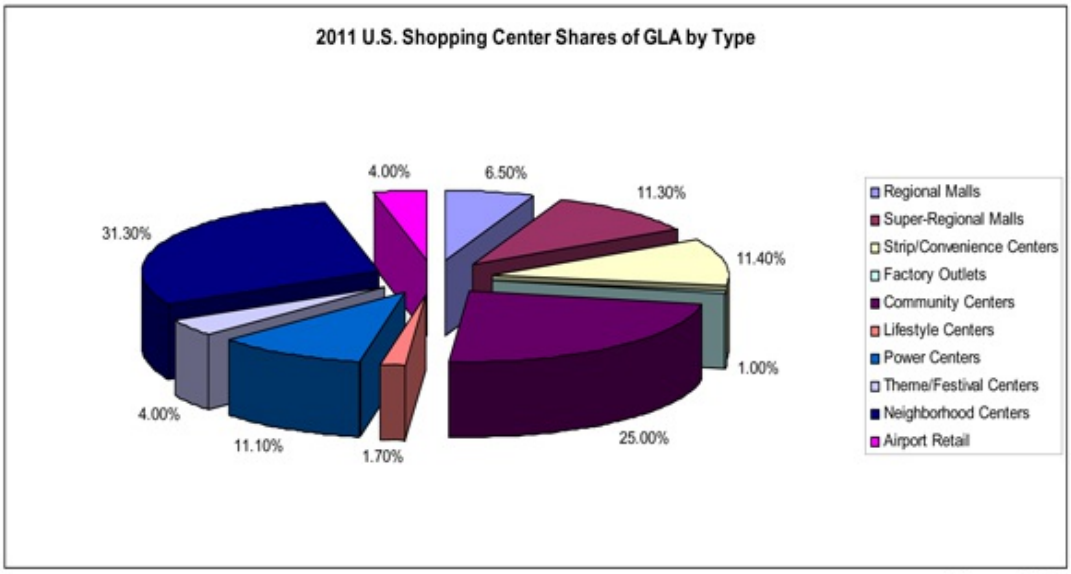
In three separate cases, adverse business developments could have been detrimental to the program, but through the steadfast efforts of the sponsor, these adverse conditions resulted in positive outcomes. Specifically, the anchor tenant at North Pointe Crossing (Tampa, FL) went dark within months of the closing, even though there was no indication of such an action during the due diligence process. After several months of marketing the property and negotiations with the resulting junior anchors, the center was re-merchandised providing greater cross-shopping which resulted in the creation of additional value to the center through new leases and increased rents. When the situation was repeated at Goldenrod Plaza, (Orlando, FL) the previous experience in dealing with a dark tenant was invaluable and once again resulted in increased value to the investors. Most recently, the CMBS loan for Northeast Plaza (Lumberton, NC) had matured and, due to economic conditions, could not be renewed without the injection of considerable additional capital. The relationship of the sponsor with the lender allowed the negotiation of a new loan rather than the foreclosure of the property. After 15 months of negotiations, new capital was raised from existing investors and new investors, thus saving the property from foreclosure and preventing the loss of equity by the investors.

In two cases, Brandy Hill Plaza (Richmond, VA) and Goldenrod Plaza (Orlando, FL), centers were turned back over to their lenders under Deed-in-Lieu of Foreclosure agreements. In both cases, the loans matured and would have required a significant amount of additional capital from investors in order to refinance. The members of the limited liability companies owning such properties were not willing to make such an additional investment, nor did the operating agreements of such LLCs allow for such a capital call.

INDUSTRY BACKGROUND AND MARKET OPPORTUNITY

The retail shopping center industry is one of the largest industries in the United States. The retail shopping center industry had annual revenue of approximately $2.29 trillion in 2010, a year over year percentage increase of 3.5% from 2009, according to the International Council of Shopping Centers (the "ICSC"). In order to support such strong demand, the shopping center space market has grown to 7.3 billion square feet of GLA in 2011 from 2.1 billion square feet in 1970, and there are currently over 107,823 shopping centers in the United States according to the latest data provided by the ICSC and CoStar Realty.

The ICSC has defined ten principal shopping center types that include: (1) neighborhood; (2) community; (3) regional; (4) superregional; (5) lifestyle; (6) power; (7) theme/festival; (8) outlets; (9) airport retail; and (10) convenience/strip centers. According to ICSC, the centers are distinguished primarily by their merchandise orientation (i.e., the type of goods and services sold) and the size of the center. Other characteristics include the number and type of anchor tenants and the anchor ratio (i.e., the share of a center's total square footage that is attributable to its anchors) and the primary trade area (i.e., the area from which 60% to 80% of the center's sales originate). Regional and superregional centers, or enclosed malls, comprise approximately 17% of the total shopping center market, while the eight other types of centers make up the remaining 83% on a square footage basis.



Source: ICSC

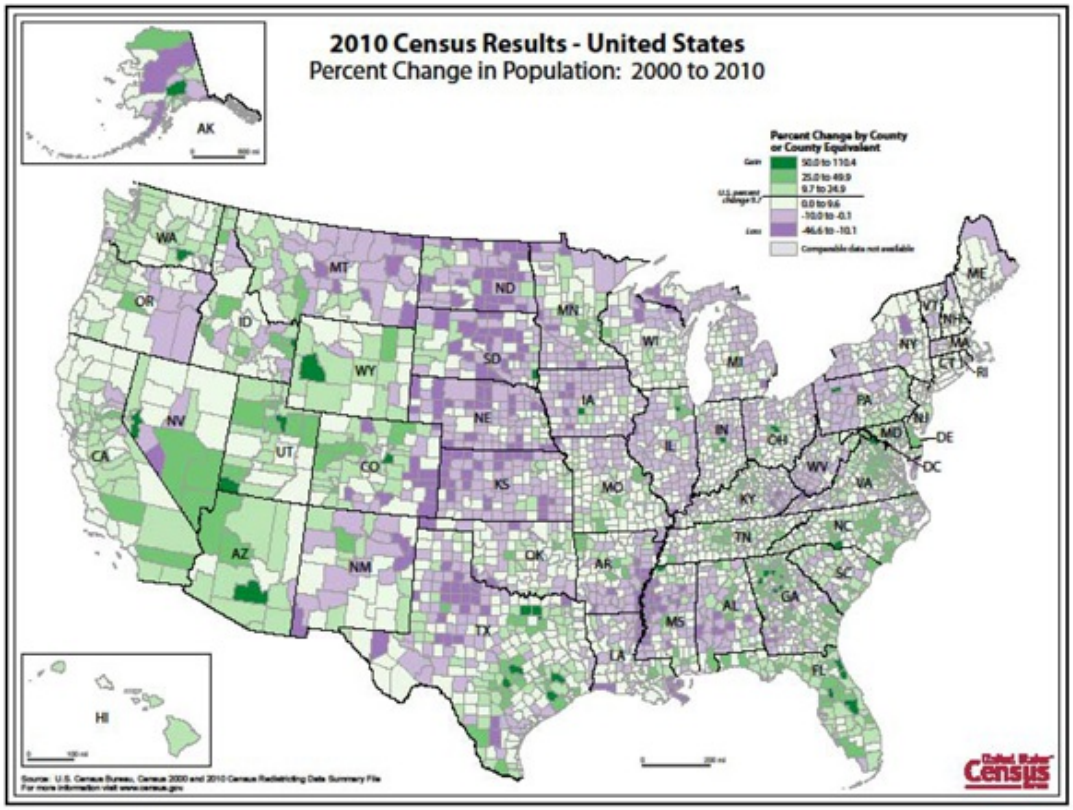
We will focus on owning and managing income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. We believe that these property types are the most stable assets within the retail sector. Consumer spending on goods offered by such retailers does not experience significant fluctuations. As of July 2011, convenience/strip centers, neighborhood and community shopping centers made up approximately 11.4%, 31.3% and 25.0% of the open-air shopping center space market based on a square footage basis.

Our Markets

We will primarily target markets in the Mid-Atlantic, Southeast and Southwest that exhibit attractive economic fundamentals and have favorable long-term supply-demand characteristics. Specifically, five of the nine properties in our portfolio are currently located in Virginia, two are located in Florida, one is located in North Carolina and one is located in Oklahoma.

As shown in the 2010 U.S. Census population change map below, the center of gravity of the U.S. population continues to shift toward the southwest and southeast, continuing a decade long shift of the U.S. population toward these areas. The Southwest and Southeast comprise two of our markets and we believe that our

network of relationships in the retail industry in these geographic areas position us to take advantage of the on-going population shift toward the Southwest and Southeast.



Market Opportunity

Shopping center GLA grew by only 0.25% in 2010 and growth in 2011 continues to be sluggish to date as well. The slow growth in U.S. shopping-center space reflects lagging adjustments resulting from the severe business cycle downturn between 2007 and 2009. However, one effect of such slowed growth has been to bolster the shopping center industry's fundamentals relative to other property classes. For instance, the shopping center vacancy rate in the first quarter of 2011 was 10.9%, considerably lower than that of 15.2% for office properties. We believe that the retail and shopping center industries are poised for a period of growth as the U.S. economy recovers from a period of global economic decline. Additionally, we believe that our company is positioned to take advantage of this coming period of growth.

Retail property values appear to be at their cyclical lows and we believe the ensuing rebound may be similar to those of past economic downturns, which are illustrated in the chart below. Retail sales recorded average year-over-year growth rates of 6.4%, 6.4% and 5.1% during the three years following the recessions of 1982, 1990 and 2001, respectively; however, there is no guarantee that comparable growth rates will occur in the future. We believe that the recent lack of construction combined with the anticipated economic recovery will yield an environment of increasing rents and therefore increasing operating cash flows and property values. The chart below shows retail sales growth following recent recessions.

Source: U.S. Census.

Over the longer-term, population growth will continue to support commercial real estate, including retail properties. According to the U.S. Census, annual population growth will remain near historical averages at approximately 1%. Moreover, the number of 25- to 44-year-old consumers, one of the primary drivers of household formation, is expected to grow from 83 million in 2010 to approximately 90 million by 2020. We believe that new household formation is a primary demand driver for consumer goods that are sold at our target assets.

Our management team has had a high degree of success in identifying and capitalizing on opportunities that arise during times of economic weakness and the expansion periods that follow. Accordingly, we believe that in the short to intermediate term we will be able to capitalize on opportunities to purchase properties that meet our investment criteria. We will seek properties in potentially dominant locations in secondary and tertiary markets whose vacancies stem from recent retail dislocations or mismanagement rather than weak property fundamentals.

BUSINESS AND PROPERTIES

Overview

We are a Maryland corporation formed with the principal objective of acquiring, financing, developing, leasing, owning and managing income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties. Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns. We will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. We generally lease our properties to national and regional retailers that offer consumer goods and generate regular consumer traffic. We believe our tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers' disposable income, generating more predictable property-level cash flows.

Upon the completion of this offering and our formation transactions, we expect to own an initial portfolio consisting of six retail shopping centers, two free-standing retail properties, and one office property, totaling 368,865 square feet of GLA, which were approximately 90% leased as of December 31, 2011.

We believe the current market environment will create a substantial number of favorable investment opportunities with attractive yields on investment and significant upside potential. We believe the markets we plan to pursue of the Mid-Atlantic, Southeast and Southwest are characterized by strong demographics and dynamic, diversified economies that will continue to generate jobs and future demand for commercial real estate. We anticipate that the depth and breadth of our real estate experience will allow us to capitalize on revenue-enhancing opportunities in our portfolio and source and execute new acquisition and development opportunities in our markets, while maintaining stable cash flows throughout various business and economic cycles.

Jon S. Wheeler, our Chairman and President, has 30 years of experience in the real estate sector with particular experience in strategic financial and market analyses and assessments of new or existing properties to maximize returns. We have an integrated team of professionals with experience across all stages of the real estate investment cycle.

We were organized as a Maryland corporation on June 23, 2011 and intend to elect to be taxed as a REIT beginning with our taxable year ending December 31, 2012. We will conduct substantially all of our business through our Operating Partnership. We are structured as an UPREIT, which means that we will own most of our properties through our Operating Partnership and its subsidiaries. We are the sole general partner of our Operating Partnership. As an UPREIT, we may be able to acquire properties on more attractive terms from sellers who can defer tax obligations by contributing properties to our Operating Partnership in exchange for Operating Partnership units, which will be redeemable for cash or exchangeable for shares of our common stock at our election. Our headquarters is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452. Our telephone number is (757) 627-9088. We have reserved www.WHLR.us as our Internet address. Our Internet website and the information contained therein or connected thereto does not constitute a part of this prospectus or any amendment or supplement hereto.

Our Competitive Strengths

We believe the following competitive strengths distinguish us from other owners and operators of commercial real estate and will enable us to take advantage of new acquisition and development opportunities, as well as growth opportunities within our portfolio:

- ***Cornerstone Portfolio of Retail Properties.*** We believe we have acquired and developed a portfolio of properties located in business centers in Virginia, North Carolina, Florida and Oklahoma. We believe many of our properties currently achieve rental and occupancy rates equal to or above those typically prevailing in their respective markets due to their desirable and competitively advantageous locations within their submarkets, as well as our hands-on management approach. The retail properties comprising our initial portfolio fit within our property acquisition profile of income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail properties.

These properties are located in local markets that exhibit stable demographics and have historically exhibited favorable trends, such as strong population and income growth. These properties represent the initial base of the larger portfolio that we expect to build over time.

- ***Experienced Management Team.*** Our executive officers and the members of the management teams of our Services Companies have significant experience in all aspects of the commercial real estate industry, specifically in our markets. They have overseen the acquisition or development and operation of more than 60 shopping centers, representing over 4 million rentable square feet of retail property, including all of the properties in our portfolio. Mr. Wheeler and the real estate professionals employed by our Services Companies have in-depth knowledge of our assets, markets and future growth opportunities, as well as substantial expertise in all aspects of leasing, asset and property management, marketing, acquisitions, redevelopment and facility engineering and financing, all of which we believe will provide us with a significant competitive advantage.
- ***Access to a Pipeline of Acquisition and Leasing Opportunities.*** We believe that market knowledge and network of relationships with real estate owners, developers, brokers, national and regional lenders and other market participants will provide us access to an ongoing pipeline of attractive acquisition and investment opportunities in and near our markets. In addition, we have a network of relationships with numerous national and regional tenants in our markets, many of whom currently are tenants in our retail buildings, which we expect will enhance our ability to retain and attract high quality tenants, facilitate our leasing efforts and provide us with opportunities to increase occupancy rates at our properties, thereby allowing us to maximize cash flows from our properties. We have successfully converted many of our strong relationships with our retail tenants into leasing opportunities at our properties.
- ***Broad Real Estate Expertise with Retail Focus.*** Our management team has experience and capabilities across the real estate sector with experience and expertise particularly in the retail asset class, which we believe provides for flexibility in pursuing attractive acquisition, development, and repositioning opportunities. Since varying market conditions create opportunities at different times across property types, we believe our expertise enables us to target relatively more attractive investment opportunities throughout economic cycles. In addition, our fully integrated platform with in-house development capabilities allows us to pursue development and redevelopment projects with multiple uses. We believe that our ability to pursue these types of opportunities differentiates us from many competitors in our markets.

Business and Growth Strategies

Our strategy is to opportunistically acquire and reinvigorate well-located, potentially dominant retail properties in secondary and tertiary markets that generate attractive risk-adjusted returns. Specifically, we intend to pursue the following strategies to achieve these objectives:

- ***Maximize value through proactive asset management.*** We believe our market expertise, targeted leasing strategies and proactive approach to asset management will enable us to maximize the operating performance of our portfolio. We will continue to implement an active asset management program to increase the long-term value of each of our properties. This may include expanding existing tenants, re-entitling site plans to allow for additional outparcels, which are small tracts of land used for freestanding development not attached to the main buildings, and repositioning tenant mixes to maximize traffic, tenant sales and percentage rents. As we grow our portfolio, we will seek to maintain a diverse pool of assets with respect to both geographic distribution and tenant mix, helping to minimize our portfolio risk. We will utilize our experience and market knowledge to effectively allocate capital to implement our investment strategy. We continually monitor our markets for opportunities to selectively dispose of properties where returns appear to have been maximized and redeploy proceeds into new acquisitions that have greater return prospects.
- ***Pursue value oriented investment strategy targeting properties fitting within our acquisition profile.*** We believe the types of retail properties we seek to acquire will provide better risk-adjusted returns compared to other properties in the retail asset class, as well as other property types in general, due to the anticipated improvement in consumer spending habits resulting from a strengthening economy coupled with the long-term nature of the underlying leases and predictability of cash flows. We will acquire retail properties based on identified market and property characteristics, including:
  - *Property type.* We focus our investment strategy on income producing assets such as strip centers, neighborhood centers, grocery-anchored centers, community centers and free-standing retail

properties. We will target these types of properties because they tend to be more focused on consumer goods as opposed to enclosed malls, which we believe are more oriented to discretionary spending that is susceptible to cyclical fluctuations.

- Strip center. A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the store fronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line or have an "L" or "U" shape.
- Neighborhood centers. A neighborhood center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. Neighborhood centers are often anchored by a supermarket or drugstore. The anchors are supported by outparcels typically occupied by restaurants, fast food operators, financial institutions and in-line stores offering various products and services ranging from soft goods, healthcare and electronics.
- Community centers. A community center typically offers a wider range of apparel and other soft goods relative to a neighborhood center and in addition to supermarkets and drugstores, can include discount department stores as anchor tenants.
- Freestanding retail properties. A freestanding retail property constitutes any retail building that is typically occupied by a single tenant. The lease terms are generally structured as triple-net with the tenant agreeing to pay rent as well as all taxes, insurance and maintenance expenses that arise from the use of the property.

- *Anchor tenant type.* We will target properties with anchor tenants that offer consumer goods that are less impacted by fluctuations in consumers' disposable income. We believe nationally and regionally recognized anchor tenants that offer consumer goods provide more predictable property-level cash flows as they are typically higher credit quality tenants that generate stable revenues. We feel these properties will act as a catalyst for incremental leasing demand through increased property foot traffic. We will identify the credit quality of our anchor tenants by conducting a thorough analysis including, but not limited to, a review of tenant operating performance, liquidity and balance sheet strength.
- *Lease terms.* In the near term, we intend to acquire properties that feature one or more of the following characteristics in their tenants' lease structure: properties with long-term leases (10 years remaining on the primary lease term) for anchor tenants; properties under triple-net leases, which are leases where the tenant agrees to pay rent as well as all taxes, insurance and maintenance expenses that arise from the use of the property; thereby minimizing our expenses; and properties with leases which incorporate gross percentage rent and/or rental escalations that act as an inflation hedge while maximizing operating cash flows. As a longer-term strategy, we will look to acquire properties with shorter-term lease structures (2-3 years) for in-line tenants, which are tenants that rent smaller spaces around the anchor tenants within a property, that have below market rents that can be renewed at higher market rates.
- *Geographic markets and demographics.* We plan to seek investment opportunities throughout the United States; however, we will focus on the Mid-Atlantic, Southeast and Southwest, which are characterized by attractive demographic and property fundamental trends. We will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. These communities will also have a combination of the following characteristics:
  - established trade areas with high barriers to entry,
  - high population base with expected annual growth rate higher than the national average,
  - high retail sales per square foot compared to the national average,
  - above average household income and expected growth,
  - above-average household density,
  - favorable infrastructure such as schools to retain and attract residents, and
  - below-average unemployment rate.

- ***Capitalize on network of relationships to pursue transactions.*** We plan to pursue transactions in our target markets through the relationships we have developed. Leveraging these relationships, we will target property owners that our management team has transacted with previously, many of whom, we feel, will

consider us a preferred counterparty due to our track record of completing fair and timely transactions. We believe this dynamic gives us a competitive advantage in negotiating and executing favorable acquisitions.

- ***Leverage our experienced property management platform.*** Our executive officers, together with the management teams of our Services Companies, have over 150 years of combined experience managing, operating and leasing retail properties. We consider our Services Companies to be in the best position to oversee the day-to-day operations of our properties, which in turn helps us service our tenants. We feel this generates higher renewal and occupancy rates, minimizes rent interruptions, reduces renewal costs and helps us achieve stronger operating results. Along with this, a major component of our leasing strategy is to cultivate long-term relationships through consistent tenant dialogue in conjunction with a proactive approach to meeting the space requirements of our tenants.
- ***Grow our platform through a comprehensive financing strategy.*** We believe our capital structure will provide us with sufficient financial capacity and flexibility to fund future growth. Based on our current capitalization, we believe we will have access to multiple sources of financing that are currently unavailable to many of our private market peers or overleveraged public competitors, which will provide us with a competitive advantage. Over time, these financing alternatives may include follow-on offerings of our common stock, unsecured corporate level debt, preferred equity and credit facilities. Initially, we will utilize growth capital raised through this offering to fund acquisitions. Upon completion of this offering, we expect to have a ratio of debt to total market capitalization of approximately 46% assuming completion of the minimum offering, or 43% assuming completion of the maximum offering. Although we are not required by our governing documents to maintain this ratio at any particular level, our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward. This strategy will enable us to continue to grow our asset base well into the future.

Our Portfolio

Upon completion of this offering and consummation of the formation transactions, we will own nine properties located in Virginia, North Carolina, Florida and Oklahoma, containing a total of approximately 368,865 million rentable square feet of retail space, which we refer to as our portfolio. The following table presents an overview of our portfolio, based on information as of December 31, 2011.

Portfolio

Property	Location	Year Built/ Renovated	Number of Tenants	Net Rentable Square Feet	Percentage Leased	Annualized Base Rent	Annualized Base Rent per Leased Square Foot[1]
Amscot Building	Tampa, FL	2004	1	2,500	100.0%	$ 101,400.00	$ 40.56
Lumber River Village	Lumberton, NC	1985/1997-98 (expansion)/2004	11	66,781	100.0%	520,891.80	7.80
Mandarin Crossing	Jacksonville, FL	2004	7	20,375	87.9%	317,904.00	17.76
Monarch Bank	Virginia Beach, VA	2002	1	3,620	100.0%	211,118.40	58.32
Perimeter Square	Tulsa, OK	1982-1983	9	58,277	100.0%	685,337.52	11.76
Riversedge North	Virginia Beach, VA	Virginia Beach, VA	1	10,550	100.0%	273,456.00	25.92
The Shoppes at TJ Maxx	Richmond, VA	Richmond, VA	14	93,552	81.2%	929,517.84	12.24
The Shoppes at Eagle Harbor	Carrollton, VA	2009	7	23,303	100.0%	466,293.03	20.01
Walnut Hill Plaza	Petersburg, VA	Petersburg, VA	11	89,907	82.7%	543,461.95	7.31
Total Portfolio			62	368,865	90.3%	$4,049,380.54	$ 12.13

[1] Annualized base rent per leased square foot includes the impact of tenant concessions.

Description of Our Properties

The following properties are our initial properties that are components of our original operating portfolio:

Shoppes at TJ Maxx

The Shoppes at TJ Maxx is a 93,552 square foot community shopping center built in 1982 and renovated in 1999, and anchored by TJ Maxx. The property is located in Richmond, Virginia on the West Broad Street shopping corridor and is occupied by 14 primarily retail and restaurant tenants.

TJ Maxx leases 32,400 square feet of GLA, representing 34.63% of the GLA of Shoppes at TJ Maxx. TJ Maxx is the only tenant leasing in excess of 10% of the GLA of Shoppes at TJ Maxx. The annual rent under the TJ Maxx lease is $294,192. The TJ Maxx lease is set to expire on April 30, 2014.

The following table sets forth the percentage leased and annualized rent per leased square foot for Shoppes at TJ Maxx as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2011	81.2%	$ 12.24
December 31, 2010	79.82%	$ 11.77
December 31, 2009	88.35	10.85
December 31, 2008	98.15	10.22
December 31, 2007	85.36	11.29

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Shoppes at TJ Maxx as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s)[1]	Percentage of Property Annualized Base Rent
Available	—	17,611	18.82%	$ —	— %
2012	2	7,037	7.52	111	11.94
2013	2	3,212	3.43	47	5.05
2014	3	36,012	38.49	353	37.96
2015	2	9,159	9.80	128	13.76
2016	3	6,993	7.47	125	13.44
2017	—	—	—	—	—
2018	1	6,325	6.76	86	9.25
2019	1	7,203	7.70	80	8.60
2020 and thereafter	—	—	—	—	—
Total	14	93,552	100.0%	$ 930	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

Walnut Hill Plaza

Walnut Hill Plaza is an 89,907 square foot neighborhood shopping center built in 1959 and most recently renovated in 2008 by Wheeler Development. The property is located in Petersburg, Virginia. The property is occupied by 11 tenants and features a variety of retailers including Maxway, Save-A-Lot, Rent-A-Center and Family Dollar, which began a renovation of its space in the fall of 2011.

The following tenants lease more than 10% of the GLA of Walnut Hill Plaza:

- Variety Wholesalers
  - Variety Wholesalers leases 15,000 square feet of GLA, representing 16.68% of the GLA of Walnut Hill Plaza. Variety Wholesalers operates a Maxway department store at this location.
  - Annual rent under the Variety Wholesalers lease is $72,300.
  - The Variety Wholesalers lease expires on February 28, 2013, which will be the end of its second five year renewal term.
- Moran Foods, Inc.
  - Moran Foods leases 14,812 square feet of GLA, representing 16.48% of the GLA of Walnut Hill Plaza. Moran Foods operates a Save-A-Lot grocery store at this location.
  - Annual rent under the Moran Foods lease is $97,759.
  - The Moran Foods lease expires on February 29, 2016 and has two renewal options remaining, for five years each.
- Beauty World
  - Beauty World leases 11,780 square feet of GLA, representing 13.10% of the GLA of Walnut Hill Plaza.
  - Annual Rent under the Beauty World lease is $111,321.
  - The Beauty World lease expires on March 31, 2018 and has one renewal option for an additional five year period.
- Citi Trends
  - Citi Trends clothing retailer leases 9,875 square feet of GLA, representing 10.98% of the GLA of Walnut Hill Plaza.
  - Annual rent under the Citi Trends lease is $45,425.
  - The Citi Trends lease is in the midst of its first and only renewal option period and the lease is currently set to expire on July 30, 2013.

The following table sets forth the percentage leased and annualized rent per leased square foot for Walnut Hill Plaza as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2011	82.69%	$ 7.31
December 31, 2010	82.69	6.31
December 31, 2009	81.86	6.23
December 31, 2008	77.04	5.86
December 31, 2007[2]	—	—

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.
(2) Walnut Hill Plaza was acquired in December of 2007.

The following table sets forth the lease expirations for leases in place at Walnut Hill Plaza as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s) [1]	Percentage of Property Annualized Base Rent
Available	—	15,562	17.31%	$ —	— %
2012	1	750	0.83	10	1.84
2013	4	26,995	30.03	151	27.81
2014	2	9,008	10.02	79	14.55
2015	—	—	—	—	—
2016	2	23,412	26.04	158	29.10
2017	—	—	—	—	—
2018	1	11,780	13.10	111	20.44
2019	1	2,400	2.67	34	6.26
2020 and thereafter	—	—	—	—	—
Total	11	89,907	100.0%	$ 543	100.0%

[1] Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

Lumber River Plaza

Lumber River Plaza is a 66,781 square foot neighborhood shopping center built in 1985, expanded in 1997-98 and renovated in 2004. The property is located in Lumberton, North Carolina and is currently occupied by 11 tenants, including Food Lion, Family Dollar, Rent-A-Center, and CVS. There is also on kiosk located at this property.

The following tenants lease more than 10% of the GLA of Lumber River Plaza:

- Food Lion
  - Food Lion leases 30,280 square feet of GLA, representing 45.34% of the GLA of Lumber River Plaza. The Food Lion space recently underwent an interior and exterior renovation.
  - Annual rent under the Food Lion lease is $155,250.
  - The Food Lion lease expires on June 30, 2013 and has five renewal options for five years each.
- CVS
  - CVS leases 9,100 square feet of GLA, representing 13.63% of the GLA of Lumber River Plaza.
  - Annual rent under the CVS lease is $63,700.
  - The CVS lease expires on September 30, 2015 and has one renewal option for an additional five year period.
- Family Dollar
  - Family Dollar leases 8,001 square feet of GLA, representing 11.98% of the GLA of Lumber River Plaza.
  - Annual rent under the Family Dollar lease is $44,520.
  - The Family Dollar lease expires on December 31, 2012 and has two renewal options for five years each.

The following table sets forth the percentage leased and annualized rent per leased square foot for Lumber River Plaza as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2011	100%	$ 7.80
December 31, 2010	100	7.48
December 31, 2009	100	7.39
December 31, 2008	100	7.24
December 31, 2007	96.41	6.86

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Lumber River Plaza as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s) [1]	Percentage of Property Annualized Base Rent
Available	—	—	— %	$ —	— %
2012	1	8,001	11.98	51	9.79
2013	3	38,880	58.22	255	48.95
2014	2	2,400	3.59	35	6.72
2015	1	9,100	13.63	64	12.28
2016	2	5,400	8.09	72	13.82
2017	1	1,200	1.80	18	3.45
2018	1	1,800	2.70	26	4.99
2019	—	—	—	—	—
2020 and thereafter	—	—	—	—	—
Total	11	66,781	100.0%	$ 521	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

Perimeter Square

Perimeter Square is a 58,227 square foot neighborhood shopping center built in 1982-83. The property is located in Tulsa, Oklahoma. The property is occupied by nine tenants, providing a variety of services, and is shadow-anchored by a Wal-Mart Village Market grocery store, which recently underwent an interior and exterior renovation.

The following tenants lease more than 10% of the GLA of Perimeter Square:

- Career Point Business School
  - Career Point Business School leases 26,813 square feet of GLA, representing 46.01% of the GLA of Perimeter Square.
  - Annual Rent under the Career Point Business School lease is $342,059.
  - The Career Point Business School lease expires on June 30, 2018 and is not currently subject to any renewal options.

- Dollar Tree
  - Dollar Tree leases 10,754 square feet of GLA, representing 18.45% of the GLA of Perimeter Square.
  - Annual rent under the Dollar Tree lease is $90,333.
  - The Dollar Tree lease expires on July 31, 2012 and its only remaining option to renew for an additional three year period was exercised subsequent to December 31, 2011.

The following table sets forth the percentage leased and annualized rent per leased square foot for Perimeter Square as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2011	100.00%	$ 11.76
December 31, 2010	100.00	10.87
December 31, 2009	100.00	11.18
December 31, 2008	90.91	11.02
December 31, 2007	81.74	9.70

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.

The following table sets forth the lease expirations for leases in place at Perimeter Square as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s) [1]	Percentage of Property Annualized Base Rent
Available	—	—	— %	$ —	— %
2012	4	16,793	28.82	153	22.34
2013	—	—	—	—	—
2014	1	1,978	3.39	22	3.21
2015	—	—	—	—	—
2016	—	—	—	—	—
2017	—	—	—	—	—
2018	2	32,113	55.10	403	58.83
2019	1	2,966	5.09	40	5.84
2020 and thereafter	1	4,427	7.60	67	9.78
Total	9	58,277	100.0%	$ 685	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

Mandarin Crossing

Mandarin Crossing is a 20,375 square foot strip center built in 2004. The property is located in Jacksonville, Florida and is occupied by eight tenants in a variety of businesses including retail, food service, and fitness. Neighboring tenants include Lowes and Walgreens.

The following tenants lease more than 10% of the GLA of Mandarin Crossing:

- Anytime Fitness
  - Anytime Fitness leases 5,000 square feet of GLA, representing 24.54% of the GLA of Mandarin Crossing.
  - Annual rent under the Anytime Fitness lease is $85,000.
  - The Anytime Fitness lease expires on April 30, 2016 and does not have any renewal options.
- Raxx II Billiards
  - Raxx II Billiards leases 5,000 square feet of GLA, representing 24.54% of the GLA of Mandarin Crossing
  - Annual rent under the Raxx II Billiards lease is $77,355
  - The Raxx II Billiards lease expires on May 31, 2017 and has one option to renew for an additional five year period
- Rosy's Mexican Restaurant
  - Rosy's Mexican Restaurant leases 2,500 square feet of GLA, representing 12.27% of the GLA of Mandarin Crossing.
  - Annual rent under the Rosy's Mexican Restaurant lease is $55,004.
  - The Rosy's Mexican Restaurant lease expires on July 31, 2015 and does not have any renewal options.

The following table sets forth the percentage leased and annualized rent per leased square foot for Mandarin Crossing as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot
December 31, 2011	87.85%	$ 17.76
December 31, 2010	88.22	18.05
December 31, 2009[2]	N/A	N/A
December 31, 2008[2]	N/A	N/A
December 31, 2007[2]	N/A	N/A

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage leased.
(2) The acquisition of Mandarin Crossing was completed in 2010.

The following table sets forth the lease expirations for leases in place at Mandarin Crossing as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s) [1]	Percentage of Property Annualized Base Rent
Available	—	2,475	12.15%	$ —	— %
2011	—	—	—	—	—
2012	1	1,300	6.38	24	7.55
2013	—	—	—	—	—
2014	2	2,800	13.74	58	18.24
2015	1	2,500	12.27	55	17.30
2016	1	5,000	24.54	85	26.73
2017	2	6,300	30.92	96	30.18
2018	—	—	—	—	—
2019	—	—	—	—	—
2020 and thereafter	—	—	—	—	—
Total	7	20,375	100.0%	$ 318	100.0%

(1) Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

The Shoppes at Eagle Harbor

The Shoppes at Eagle Harbor is a 23,303 square foot strip center built by Wheeler Development in 2009. The property is located in Carrollton, Virginia and is occupied by seven tenants in a variety of businesses including retail, food service, and healthcare.

The following tenants lease more than 10% of the GLA of The Shoppes at Eagle Harbor:

- Bon Secours Hampton Roads Health System
  - Bon Secours leases 7,012 square feet of GLA, representing 30.09% of the GLA of The Shoppes at Eagle Harbor.
  - Annual rent under Bon Secours' lease is $146,970.
  - The Bon Secours lease expires on September 30, 2015 and has four renewal options for three years each.
- A.J. Gators Sports Bar & Grill
  - A.J. Gators Sports Bar & Grill currently leases 5,337 square feet of GLA, representing 22.90% of the GLA of The Shoppes at Eagle Harbor.
  - Annual rent under the A.J. Gators Sports Bar & Grill lease is $112,217.
  - The A.J. Gators Sports Bar & Grill lease expires on October 31, 2016 and has one renewal option for five years.
- Anytime Fitness
  - Anytime Fitness leases 4,084 square feet of GLA, representing 17.53% of the GLA of The Shoppes at Eagle Creek.
  - Annual rent under the Anytime Fitness lease is $72,769.
  - The Anytime Fitness lease expires on January 31, 2014 and has two renewal options for five years each.
- Animal Clinic of Eagle Harbor
  - The Animal Clinic of Eagle Harbor leases 2,812 square feet of GLA, representing 12.07% of the GLA of The Shoppes at Eagle Harbor.
  - Annual rent under the Animal Clinic of Eagle Harbor lease is $55,678.
  - The original Animal Clinic of Eagle Harbor lease commenced on February 6, 2008 for a period of three years and four months, with one option to renew. The lease was renewed for three years and is currently set to expire on July 31, 2014.

The following table sets forth the percentage leased and annualized rent per leased square foot for The Shoppes at Eagle Harbor as of the indicated dates:

Date	Percent Leased	Annualized Rent Per Leased Square Foot[1]
December 31, 2011	100%	$ 18.84
December 31, 2010	94.05	20.50
December 31, 2009	94.05	20.26
December 31, 2008	48.19	20.49
December 31, 2007[2]	—	—

(1) Annualized rent per leased square foot is calculated by dividing (i) annualized base rent, by (ii) square footage.
(2) The Shoppes at Eagle Harbor were under construction in 2006 and 2007 and did not acquire any tenants until 2008.

The following table sets forth the lease expirations for leases in place at The Shoppes at Eagle Harbor as of December 31, 2011, assuming that tenants do not exercise any renewal options or early termination options:

Lease Expiration Year	Number of Expiring Leases	Square Footage of Expiring Leases	Percentage of Property Leased Square Feet	Annualized Base Rent ($ in 000s) [1]	Percentage of Property Annualized Base Rent
Available	—	—	— %	$ —	— %
2012	—	—	—	—	—
2013	1	1,386	5.95	29	6.22
2014	3	8,182	35.11	152	32.62
2015	2	8,398	36.04	173	37.12
2016	1	5,337	22.90	112	24.04
2017	—	—	—	—	—
2018	—	—	—	—	—
2019	—	—	—	—	—
2020 and thereafter	—	—	—	—	—
Total	7	23,303	100.0%	$ 466	100.0%

[1] Annualized rent is calculated by multiplying (i) base rental payments for the month ended December 31, 2011 for the leases expiring during the applicable period, by (ii) 12.

Riversedge North

Riversedge North is a 10,550 square foot free-standing office building built by Wheeler Development in 2007. The property is located in Virginia Beach, Virginia and has been 100% leased by Wheeler Interests since November 2007. The annual rent under the Wheeler Interests lease is currently $273,456. The Wheeler Interests lease will expire on November 14, 2017, subject to four renewal terms of five years each.

Monarch Bank

The Monarch Bank property is a 3,620 square foot free-standing branch location of Monarch Bank and Monarch Financial Holdings, Inc., built in 2002. The property is located in Virginia Beach, Virginia and has been 100% leased by Monarch Bank under a single tenant triple net lease since December 2007. The annual rent under the Monarch Bank lease is currently $211,118. The Monarch Bank lease will expire December 31, 2012, subject to two renewal terms of five years each. Subsequent to December 31, 2011, Monarch Bank exercised its first renewal option that will become effective January 1, 2013. Under the renewal option, annual rent will increase to $250,757.

Amscot Building

The Amscot Building is a 2,500 square foot free-standing branch location of Amscot Corporation built by Wheeler Development in 2004. Amscot Corporation is a financial services business, offering services such as check cashing, money orders, payday advances and prepaid debit cards. The property is located in Tampa, Florida and has been 100% leased by Amscot Corporation since March 2005. The annual rent under the Amscot Corporation lease is currently $101,400. The Amscot Corporation lease will expire March 31, 2020, subject to three renewal terms of five years each.

Outstanding Indebtedness

After we complete this offering and our formation transactions, we expect to assume outstanding mortgage indebtedness. As of December 31, 2011, the outstanding mortgage indebtedness secured by our properties was approximately $29 million. Although we intend to assume each of these loans in connection with our formation transactions, the assumption is subject to the prior consent of the lenders and there can be no assurance that we will be able to obtain their consent. The following table sets forth information with respect to such indebtedness (dollars in thousands):

	Amount of Debt Outstanding as of December 31, 2011	Weighted Average Interest Rate	Maturity Date	Amortization Period (Mths)	Annual Debt Service	Balance At Maturity
Shoppes at TJ Maxx	$ 6,042,235	6.57%	9/11/2012	120	$527,170	$5,958,226
Walnut Hill Plaza	3,587,143	6.75%	4/11/2014	300	303,232	3,447,074
Lumber River Village	3,038,979	5.65%	5/1/2015	120	220,966	2,867,493
Perimeter Square	4,376,033	6.38%	6/11/2016	120	337,066	4,101,738
Mandarin Crossing	3,139,896	6.37%	8/8/2017	120	237,481	2,908,239
The Shoppes at Eagle Harbor	4,024,629	6.20%	4/1/2012	60	370,359	3,994,966
Riversedge North	2,131,678	6.00%	4/16/2013	60	162,674	2,088,865
Monarch Bank	2,044,462	7.00%	12/30/2012	N/A(1)	143,112	2,044,462
Amscot Building	348,171	6.50%	4/28/2014	36	55,604	269,186
	$ 28,733,226					

(1) Monarch Bank debt is interest only until maturity.

Major Tenants

Upon the completion of this offering and our formation transactions, we expect to have leases with 62 distinct retail tenants, many of which are nationally recognized retailers. The following table sets forth information regarding the ten largest tenants in our operating portfolio based on annualized base rent as of December 31, 2011.

Tenants	Total GLA (square feet)	Percent of Total GLA	Annualized Base Rent ($ in 000s)	Percent of Total Annualized Base Rent	Base Rent per leased square foot
TJ Maxx	32,400	8.78%	$ 294	7.27%	$ 9.07
Food Lion	30,280	8.21	155	3.83	5.12
Career Point Business School	26,813	7.27	342	8.45	12.76
Family Dollar	16,601	4.50	105	2.60	6.32
Variety Wholesalers	15,000	4.07	72	1.79	4.80
Moran Foods	14,812	4.02	98	2.41	6.62
Beauty World	11,780	3.19	111	2.75	9.42
Dollar Tree	10,754	2.92	90	2.23	8.37
Wheeler Interests	10,550	2.86	273	6.75	25.88
Citi Trends	9,875	2.68	45	1.12	4.56
Total Top Ten Tenants/Weighted Average	178,865	48.49%	$ 1,585	39.20%	$ 8.86

Lease Expirations

Upon the completion of this offering and our formation transactions, we will have operating properties with well-staggered lease expirations. The following table sets forth information with respect to the lease expirations of our properties as of December 31, 2011.

Lease Expiration Year	Number of Expiring Leases	Total Expiring GLA	Percent of Total GLA Expiring	Expiring Base Rent ($ in 000s)	Percent of Total Base Rent	Expiring Base Rent per leased square foot
Available	—	35,648	9.66	—	—	—
2012	10	37,501	10.17	561	13.86	14.96
2013	10	70,473	19.11	482	11.91	6.84
2014	13	60,380	16.37	699	17.26	11.58
2015	6	29,157	7.90	420	10.37	14.40
2016	9	46,142	12.51	552	13.63	11.96
2017	4	18,050	4.89	387	9.56	21.44
2018	5	52,018	14.10	626	15.46	12.03
2019	3	12,569	3.41	154	3.80	12.25
2020 and thereafter	2	6,927	1.88	168	4.15	24.25
Total/Weighted Average	62	368,865	100%	$ 4,049	100%	$ 12.13

Property Management and Leasing Strategy

Our property management and substantially all of our leasing activities and operating and administrative functions (including leasing, legal, acquisitions, development, data processing, finance and accounting) are administered or coordinated by our Administrative Service Company. On-site functions such as maintenance, landscaping, sweeping, plumbing and electrical are subcontracted out at each location and, to the extent permitted by their respective leases, the cost of these functions is passed on to the tenants.

We believe that focused property management, leasing and customer retention are essential to maximizing the sales per square foot, operating cash flow and value of our properties. Our primary goal in property management is to maintain an attractive shopping environment on a cost effective basis for our tenants.

The majority of our property management and leasing functions are supervised and administered by our Administrative Service Company. Our Administrative Service Company maintains regular contact with our tenants and frequently visits each asset to ensure the proper implementation and execution of our market strategies. As part of our ongoing property management, our Administrative Service Company conducts regular physical property reviews to improve our properties, react to changing market conditions and ensure proper maintenance.

Our leasing representatives have become experienced in the markets in which we operate by becoming familiar with current tenants as well as potential local, regional and national tenants that would complement our current tenant base. We study demographics, customer sales and merchandising mix to optimize the sales performance of our centers and thereby increase rents. We believe this hands-on approach maximizes the value of our shopping centers.

Recent Leasing Activity

We entered into four new leases within the subject properties between January 1, 2011 and December 31, 2011. The new leases comprised 13,455 SF with an average psf rate of $17.52. The commission on these new deals averaged $2.81 psf while tenant improvement costs averaged $3.55 psf. Renewals in the same period were comprised of eight deals totaling 34,454 SF with a weighted average increase of $1.96 psf. There were no tenant improvement concessions offered for these deals and the commission rate psf equated to $1.18. The rates on negotiated renewals resulted in a weighted average increase of $3.26 psf on four renewals, no psf rate changes on three renewals and a weighted average decrease of $0.90 psf on one renewal for a 1,000 SF space. Exercised option rate adjustments, excluding the one negotiated rent reduction, ranged from a flat rate to an increase of $4.35 psf for the anchor at Walnut Hill.

Depreciation

The following table sets forth depreciation information for our initial properties as of December 31, 2011.

	Federal Tax Basis	Depreciation Rate	Method of Depreciation	Useful Life Claimed
Shoppes at TJ Maxx	$ 6,080,549	3.19%	Straight-Line	5-39 Years
Walnut Hill Plaza	3,729,329	6.60%	Straight-Line	5-39 Years
Lumber River Village	2,856,971	2.91%	Straight-Line	5-39 Years
Perimeter Square	4,030,158	4.63%	Straight-Line	5-39 Years
Mandarin Crossing	2,696,029	6.55%	Straight-Line	5-39 Years
The Shoppes at Eagle Harbor	4,443,821	2.69%	Straight-Line	5-39 Years
Riversedge North	2,207,571	6.12%	Straight-Line	5-39 Years
Monarch Bank	1,986,364	8.46%	Straight-Line	5-39 Years
Amscot Building	492,827	2.85%	Straight-Line	5-39 Years
Wheeler REIT	4,352	20.00%	Straight-Line	5-39 Years
	$28,527,972			

Real Estate Taxes

The following table sets forth real estate tax information for our initial properties:

	2011 Realty Tax Rate (1)	Total Annual Real Estate Taxes for the 2011 Tax Year
Shoppes at TJ Maxx	0.87%	$ 80,116
Walnut Hill Plaza	1.35%	53,957
Lumber River Village	0.79%	44,969
Perimeter Square	1.48%	63,527
Mandarin Crossing	1.83%	49,778
The Shoppes at Eagle Harbor	0.65%	21,818
Riversedge North	0.89%	15,703
Monarch Bank	0.89%	10,431
Amscot Building (2)	0.00%	—
	8.75%	$ 340,299

(1) Represents the percentage of assessed value.
(2) Amscot Building is under a ground lease that does not require it to pay real estate taxes.

We do not believe that any capital improvements made during the twelve-month period immediately following this offering should result in an increase in annual property taxes.

Regulation

General

Our properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to common areas and fire and safety requirements. We believe that each of the properties in our portfolio has the necessary permits and approvals to operate its business.

Americans With Disabilities Act

Our properties must comply with Title III of the ADA, to the extent that such properties are "public accommodations" as defined by the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. Although we believe that the properties in our portfolio in the aggregate substantially comply with present

requirements of the ADA, we have not conducted a comprehensive audit or investigation of all of our properties to determine our compliance, and we are aware that some particular properties may currently be in non-compliance with the ADA. Noncompliance with the ADA could result in the incurrence of additional costs to attain compliance, the imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations as appropriate in this respect.

Environmental Matters

Under various federal, state and local environmental laws and regulations, a current or previous owner, operator or tenant of real estate may be required to investigate and remove hazardous or toxic substances or petroleum product releases or threats of releases at such property, and may be held liable for property damage and for investigation, clean-up and monitoring costs incurred in connection with the actual or threatened contamination. Such laws typically impose clean-up responsibility and liability without regard to fault, or whether the owner, or tenant knew of or caused the presence of the contamination. The liability under such laws may be joint and several for the full amount of the investigation, clean-up and monitoring costs incurred or to be incurred or actions to be undertaken, although a party held jointly and severally liable may obtain contributions from the other identified, solvent, responsible parties of their fair share toward these costs. These costs may be substantial, and can exceed the value of the property. Some of the properties in our portfolio contain, may have contained or are adjacent to or near other properties that have contained or currently contain petroleum products, dry cleaning solvent, lead-based paint, asbestos, polychlorinated biphenyls or other hazardous or toxic substances, including without limitation underground storage tanks for the storage of petroleum products or other hazardous or toxic substances. These operations may have released, or have the potential to release, such substances into the environment. The presence of contamination, or the failure to properly remediate contamination, on a property may adversely affect the ability of the owner, operator or tenant to sell or rent that property or to borrow using such property as collateral, and may adversely impact our investment on that property.

Federal regulations require building owners and those exercising control over a building's management to identify and warn, via signs and labels, of potential hazards posed by workplace exposure to installed asbestos containing materials or ACMs, and potential ACMs in their building. The regulations also set forth employee training, record-keeping and due diligence requirements pertaining to ACMs and potential ACMs. Significant fines can be assessed for violating these regulations. Building owners and those exercising control over a building's management may be subject to an increased risk of personal injury lawsuits by workers and others exposed to ACMs and potential ACMs as a result of these regulations. The regulations may affect the value of a building containing ACMs and potential ACMs in which we have invested. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and/or disposal of ACMs and potential ACMs when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. Such laws may impose liability for improper handling or a release to the environment of ACMs and potential ACMs and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with ACMs and potential ACMs.

When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing because exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. The presence of significant mold at any of our properties could require us to undertake a costly remediation program to contain or remove the mold from the affected property. In addition, the presence of significant mold could expose us to liability to our tenants, their or our employees, and others if property damage or health concerns arise.

Federal, state and local laws and regulations also require removing or upgrading certain underground storage tanks and regulate the discharge of storm water, wastewater and any water pollutants; the emission of air pollutants; the generation, management and disposal of hazardous or toxic chemicals, substances or wastes; and workplace health and safety. Some of our properties have tenants which may use hazardous or toxic substances in the routine course of their businesses. Although we have received no notice that the tenant's activities involving such materials do not comply with applicable laws and regulations, the risk of contamination or injury from these materials cannot be completely eliminated. In the event of such contamination or injury, we could be held liable for any damages that result, and any such liability could exceed our resources and our environmental remediation insurance coverage.

In addition, our leases generally provide that (1) the tenant is responsible for all environmental liabilities relating to the tenant's operations, (2) we are indemnified for such liabilities and (3) the tenant must comply with all environmental laws and regulations. Such a contractual arrangement, however, does not eliminate our statutory liability or preclude claims against us by governmental authorities or persons who are not parties to such an arrangement. Noncompliance with environmental or health and safety requirements may also result in the need to cease or alter operations at a property, which could affect the financial health of a tenant and its ability to make lease payments. In addition, if there is a violation of such a requirement in connection with a tenant's operations, it is possible that we, as the owner of the property, could be held accountable by governmental authorities for such violation and could be required to correct the violation and pay related fines.

Prior to closing any property acquisition, we obtain environmental assessments in a manner we believe prudent in order to attempt to identify potential environment concerns at such properties. These assessments are carried out in accordance with an appropriate level of due diligence and generally include a physical site inspection, a review of relevant federal, state and local environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title and review of historic aerial photographs and other information on past uses of the property. We may also conduct limited subsurface investigations and test for substances of concern where the results of the first phase of the environmental assessments or other information indicates possible contamination or where our consultants recommend such procedures.

We have received no notice that the properties do not currently comply with federal and state regulations regarding hazardous or toxic substances and other environmental matters. However, there can be no assurance that we will not be subject to any liabilities or costs relating to hazardous or toxic substances or other environmental matters. Any substantial unexpected costs or liabilities that we may incur could significantly harm our financial condition and results of operations.

Insurance

We carry comprehensive commercial property and general liability insurance on all of the properties in our portfolio, in addition to other coverages, such as flood coverage, that may be appropriate for certain of our properties. We believe the policy specifications and insured limits are appropriate and adequate for our properties given the relative risk of loss, the cost of the coverage and industry practice; however, our insurance coverage may not be sufficient to fully cover our losses. We believe, however, that upon completion of this offering and the formation transactions, all of our properties will be adequately insured, consistent with industry standards.

Competition

We compete with a number of developers, owners and operators of retail real estate, many of which own properties similar to ours in the same markets in which our properties are located and some of which have greater financial resources than we do. In operating and managing our portfolio, we compete for tenants based on a number of factors, including location, rental rates, security, flexibility and expertise to design space to meet prospective tenants' needs and the manner in which the property is operated, maintained and marketed. As leases at our properties expire, we may encounter significant competition to renew or re-let space in light of the large number of competing properties within the markets in which we operate. As a result, we may be required to provide rent concessions or abatements, incur charges for tenant improvements and other inducements, including early termination rights or below-market renewal options, or we may not be able to timely lease vacant space. In that case, our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy our debt service obligations and to pay dividends to you may be adversely affected.

We also face competition when pursuing acquisition and disposition opportunities. Our competitors may be able to pay higher property acquisition prices, may have private access to opportunities not available to us and otherwise be in a better position to acquire a property. Competition may also have the effect of reducing the number of suitable acquisition opportunities available to us, increase the price required to consummate an acquisition opportunity and generally reduce the demand for retail space in our markets. Likewise, competition with sellers of

similar properties to locate suitable purchasers may result in us receiving lower proceeds from a sale or in us not being able to dispose of a property at a time of our choosing due to the lack of an acceptable return.

Employees

Upon the completion of this offering and the formation transactions, we expect to have 3 employees. None of our employees is unionized.

Principal Executive Offices

Our headquarters is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452. We believe that our current facilities are adequate for our present and future operations, although we may add regional offices or relocate our headquarters, depending upon our future operational needs.

Legal Proceedings

In the ordinary course of business we are frequently party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. We are not currently a party, as plaintiff or defendant, to any legal proceedings that we believe to be material or which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operation if determined adversely to us.

Following the consummation of this offering and the formation transactions, we may be subject to on-going litigation, including existing claims relating to the current direct and indirect owners of our portfolio and the properties comprising our portfolio and we expect to otherwise be party from time to time to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business.

As of the date of this prospectus, the only existing claims to which we will succeed as a result of completing the formation transactions are claims arising in the ordinary course of business and we do not expect to succeed to any claims that we believe to be material or which, individually or in the aggregate, would be expected to have a material effect on our business, financial condition or results of operation if determined adversely to us.

MANAGEMENT

Our Directors, Director Nominees and Executive Officers

Upon completion of this offering, our board of directors will consist of seven members, including a majority of directors who are independent within the meaning of the listing standards of the Nasdaq Capital Market. Pursuant to our charter, each of our directors will be elected by our stockholders to serve until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies. See "Material Provisions of Maryland Law and of Our Charter and Bylaws—Our Board of Directors." The first annual meeting of our stockholders after this offering will be held in 2013 as our annual meeting for 2012 will occur prior to the completion of this offering. Subject to rights pursuant to any employment agreements, officers serve at the pleasure of our board of directors.

The following table sets forth certain information concerning our directors, executive officers and certain other officers upon completion of this offering:

Name	Age	Position
Jon S. Wheeler	51	Chairman, President and Director
Steven M. Belote	46	Chief Financial Officer
Robin Hanisch	53	Secretary
Katherine Arris-Wilson*	41	Director Nominee
Martin A. Einhorn*	54	Director Nominee
Christopher J. Ettel*	51	Director Nominee
David Kelly*	46	Director Nominee
William W. King*	72	Director Nominee
Sanjay Madhu*	45	Director Nominee

* It is expected that this individual will become a director immediately upon completion of this offering.

Biographical Summaries of Directors and Executive Officers

The following are biographical summaries of the experience of our directors, executive officers and certain other officers.

Jon S. Wheeler has served as our Chairman and President since our formation in June of 2011. Mr. Wheeler has also served as the President and CEO of Wheeler Interests since its inception in 1999. Mr. Wheeler has several years of experience as a real estate executive with an extensive background in strategic financial and market analyses and assessments of new or existing properties to maximize returns, which are then positioned for acquisition, growth and disposition. Since founding Wheeler Interests in 1999, Mr. Wheeler has helped Wheeler Interests to acquire over sixty shopping centers in New York, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Tennessee, Georgia, Florida, Oklahoma and Texas, representing over four million square feet of improved real estate property. Mr. Wheeler holds a B.A. degree in political science from Southern Methodist University. Mr. Wheeler was selected as our Chairman because of his experience in retail leasing, marketing, acquisition, development, financing, management and disposition of strip centers, neighborhood centers, community centers, power centers and mixed-use retail space in both the urban and suburban markets within the Northeast, Mid-Atlantic, Southeast and Southwest regions of the United States.

Steven M. Belote, a Certified Public Accountant, has served as our Chief Financial Officer (CFO) since August 2011. After receiving a Bachelor's of Science Degree in Accounting from Virginia Tech University, he spent seven years working in Washington, DC with BDO Seidman, LLP, a large international public accounting and consulting firm. In June 1995, he joined Shore Bank as their CFO, subsequently playing a significant role in taking the bank public in 1997. Mr. Belote served as CFO for the bank's publicly-traded bank holding company, Shore Financial Corporation, until the company was purchased in June 2008. Mr. Belote continued as the bank's CFO until becoming its president in June 2009; a role he held until December 2010. Mr. Belote has been affiliated with and held various roles in many organizations, including: the Melfa Rotary Club from 2006-2010, serving as the club's president from 2008-2009; the Eastern Shore of Virginia Chamber of Commerce Board of Directors from 2004-2010, serving as treasurer from 2009-2010; the Eastern Shore of Virginia United Way from 2000-2008, serving as campaign chair during 2000 and serving on the board of directors from 2001-2008, including the role of president from 2004-2006; the Virginia Bankers Association CFO Committee from 1999-2009, serving as chair from 2003-2006; a member of the Maryland Financial Bank advisory board from 2005-present; and as a member of the Bay Beyond, Inc. (Blue Crab Bay Co.) advisory board from 1997 through 2005, among others.

Robin A. Hanisch has served as the Secretary of our Board of Directors since August 2011. Ms. Hanisch has served as an Associate at Wheeler Interests since 2000, where she oversees Human Resources and Investor Relations. Ms. Hanisch has been the main point of contact for investors in Wheeler Interests and will serve as the main point of contact for our investors. Prior to joining Wheeler Interests, Ms. Hanisch worked in fund development and marketing for a national non-profit organization. She graduated from the University of Hawaii with a degree in merchandising.

Katherine Arris-Wilson has been appointed to serve as a director upon the closing of this offering. From 1993 through 2001, Mrs. Arris-Wilson worked for the strategic management consulting firm, Bain and Company, in both the Dallas, TX office and the Johannesburg, South Africa office. At Bain and Company she worked in various industries, including the airline industry, diesel engine manufacturing, and defense contracting, helping clients to formulate and implement strategies that drive increased profitability. Since 2001, Mrs. Arris-Wilson has worked as an active investor in a number of small businesses and private equity funds. She currently serves as a member of the board of directors of both the Mt. Trashmore YMCA and the Tide Swim Team. Additionally, she previously served as Treasurer of the Tide Swim Team before being elected President in April 2011. As President of Tide Swim Team, Mrs. Arris-Wilson cultivated a partnership between the City of Virginia Beach, Tide Swim Team and the YMCA of South Hampton Roads to bring the first Olympic size 50 meter pool to Virginia Beach. Mrs. Arris-Wilson is an Economics with Honors graduate from the University of Texas at Austin. While at the University of Texas, she was a team captain, national champion and 17 time All American on the Women's Swimming and Diving Team. Mrs. Arris-Wilson was selected as a director because of her years of experience in strategic management consulting and general small business investing.

Martin A. Einhorn has been appointed to serve as a director upon the closing of this offering. Mr. Einhorn has served as the managing shareholder of Wall, Einhorn & Chernitzer, P.C. since 1989. Wall, Einhorn & Chernitzer, P.C. is a public accounting firm co-founded by Mr. Einhorn in November 1989. Mr. Einhorn has over 25 years of experience working with clients in professional services, real estate, construction, manufacturing and retail, wholesale, nonprofit and other industries. Mr. Einhorn is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants, the National Association of Certified Valuation Analysts and is a multi-year recipient of *Virginia Business* magazine's "Super CPA" award. Additionally, Mr. Einhorn serves on the board of directors of Young Audiences of Virginia, Hospitality for the Homeless, Horizon Hampton Roads, the United Jewish Federation of Tidewater, Simon Family JCC and the Virginia Center for Inclusive Communities. Mr. Einhorn earned his B.S. degree in accounting from the University of Virginia. Mr. Einhorn was selected as a director because of his knowledge and experience in public accounting.

Christopher J. Ettel has been appointed to serve as a director upon the closing of this offering. In 1988, Mr. Ettel founded VB Homes, LLC, a residential design-build firm, specializing in high quality residential renovations and additions as well as new construction. Mr. Ettel has served as the Managing Partner of VB Homes, LLC since its inception. Mr. Ettel has been a Virginia Real Estate Broker since 1990. He currently serves on the Board of Directors of the Tidewater Builders Association and the Virginia Beach Advisory Board of Monarch Bank. He also previously served as the Chairman of the Tidewater Builders Association Remodeler's Council and the President of the Board for the Virginia Beach Public Schools Education Foundation. Mr. Ettel received his Bachelor of Science degree from James Madison University in 1982. Mr. Ettel was selected as a director because of his years of experience in the real estate and construction industries as well as his management experience.

David Kelly has been appointed to serve as a director upon the closing of this offering. Mr. Kelly has over twenty five years of experience in the real estate industry. Mr. Kelly currently serves as a Principal with Kelly Development, LLC, a real estate development firm he founded in March 2011, which specializes in the acquisition and management of retail properties in the Mid-Atlantic region. Prior to founding Kelly Development, Mr. Kelly served as the Director of Real Estate for Supervalu, Inc., a Fortune 100 supermarket retailer, from 1998 through 2011. Prior to his time with Supervalu, Mr. Kelly served as an Asset Manager from 1993 through 1998. Mr. Kelly currently serves on the Board of Directors of the Norfolk, Virginia SPCA. He earned a Bachelor of Science in Finance degree from Bentley College (now Bentley University). Mr. Kelly was selected as a director because of his years of experience in the real estate industry as well as his real estate management experience within a publicly traded company.

William W. King has been appointed to serve as a director upon closing of this offering. Mr. King currently serves, on a volunteer basis, as Executive Director of the Virginia Maritime Heritage Foundation, a 501(c)(3) corporation that owns and operates the schooner Virginia. He was appointed to that position in September of 2009. From 1988 through 2008 Mr. King served as the headmaster of Norfolk Collegiate School, an independent, co-educational, K-12 college preparatory day school. He also remained employed by the Norfolk Collegiate School until June 2009 as a special assistant to the headmaster and served on its board of trustees from 1984-2009. Prior to his service at Norfolk Collegiate School, Mr. King was Executive Vice President of SRMS, a management consulting corporation that primarily contracted for services with the U.S. Navy and the U.S. Air Force. Mr. King served in the United States Navy from 1982 until 1984, when he retired in the grade of Captain. During his time in the United States Navy, he served in seven combatant ships, two of which he commanded, did several combat tours in Vietnam, served two tours in the Pentagon, including two years as aide to the Chief of Naval Operations, and was a Deputy Chief of Staff to the Commander of the United States Atlantic Command and the Commander-in-Chief of the United States Atlantic Fleet. Mr. King graduated from the University of Virginia in 1963 with a Bachelor of Science Degree in Finance, the Navy Postgraduate School in 1977 with a Master of Science in Financial Management, and from Old Dominion University in 1995 with a Certificate of Advanced Studies in Education Leadership and Administration. He currently serves on the Board of Directors of Chesapeake Bay Academy, the Future of Hampton Roads, Inc. and Horizons Hampton Roads. Mr. King was selected as a director because of his leadership experience.

Sanjay Madhu has been appointed to serve as a director upon the closing of this offering. Mr. Madhu has, since May 2007, served as a director of Homeowners Choice, Inc. a NASDAQ-listed insurance holding company headquartered in Tampa, Florida. He became an executive officer of Homeowners Choice in February 2008 and as such has served in various capacities, including vice president of marketing, vice president of investor relations, and president of real estate operations. In July 2011, he relinquished his role as vice president of marketing and took on the role of president of real estate operations. He continues to serve as vice president of investor relations. Mr. Madhu is the principal of two companies that own and operate commercial real estate in the Tampa Florida area. Since 2002, he has served president of 5th Avenue Group LC and, since 1999, he has served as president of Forrest Terrace LC. From 1995 to 2010, Mr. Madhu served as president of J&S Development Group, Inc., doing business as The Mortgage Corporation Network, which was a correspondent mortgage lender. From 1994 to 1996, he was vice president, mortgage division, First Trust Mortgage & Finance; from 1993 to 1994, he was vice president,

residential first mortgage division, Continental Management Associates Limited, Inc.; and from 1991 to 1993; he was president, S&S Development, Inc. Mr. Madhu attended Northwest Missouri State University, where he studied marketing and management. Mr. Madhu was selected as a director because of his years of executive management experience and his experience managing a public company.

Corporate Governance Profile

We have organized our corporate structure to align our interests with those of our stockholders. For instance, upon completion of this offering, our board will consist of five directors, four of whom are independent as determined in accordance with the listing standards established by the Nasdaq Capital Market, and our board will make an affirmative determination as to the independence of each of our directors on an annual basis. We will also adopt a code of business ethics and corporate governance principles.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors administers this oversight function directly, with support from its three standing committees, the audit committee, the nominating and corporate governance committee and the compensation committee, each of which addresses risks specific to their respective areas of oversight. In particular, our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Upon completion of this offering, our board of directors will establish three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The principal functions of each committee are briefly described below. We intend to comply with the listing requirements and other rules and regulations of the Nasdaq Capital Market, as amended or modified from time to time, and each of these committees will be comprised exclusively of independent directors. Additionally, our board of directors may from time to time establish certain other committees to facilitate the management of our company.

Audit Committee

Upon completion of this offering, our audit committee will consist of three of our independent directors. We expect that the chairman of our audit committee will qualify as an “audit committee financial expert” as that term is defined by the applicable SEC regulations and Nasdaq Capital Market corporate governance requirements. We expect that our board of directors will determine that each of the audit committee members is “financially sophisticated” as that term is defined by the Nasdaq Capital Market corporate governance requirements. Prior to the completion of this offering, we expect to adopt an audit committee charter, which will detail the principal functions of the audit committee, including oversight related to:

- our accounting and financial reporting processes;
- the integrity of our consolidated financial statements and financial reporting process;
- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements;
- the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit function; and
- our overall risk profile.

The audit committee will also be responsible for engaging an independent registered public accounting firm, reviewing with the independent registered public accounting firm the plans and results of the audit engagement, approving professional services provided by the independent registered public accounting firm, including all audit and non-audit services, reviewing the independence of the independent registered public accounting firm, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls. The audit committee also will prepare the audit committee report required by SEC regulations to be included in our annual proxy statement. Martin A. Einhorn has been designated as chair and financial expert and Katherine Arris-Wilson and Sanjay Madhu have been appointed as members of the audit committee.

Compensation Committee

Upon completion of this offering, our compensation committee will consist of three of our independent directors. Prior to the completion of this offering, we expect to adopt a compensation committee charter, which will detail the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our executive officers' compensation, evaluating our executive officers' performance in light of such goals and objectives and determining and approving the remuneration of our executive officers based on such evaluation;
- reviewing and approving the compensation, if any, of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

David Kelly has been designated as chair and Christopher J. Ettel and William W. King have been appointed as members of the compensation committee.

Nominating and Corporate Governance Committee

Upon completion of this offering, our nominating and corporate governance committee will consist of three of our independent directors. Prior to the completion of this offering, we expect to adopt a nominating and corporate governance committee charter, which will detail the principal functions of the nominating and corporate governance committee, including:

- identifying and recommending to the full board of directors qualified candidates for election as directors and recommending nominees for election as directors at the annual meeting of stockholders;
- developing and recommending to the board of directors corporate governance guidelines and implementing and monitoring such guidelines;
- reviewing and making recommendations on matters involving the general operation of the board of directors, including board size and composition, and committee composition and structure;
- recommending to the board of directors nominees for each committee of the board of directors;
- annually facilitating the assessment of the board of directors' performance as a whole and of the individual directors, as required by applicable law, regulations and the Nasdaq Capital Market corporate governance requirements; and
- overseeing the board of directors' evaluation of management.

In identifying and recommending nominees for directors, the nominating and corporate governance committee may consider diversity of relevant experience, expertise and background. Sanjay Madhu has been designated as chair and William W. King and Katherine Arris-Wilson have been appointed as members of the nominating and corporate governance committee.

Code of Business Conduct and Ethics

Upon completion of this offering, our board of directors will establish a code of business conduct and ethics that applies to our officers, directors and employees. Among other matters, our code of business conduct and ethics will be designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with laws, rules and regulations;
- prompt internal reporting of violations of the code to appropriate persons identified in the code; and
- accountability for adherence to the code of business conduct and ethics.

Any waiver of the code of business conduct and ethics for our executive officers or directors must be approved by a majority of our independent directors, and any such waiver shall be promptly disclosed as required by law or Nasdaq Capital Market regulations.

Limitation of Liability and Indemnification

We intend to enter into indemnification agreements with each of our directors and executive officers that will obligate us, if a director or executive officer is or is threatened to be made a party to any proceeding by reason of such director's or executive officer's status as a present or former director, officer, employee or agent of our company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of another enterprise that the director or executive officer served in such capacity at our request, to indemnify such director or executive officer, and advance expenses actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

- the act or omission of the director or executive officer was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty;
- the director or executive officer actually received an improper personal benefit in money, property or services; or
- with respect to any criminal action or proceeding, the director or executive officer had reasonable cause to believe his or her conduct was unlawful.

In addition, except as described below, our directors and executive officers will not be entitled to indemnification pursuant to the indemnification agreement:

- if the proceeding was one brought by us or in our right and the director or executive officer is adjudged to be liable to us;
- if the director or executive officer is adjudged to be liable on the basis that personal benefit was improperly received in a proceeding charging improper personal benefit to the director or executive officer; or
- in any proceeding brought by the director or executive officer other than to enforce his or her rights under the indemnification agreement, and then only to the extent provided by the agreement, and except as may be expressly provided in our charter, our bylaws, a resolution of our board of directors or of our stockholders entitled to vote generally in the election of directors or an agreement approved by our board of directors.

Notwithstanding the limitations on indemnification described above, on application by a director or executive officer of our company to a court of appropriate jurisdiction, the court may order indemnification of such director or executive officer if the court determines that such director or executive officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or executive officer (1) has met the standards of conduct set forth above or (2) has been adjudged liable for receipt of an "improper personal benefit"; however, our indemnification obligations to such director or executive officer will be limited to the expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with any

proceeding by or in the right of our company or in which the officer or director shall have been adjudged liable for receipt of an improper personal benefit. If the court determines the director or executive officer is so entitled to indemnification, the director or executive officer will also be entitled to recover from us the expenses of securing such indemnification.

Notwithstanding, and without limiting, any other provisions of the indemnification agreements, if a director or executive officer is or is threatened to be made a party to any proceeding by reason of such director's or executive officer's status as a director, officer, employee or agent of our company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of another entity that the director or executive officer served in such capacity at our request, and such director or executive officer is successful, on the merits or otherwise, as to one or more (even if less than all) claims, issues or matters in such proceeding, we must indemnify such director or executive officer for all expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with each successfully resolved claim, issue or matter, including any claim, issue or matter in such a proceeding that is terminated by dismissal, with or without prejudice.

In addition, the indemnification agreements will require us to advance reasonable expenses incurred by the indemnitee within ten days of the receipt by us of a statement from the indemnitee requesting the advance, provided the statement evidences the expenses and is accompanied by:

- a written affirmation of the indemnitee's good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- a written undertaking to reimburse us if a court of competent jurisdiction determines that the director or executive officer is not entitled to indemnification.

The indemnification agreements will also provide for procedures for the determination of entitlement to indemnification, including a requirement that such determination be made by independent counsel after a change of control of us.

Our charter permits us and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any of our present or former directors or officers who is made or threatened to be made a party to the proceeding by reason of his service in that capacity or (2) any individual who, while serving as our director or officer and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise, and who is made or threatened to be made a party to the proceeding by reason of his service in that capacity.

Generally, Maryland law permits a Maryland corporation to indemnify its present and former directors and officers except in instances where the person seeking indemnification acted in bad faith or with active and deliberate dishonesty, actually received an improper personal benefit in money, property or services or, in the case of a criminal proceeding, had reasonable cause to believe that his or her actions were unlawful. Under Maryland law, a Maryland corporation also may not indemnify a director or officer in a suit by or in the right of the corporation in which the director or officer was adjudged liable to the corporation or for a judgment of liability on the basis that a personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct; however, indemnification for an adverse judgment in a suit by us or in our right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

In addition, our directors and officers may be entitled to indemnification pursuant to the terms of the Partnership Agreement. See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P."

EXECUTIVE COMPENSATION

During 2010, because we did not conduct business, no compensation was paid to any of our named executive officers, and, accordingly, no compensation policies or objectives governed our named executive officer compensation. At this time, our board of directors and our compensation committee have not yet adopted compensation policies applicable to our named executive officers, but intend to do so in the near future. We anticipate that our compensation policies will be established by our compensation committee based on factors such as the desire to retain our named executive officers' services over the long term, aligning their interests with those of our stockholders, incentivizing them over the near, medium and long term, rewarding them for exceptional performance and such other factors as our compensation committee may consider in shaping its compensation philosophy. We will pay base salaries and annual bonuses and expect to make grants of awards under our 2012 Share Incentive Plan to our executive officers and directors effective upon completion of this offering. These awards under our 2012 Share Incentive Plan will be granted to recognize such individuals' efforts on our behalf in connection with our formation and this offering.

We expect that our compensation strategy will focus on providing a total compensation package that will not only attract and retain high-caliber executive officers, but will also be utilized as a tool to align employee contributions with our corporate objectives and stockholder interests. We intend to provide a competitive total compensation package and will share our success with our executive officers when our objectives are met.

The following is a non-exhaustive list of items that we expect our compensation committee will consider in formulating our compensation philosophy and applying that philosophy to the implementation of our overall compensation program for executive officers:

- goals of the compensation program;
- role of our compensation committee;
- engagement and role(s) of an external compensation consultant and other advisors;
- involvement of management in compensation decisions;
- components of compensation, including equity, cash, incentive, fixed, short-, medium- and long-term compensation, and the interaction of these various components with one another;
- equity grant guidelines with regard to timing, type, vesting and other terms and conditions of equity grants;
- stock ownership guidelines and their role in aligning the interests of named executive officers with our stockholders;
- severance and change of control protections;
- perquisites, enhanced benefits and insurance;
- deferred compensation and other tax-efficient compensation programs;
- retirement and other savings programs;
- peer compensation, benchmarking and survey data; and
- risk mitigation and related protective and remedial measures.

Employment Agreements

Generally

We intend to enter into employment agreements with each of our executive officers. We believe that the protections contained in these employment agreements will help to ensure the day-to-day stability necessary to our executives to enable them to properly focus their attention on their duties and responsibilities with the company and will provide security with regard to some of the most uncertain events relating to continued employment, thereby limiting concern and uncertainty and promoting productivity. Each of our employment agreements with our executive officers shall provide for an initial term of one year. Upon a termination of employment by reason of death or disability, such terminated executive officer or his estate will be entitled to regular base salary payments for a period of two (2) months. Such employment agreements also contain customary confidentiality and non-solicitation provisions. The following is a summary of the material terms of the agreements.

Jon S. Wheeler

We intend to enter into an employment agreement with Mr. Wheeler prior to the completion of this offering. Under the terms of that employment agreement, Mr. Wheeler will be required to devote his best efforts and a significant portion of his time to our business and affairs and in return will be entitled to the following:

- Minimum base compensation of $18,750 per month, which will be paid by our Administrative Service Company.
- Reimbursement of reasonable expenses including but not limited to cell phone, mileage, toll and travel expenses, as well as travel expenses necessary to enhance Mr. Wheeler's skills and visibility in the real estate industry.
- Various benefits equal to the benefits provided to similar situated employees of the Services Companies.

Under Mr. Wheeler's employment agreement, if he is terminated without "cause" (as defined in the employment agreement) then, in addition to accrued amounts, Mr. Wheeler shall be entitled to his regular base salary payable in regular periodic installments (i) for a period of twenty-six (26) weeks, if during the initial term of the employment agreement, or (ii) a period of eight (8) weeks if the initial term of the employment agreement has been completed.

If Mr. Wheeler is terminated for "cause" (as defined in his employment agreement), Mr. Wheeler shall be entitled to receive any base salary earned and benefits accrued as of the date of his termination, and our company shall have no further obligation to Mr. Wheeler.

Steven M. Belote

We intend to enter into an employment agreement with Mr. Belote prior to the completion of this offering. Under the terms of that employment agreement, Mr. Belote will be required to devote his best efforts and a significant portion of his time to our business and affairs and in return will be entitled to the following:

- Minimum base compensation of $10,000 per month, which will be paid by our Administrative Service Company. Upon the completion of this offering, Mr. Belote's minimum base compensation shall increase to $12,000 per month.
- Reimbursement of reasonable expenses including but not limited to cell phone, mileage, toll and travel expenses, as well as travel expenses necessary to enhance Mr. Belote's skills and visibility in the real estate industry.
- Various benefits equal to the benefits provided to similar situated employees of the Services Companies, not to include healthcare.

Under Mr. Belote's employment agreement, if he is terminated without "cause" (as defined in the employment agreement) then, in addition to accrued amounts, Mr. Belote shall be entitled to his regular base salary payable in regular periodic installments (i) for a period of twenty-six (26) weeks, if during the initial term of the employment agreement, or (ii) a period of eight (8) weeks if the initial term of the employment agreement has been completed.

If Mr. Belote is terminated for "cause" as defined in his employment agreement, Mr. Belote shall be entitled to receive any base salary earned and benefits accrued as of the date of his termination, and our company shall have no further obligation to Mr. Belote.

Robin Hanisch

We intend to enter into an employment agreement with Ms. Hanisch prior to the completion of this offering. Under the terms of that employment agreement, Ms. Hanisch will be required to devote her best efforts and a significant portion of her time to our business and affairs and in return will be entitled to the following:

- Minimum base compensation of $1,250 per month, which will be paid by our Administrative Service Company.
- Reimbursement of reasonable expenses including but not limited to cell phone, mileage, toll and travel expenses, as well as travel expenses necessary to enhance Ms. Hanisch's skills and visibility in the real estate industry.
- Various benefits equal to the benefits provided to similar situated employees of the Services Companies, not to include healthcare.

Under Ms. Hanisch's employment agreement, if she is terminated without "cause" (as defined in the employment agreement) then, in addition to accrued amounts, Ms. Hanisch shall be entitled to her regular base salary payable in regular periodic installments (i) for a period of twenty-six (26) weeks, if during the initial term of the employment agreement, or (ii) a period of eight (8) weeks if the initial term of the employment agreement has been completed.

If Ms. Hanisch is terminated for "cause" as defined in her employment agreement, Ms. Hanisch shall be entitled to receive any base salary earned and benefits accrued as of the date of his termination, and our company shall have no further obligation to Ms. Hanisch.

Share Incentive Plan

We intend to establish a pool for share options for our employees following the completion of this offering. This pool will contain options to purchase our common stock equal to ten percent (10%) of the number of common shares outstanding at the conclusion of this offering, not including any shares underlying placement agents' warrants. This pool will contain options to purchase up to 400,000 of our common shares subject to outstanding share options or reserved for issuance under our share incentive plan, assuming a maximum offering. The options will vest at a rate of 20% per year for five years and have a per share exercise price equal to the fair market value of one of our common shares on the date of grant. We will not approve any additional share incentive plans of any kind prior to the second anniversary of the closing of this offering. We expect to grant options under this pool to certain employees as of the closing of this offering. Any options granted as of the closing of this offering will have an exercise price per common share equal to the offering price. We have not yet determined the recipients of any such grants.

Compensation Committee Interlocks and Insider Participation

Upon completion of this offering and the formation transactions, we do not anticipate that any of our executive officers will serve as a member of a board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or compensation committee.

Compensation Tables

Summary Compensation Table

We did not conduct business in 2010 and, accordingly, we did not pay any compensation during or in respect of that year. Additionally, are executive officers are compensated by our Administrative Service Company. Because we have no 2010 compensation to report, the table below only shows compensation received by our President and our Chief Financial Officer in 2011. No other officers received compensation in excess of $100,000 in 2011.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Jon S. Wheeler	2011	98,147(1)	—	—	—	—	—	98,147
Principal Executive Officer								
Steven Belote	2011	46,154(2)	—	—	—	—	—	46,154
Principal Financial Officer								

(1) Represents salary actually received in 2011 based on monthly salary of $18,750
(2) Represents salary actually received in 2011 based on monthly salary of $10,000.

Director Compensation

Employee directors do not receive any compensation for their services. Non-employee directors are entitled to receive $15,000 per year for serving as directors and may receive option grants from our company. We intend to reimburse each of our directors for his or her travel expenses incurred in connection with his or her attendance at full board of directors and committee meetings. We have not made any payments to any of our non-employee directors or director nominees to date.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Formation Transactions

Each property that will be owned by us through our Operating Partnership upon the completion of this offering and the formation transactions is currently owned directly or indirectly by the Ownership Entities. With the exception of the current owners of The Shoppes at Eagle Harbor property, the Prior Investors will enter into contribution agreements with our Operating Partnership, pursuant to which they will contribute their interests in the Ownership Entities to our Operating Partnership substantially concurrently with the completion of this offering. The Prior Investors will receive cash or common units in exchange for their interests in the Ownership Entities. We will directly purchase all of the membership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor. See “Structure and Formation of Our Company—Formation Transactions.”

Each of the Prior Investors has a substantive, pre-existing relationship with us and with the exception of the Prior Investors in The Shoppes at Eagle Harbor, will be required to make an election to receive shares of our common units or cash in the formation transactions. The issuance of such common units will be effected pursuant to the terms of a private offering in which the Operating Partnership will offer for sale, solely to persons and entities that represent in writing that they are either accredited investors, as defined in Rule 501 of the 1933 Act or sophisticated investors, as described in Rule 506(b)(2)(ii) of the 1933 Act, in a transaction exempt from registration under Federal and state securities laws, Operating Partnership common units in exchange for membership interests in the Ownership Entities held by the Prior Investors.

The value of the consideration to be paid to each of the Prior Investors in the formation transactions, in each case, will be based upon the terms of the applicable contribution or purchase agreement among our Operating Partnership, on the one hand, and the Prior Investor or Prior Investors, on the other hand. The actual value of the consideration to be paid by us to each of the Prior Investors, in the form of common units or cash, ultimately will be determined at pricing based on the initial public offering price of our common stock and a cash flow analysis for the nine properties in our original portfolio. Common units exchanged for the Amscot Building, Monarch Bank and Riversedge North properties are subject to adjustment immediately following the public release of our audited consolidated financial statements for the year ended December 31, 2012 and upon the approval of a majority of our independent directors as follows:

- The adjustments will be calculated by applying the initial exchange methodology to such properties' cash flows as used in preparing our audited consolidated financial statements for the year ended December 31, 2012, subject to the adjustments approved by a majority of our independent directors.
- If the adjusted exchange calculation increases the number of common units exchanged for any such property, the Prior Investors in such property will receive an additional number of common units in our Operating Partnership that, when multiplied by the initial offering price for this offering, will equal the increase in value plus the value of any distributions that would have been made with respect to such common units if such common units had been issued at the time of the acquisition of such property.
- If, however, the adjusted exchange calculation decreases the number of common units exchanged for any such property, the Prior Investors in such property will forfeit that number of common units that, when multiplied by the initial offering price for this offering, equals the decrease in value plus that value of any distributions made with respect to such common units. The Prior Investors in such property will be prohibited from selling the common stock underlying their common units until any such adjustments have been made.
- If any Prior Investor receives cash instead of Operating Partnership common units, similar adjustments to the cash purchase price will also be made.

The initial public offering price will be negotiated between the placement agents and us. In determining the initial public offering price of our common stock, the representatives of the placement agents will consider, among other things, the history and prospects for the industry in which we compete, our results of operations, the ability of our management, our business potential and earnings prospects, our estimated net income, our estimated funds from operations, our estimated cash available for distribution, our anticipated dividend yield, our growth prospects, the prevailing securities markets at the time of this offering, the recent market prices of, and the demand for, publicly traded shares of companies considered by us and the placement agents to be comparable to us and the current state of the commercial real estate industry and the economy as a whole. Prior to this offering, there has been no public market for our common stock. As such, the initial public offering price does not necessarily bear any relationship to the book value of the properties and assets to be acquired in the formation transactions, our financial condition or any other established criteria of value and may not be indicative of the market price for our common stock after this offering.

In the event that the formation transactions are completed, we and our Operating Partnership will be solely responsible for all transaction costs incurred by the Ownership Entities in connection with the formation transactions and this offering. Moreover, while the contribution and purchase agreements contain certain representations and warranties by the Prior Investors who are parties to such agreements, the majority of these representations and warranties will not survive the closing of the formation transactions. The Prior Investors will provide us with no indemnification for breaches of the surviving representations and warranties and our sole remedy against the Prior Investors will be for breach of contract.

The following table sets forth the consideration to be received by our directors, officers and affiliates in connection with the formation transactions, assuming a price per share of our common stock equal to the mid-point of the range set forth on the cover of this prospectus.

Prior Investors	Relationship with Us	Number of Units Received in Formation Transactions	Total Value of Formation Transaction Consideration
Jon S. Wheeler	Chairman and President	352,641	$ 1,851,365
Robin Hanisch	Secretary	3,037	$ 15,944

We have not obtained independent third-party appraisals of the properties in our portfolio. Accordingly, there can be no assurance that the fair market value of the cash and equity securities that we pay or issue to the Prior Investors will not exceed the fair market value of the properties and other assets acquired by us in the formation transactions. See "Risk Factors—Risks Related to Our Properties and Our Business—The value of the common units to be issued as consideration for the properties and assets to be acquired by us in the formation transactions may exceed their aggregate fair market value and exceed their aggregate historical combined, net tangible book value of approximately $0.41 million as of December 31, 2011."

Upon completion of this offering and the formation transactions, Mr. Wheeler and his affiliates, and our other directors and executive officers will own % of our outstanding common stock, assuming the exchange of common units into shares of our common stock on a one-for-one basis. based upon the mid-point of the range of prices shown on the cover of this prospectus.

Release of Guarantees

Mr. Wheeler and certain of his affiliates are guarantors of approximately $11 million of indebtedness, in the aggregate, that will be assumed by us upon completion of this offering. In connection with this assumption, we will seek to have Mr. Wheeler and his affiliates released from such guarantees and to have our Operating Partnership assume any such guarantee obligations as replacement guarantor. To the extent lenders do not consent to the release of the Mr. Wheeler and or such other affiliates of Mr. Wheeler, and such other affiliates remain guarantors on assumed indebtedness following the IPO, our Operating Partnership will enter into a reimbursement agreement with Mr. Wheeler and such affiliates, pursuant to which our Operating Partnership will be obligated to reimburse Mr. Wheeler and such other affiliates of Mr. Wheeler for any amounts paid by them under guarantees with respect to the assumed indebtedness.

Partnership Agreement

In connection with the completion of this offering, we will enter into a partnership agreement with the various persons receiving common units in the formation transactions, including Mr. Wheeler, his affiliates and certain other executive officers of our company. As a result, these persons will become limited partners of our Operating Partnership. See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P." Upon completion of this offering and the formation transactions, Mr. Wheeler and his affiliates and our other directors and executive officers will own 13.21% of the outstanding common units.

Pursuant to the Partnership Agreement, limited partners of our Operating Partnership and some assignees of limited partners will have the right, beginning 12 months after the completion of this offering, to require our Operating Partnership to redeem part or all of their common units for cash equal to the then-current market value of an equal number of shares of our common stock (determined in accordance with and subject to adjustment under the Partnership Agreement), or, at our election, to exchange their common units for shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Securities—Restrictions on Ownership and Transfer."

Employment Agreements

We intend to enter into employment agreements with each of our executive officers, which provide for salary, bonus and other benefits, and severance upon a termination of employment under certain circumstances. The material terms of the agreements with our named executive officers are described under "Executive Compensation—Employment Agreements" and "Executive Compensation—Compensation Tables."

Share Incentive Plan

In connection with the formation transactions, we expect to adopt an equity-based incentive award plan for our directors, officers, employees and consultants. We expect that an aggregate of 400,000 shares of our common stock will be available for issuance under awards granted pursuant to our 2012 Share Incentive Plan. See "Executive Compensation—Share Incentive Plan."

Indemnification of Officers and Directors

Effective upon completion of this offering, our charter and bylaws will provide for certain indemnification rights for our directors and officers and we will enter into an indemnification agreement with each of our executive officers and directors, providing for procedures for indemnification and advancements by us of certain expenses and costs relating to claims, suits or proceedings arising from their service to us or, at our request, service to other

entities, as officers or directors to the maximum extent permitted by Maryland law. See "Management—Limitation of Liability and Indemnification."

Other Related Party Transactions

Mr. Wheeler, when combined with his affiliates, represents the Company's largest stockholder. Our Administrative Service Company, which is wholly owned by Mr. Wheeler, provides administrative services to the Company, including management, administrative, accounting, marketing, development and design services. The Company also benefits from Mr. Wheeler's current organization and platform that specializes in retail real estate investment and management.

Wheeler Interests, LLC., a company controlled by Mr. Wheeler, leases our Riversedge property under a 10 year operating lease expiring in November 2017, with four five-year renewal options available. The lease currently requires monthly base rental payments of $23,600 and provides for annual increases throughout the term of the lease and subsequent option periods. Additionally, Wheeler Interests, LLC. reimburses us for a portion of the property's operating expenses and real estate taxes. We consider the terms of the lease agreement with Wheeler Interests, LLC. to be comparable to those received by other nonrelated third parties.

The following summarizes related party activity for the years ended December 31, 2011, 2010 and 2009:

	December 31,		
	2011	2010	2009
Amounts paid to Wheeler Interests and its affiliates:			
Wheeler Interests	$ 441,846	$ 158,744	$ 149,390
Wheeler Development	15,364	700	22,300
Wheeler Real Estate	238,442	237,061	239,225
Site Applications	160,331	261,912	829,658
Creative Retail Works	67,427	16,826	18,251
TESR	60,882	26,450	35,582
	$ 984,292	$ 701,693	$1,294,406
Amounts due to Wheeler Interests and its affiliates:			
Wheeler Interests	$ 13,450	$ 12,564	$ 26,154
Wheeler Development	—	38	—
Wheeler Real Estate	19,977	24,947	1,649
Site Applications	16,356	1,835	40,978
Creative Retail Works	25,829	—	3,509
TESR	9,795	38,704	4,472
Jon Wheeler and affiliates	1,230,714	1,197,876	1,004,548
	$1,316,121	$1,275,964	$1,081,310
Rent and reimbursement income received from Wheeler Interests	$ 396,500	$ 396,600	$ 425,400
Rent and other tenant receivables due from Wheeler Interests	$ 128,790	$ 97,573	$ 69,250

The amounts outstanding to Mr. Wheeler and Wheeler Interests, LLC. at December 31, 2011, 2010 and 2009 primarily consisted of a payable due from The Shoppes at Eagle Harbor property to its owner, a company in which Mr. Wheeler holds a substantial investment and management position, for construction costs and principal curtailment requirements stipulated by the property's lender. As a result of transactions occurring in conjunction with completing this offering, the majority of amounts The Shoppes at Eagle Harbor owe related parties will by satisfied.

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of certain of our investment, financing and other policies. These policies have been determined by our board of directors and, in general, may be amended or revised from time to time by our board of directors without a vote of our stockholders.

Investment Policies

Investments in Real Estate or Interests in Real Estate

We will conduct all of our investment activities through our Operating Partnership and its subsidiaries. Our investment objectives are to maximize the cash flow of our properties, acquire properties with cash flow growth potential, provide monthly cash distributions and achieve long-term capital appreciation for our stockholders through increases in the value of our company. Consistent with our policy to acquire assets for both income and capital gain, our Operating Partnership intends to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We have not established a specific policy regarding the relative priority of these investment objectives. For a discussion of our properties and our acquisition and other strategic objectives, see "Business and Properties."

We expect to pursue our investment objectives primarily through the ownership by our Operating Partnership of our portfolio of properties and other acquired properties and assets. We currently intend to invest primarily in retail properties. Future investment or development activities will not be limited to any geographic area, property type or to a specified percentage of our assets. While we may diversify in terms of property locations, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one property or any one geographic area. We intend to engage in such future investment activities in a manner that is consistent with the maintenance of our status as a REIT for U.S. federal income tax purposes. In addition, we may purchase or lease income-producing properties for long-term investment, expand and improve the properties we presently own or other acquired properties, or sell such properties, in whole or in part, when circumstances warrant.

We may also participate with third parties in property ownership, through joint ventures or other types of co-ownership. We also may acquire real estate or interests in real estate in exchange for the issuance of common stock, units, preferred stock or options to purchase stock. These types of investments may permit us to own interests in larger assets without unduly restricting our diversification and, therefore, provide us with flexibility in structuring our portfolio. We will not, however, enter into a joint venture or other partnership arrangement to make an investment that would not otherwise meet our investment policies.

Equity investments in acquired properties may be subject to existing mortgage financing and other indebtedness or to new indebtedness which may be incurred in connection with acquiring or refinancing these properties. Debt service on such financing or indebtedness will have a priority over any dividends with respect to our common stock. Investments are also subject to our policy not to fall within the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

Investments in Real Estate Mortgages

We do not intend presently or at any time in the future to invest in real estate mortgages.

Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers

Although not presently contemplated, subject to the percentage of ownership limitations and the income and asset tests necessary for REIT qualification, we may in the future invest in securities of other REITs, other entities engaged in real estate activities or securities of other issuers where such investment would be consistent with our investment objectives. We may invest in the debt or equity securities of such entities, including for the purpose of exercising control over such entities. We have no current plans to invest in entities that are not engaged in real estate activities. While we may attempt to diversify our investments with respect to the retail properties owned by such entities, in terms of property locations, size and market, we do not have any limit on the amount or percentage

of our assets that may be invested in any one entity, property or geographic area. Our investment objectives are to maximize cash flow of our investments, acquire investments with growth potential and provide cash distributions and long-term capital appreciation to our stockholders through increases in the value of our company. We have not established a specific policy regarding the relative priority of these investment objectives. We will not underwrite the securities of any other issuers and will limit our investment in such securities so that we will not fall within the definition of an "investment company" under the 1940 Act.

Investments in Other Securities

Other than as described above, we do not currently intend to invest in any additional securities such as bonds, preferred stocks or common stock, although we reserve the right to do so if our board of directors determines that such action would be in our best interests.

Dispositions

We do not currently intend to dispose of any of our properties, although we reserve the right to do so if, based upon management's periodic review of our portfolio, our board of directors determines that such action would be in our best interests. The tax consequences to our directors and executive officers who hold units resulting from a proposed disposition of a property may influence their decision as to the desirability of such proposed disposition. See "Risk Factors—Risks Related to Our Organizational Structure—Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our Operating Partnership, which may impede business decisions that could benefit our stockholders."

Financings and Leverage Policy

In the future, we anticipate using a number of different sources to finance our acquisitions and operations, including cash flows from operations, asset sales, seller financing, issuance of debt securities, private financings (such as additional bank credit facilities, which may or may not be secured by our assets), property-level mortgage debt, common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time. Any debt that we incur may be recourse or non-recourse and may be secured or unsecured. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. We may use the proceeds of our borrowings to acquire assets, to refinance existing debt or for general corporate purposes.

Upon completion of this offering, we expect to have a ratio of debt to total market capitalization of approximately 46% assuming completion of the minimum offering, or 43% assuming completion of the maximum offering. Although we are not required by our governing documents to maintain this ratio at any particular level, our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward. Additionally, we intend, when appropriate, to employ prudent amounts of leverage and to use debt as a means of providing additional funds for the acquisition of assets, to refinance existing debt or for general corporate purposes. We expect to use leverage conservatively, assessing the appropriateness of new equity or debt capital based on market conditions, including prudent assumptions regarding future cash flow, the creditworthiness of tenants and future rental rates. Our charter and bylaws do not limit the amount of debt that we may incur. Our board of directors has not adopted a policy limiting the total amount of debt that we may incur.

Our board of directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our board of directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the market for debt and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

Lending Policies

We have not made any loans to third parties, although we do not have a policy limiting our ability to make loans to other persons. We may consider offering purchase money financing in connection with the sale of properties where the provision of that financing will increase the value to be received by us for the property sold. We also may make loans to joint ventures in which we participate. However, we do not intend to engage in significant lending activities. Any loan we make will be consistent with maintaining our status as a REIT.

Equity Capital Policies

To the extent that our board of directors recommends that we obtain additional capital, we may issue debt or equity securities, including additional units or senior securities of our Operating Partnership, retain earnings (subject to provisions in the Code requiring distributions of income to maintain REIT qualification) or pursue a combination of these methods. As long as our Operating Partnership is in existence, we will generally contribute the proceeds of all equity capital raised by us to our Operating Partnership in exchange for additional interests in our Operating Partnership, which will dilute the ownership interests of the limited partners in our Operating Partnership.

Existing stockholders will have no preemptive rights to common or preferred stock or units issued in any securities offering by us, and any such offering might cause a dilution of a stockholder's investment in us. Although we have no current plans to do so, we may in the future issue shares of common stock or units in connection with acquisitions of property.

We may, under certain circumstances, purchase shares of our common stock or other securities in the open market or in private transactions with our stockholders, provided that those purchases are approved by our board of directors. Our board of directors has no present intention of causing us to repurchase any shares of our common stock or other securities, and any such action would only be taken in conformity with applicable federal and state laws and the applicable requirements for qualification as a REIT.

Change in Investment and Financing Objectives and Policies

Our investment policies and objectives and the methods of implementing our investment objectives and policies, except to the extent set forth in our charter, may be altered by our board of directors, without approval of our stockholders. If we change these policies during the offering period, we will disclose these changes in a prospectus supplement prior to the effective time of these changes. If we change these policies after the offering, we will inform our stockholders of the change within ten days after our board of directors alters our investment objectives and policies, by either a press release or notice of an "other event" on a Current Report on Form 8-K or another method deemed reasonable by our board of directors.

Conflict of Interest Policies

Overview. Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our Operating Partnership or any partner thereof, on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, we, as the general partner of our Operating Partnership, have fiduciary duties and obligations to our Operating Partnership and its other partners under Virginia law and the Partnership Agreement in connection with the management of our Operating Partnership. Our fiduciary duties and obligations, as the general partner of our Operating Partnership, may come into conflict with the duties of our directors and officers to our company.

Under Virginia law (where our Operating Partnership is formed), a general partner of a Virginia limited partnership has fiduciary duties of loyalty and care to the partnership and its partners and must discharge its duties and exercise its rights as general partner under the Partnership Agreement or Virginia law consistently with the obligation of good faith and fair dealing. The duty of loyalty requires a general partner of a Virginia general partnership to account to the partnership and hold as trustee for it any property, profit, or benefit derived by the general partner in the conduct of the partnership business or derived from a use by the general partner of partnership property, including the appropriation of a partnership opportunity, to refrain from dealing with the partnership in the conduct of the partnership's business as or on behalf of a party having an interest adverse to the partnership and to refrain from competing with the partnership in the conduct of the partnership business, although the Partnership Agreement may identify specific types or categories of activities that do not violate the duty of loyalty. The Partnership Agreement provides that, in the event of a conflict between the interests of our Operating Partnership or any partner, on the one hand, and the separate interests of our company or our stockholders, on the other hand, we, in our capacity as the general partner of our Operating Partnership, are under no obligation not to give priority to the separate interests of our company or our stockholders, and that any action or failure to act on our part or on the part of our directors that gives priority to the separate interests of our company or our stockholders that does not result in a violation of the contract rights of the limited partners of the Operating Partnership under its Partnership Agreement does not violate the duty of loyalty that we, in our capacity as the general partner of our Operating Partnership, owe

to the Operating Partnership and its partners. The duty of care requires a general partner to refrain from engaging in grossly negligent or reckless conduct, intentional misconduct or a knowing violation of law, and this duty may not be unreasonably reduced by the Partnership Agreement.

The Partnership Agreement provides that we are not liable to our Operating Partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by our Operating Partnership or any limited partner, except for liability for our intentional harm or gross negligence. The Partnership Agreement also provides that any obligation or liability in our capacity as the general partner of our Operating Partnership that may arise at any time under the Partnership Agreement or any other instrument, transaction or undertaking contemplated by the Partnership Agreement will be satisfied, if at all, out of our assets or the assets of our Operating Partnership only, and no obligation or liability of the general partner will be personally binding upon any of our directors, stockholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise, and none of our directors or officers will be liable or accountable in damages or otherwise to the partnership, any partner or any assignee of a partner for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or any act or omission. Our Operating Partnership must indemnify us, our directors and officers, officers of our Operating Partnership and any other person designated by us against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of the Operating Partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) for any transaction for which such person actually received an improper personal benefit in violation or breach of any provision of the Partnership Agreement, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Our Operating Partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our Operating Partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the Partnership Agreement) or if the person is found to be liable to our Operating Partnership on any portion of any claim in the action.

No reported decision of a Virginia appellate court has interpreted provisions similar to the provisions of the Partnership Agreement of our Operating Partnership that modify or reduce the fiduciary duties and obligations of a general partner or reduce or eliminate our liability for money damages to the Operating Partnership and its partners, and we have not obtained an opinion of counsel as to the enforceability of the provisions set forth in the Partnership Agreement that purport to modify or reduce our fiduciary duties that would be in effect were it not for the Partnership Agreement.

Sale or Refinancing of Properties. Upon the sale of certain of the properties to be owned by us at the completion of the formation transactions, certain unit-holders could incur adverse tax consequences which are different from the tax consequences to us and to holders of our common stock. Consequently, unitholders may have differing objectives regarding the appropriate pricing and timing of any such sale or repayment of indebtedness.

While we will have the exclusive authority under the Partnership Agreement to determine whether, when, and on what terms to sell a property or when to refinance or repay indebtedness, any such decision would require the approval of our board of directors.

Policies Applicable to All Directors and Officers. Our charter and bylaws do not restrict any of our directors, officers, stockholders or affiliates from having a pecuniary interest in an investment or transaction that we have an interest in or from conducting, for their own account, business activities of the type we conduct. We intend, however, to adopt policies that are designed to eliminate or minimize potential conflicts of interest, including a policy for the review, approval or ratification of any related party transactions. This policy will provide that the audit committee of our board of directors will review the relevant facts and circumstances of each related party transaction,

including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party before approving such transaction. We will also adopt a code of business conduct and ethics, which will provide that all of our directors, officers and employees are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without our consent. See "Management—Code of Business Conduct and Ethics." However, we cannot assure you that these policies or provisions of law will always be successful in eliminating the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of all stockholders.

Interested Director and Officer Transactions

Pursuant to the MGCL, a contract or other transaction between us and a director or between us and any other corporation or other entity in which any of our directors is a director or has a material financial interest is not void or voidable solely on the grounds of such common directorship or interest, the presence of such director at the meeting at which the contract or transaction is authorized, approved or ratified or the counting of the director's vote in favor thereof, provided that:

- the fact of the common directorship or interest is disclosed or known to our board of directors or a committee of our board, and our board or such committee authorizes, approves or ratifies the transaction or contract by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum;
- the fact of the common directorship or interest is disclosed or known to our stockholders entitled to vote thereon, and the transaction or contract is authorized, approved or ratified by a majority of the votes cast by the stockholders entitled to vote other than the votes of shares owned of record or beneficially by the interested director or corporation, firm or other entity; or
- the transaction or contract is fair and reasonable to us at the time it is authorized, ratified or approved.

Furthermore, under Virginia law, we, as general partner, have a fiduciary duty of loyalty to our Operating Partnership and its partners and, consequently, such transactions also are subject to the duties that we, as general partner, owe to the Operating Partnership and its limited partners (as such duty has been modified by the Partnership Agreement). We will also adopt a policy that requires that all contracts and transactions between us, our Operating Partnership or any of our subsidiaries, on the one hand, and any of our directors or executive officers or any entity in which such director or executive officer is a director or has a material financial interest, on the other hand, must be approved by the affirmative vote of a majority of our disinterested directors even if less than a quorum. Where appropriate, in the judgment of the disinterested directors, our board of directors may obtain a fairness opinion or engage independent counsel to represent the interests of non-affiliated security holders, although our board of directors will have no obligation to do so.

Policies With Respect To Other Activities

We will have authority to offer common stock, preferred stock or options to purchase stock in exchange for property and to repurchase or otherwise acquire our common stock or other securities in the open market or otherwise, and we may engage in such activities in the future. As described in "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.," we expect, but are not obligated, to issue common stock to holders of common units upon exercise of their redemption rights. Except in connection with our private placements completed on August 2, 2011 and January 26, 2012, we have not issued common stock, units or any other securities in exchange for property or any other purpose, and our board of directors has no present intention of causing us to repurchase any common stock. Our board of directors has the authority, without further stockholder approval, to amend our charter to increase or decrease the number of authorized shares of common stock or preferred stock and authorize us to issue additional shares of common stock or preferred stock, in one or more series, including senior securities, in any manner, and on the terms and for the consideration, it deems appropriate. See "Description of Securities." We have not engaged in trading, underwriting or agency distribution or sale of securities of other issuers other than our Operating Partnership and do not intend to do so. At all times, we intend to make investments in such a manner as to qualify as a REIT, unless because of circumstances or changes in the Code, or the Treasury regulations, our board of directors determines that it is no longer in our best interest to qualify as a REIT. In addition, we intend to make investments in such a way that we will not be treated as an investment company under the 1940 Act.

Reporting Policies

We intend to make available to our stockholders our annual reports, including our audited consolidated financial statements. After this offering, we will become subject to the information reporting requirements of the Exchange Act. Pursuant to those requirements, we will be required to file annual and periodic reports, proxy statements and other information, including audited consolidated financial statements, with the SEC.

STRUCTURE AND FORMATION OF OUR COMPANY

Our Operating Partnership

Following the completion of this offering and the formation transactions, substantially all of our assets will be held by, and our operations will be conducted through, our Operating Partnership. We will contribute the net proceeds from this offering to our Operating Partnership in exchange for common units therein. Our interest in our Operating Partnership will generally entitle us to share in cash distributions from, and in the profits and losses of, our Operating Partnership in proportion to our percentage ownership. As the sole general partner of our Operating Partnership, we will generally have the exclusive power under the Partnership Agreement to manage and conduct its business and affairs, subject to certain limited approval and voting rights of the limited partners, which are described more fully below in "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P." Our board of directors will manage our business and affairs.

Beginning on or after the date which is 12 months after the completion of this offering, each limited partner of our Operating Partnership will have the right to require our Operating Partnership to redeem part or all of its common units for cash, based upon the value of an equivalent number of shares of our common stock at the time of the redemption, or, at our election, shares of our common stock on a one-for-one basis, subject to certain adjustments and the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Securities—Restrictions on Ownership and Transfer." With each redemption of common units, our percentage ownership interest in our Operating Partnership and our share of our Operating Partnership's cash distributions and profits and losses will increase. See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P."

Formation Transactions

Each property that will be owned by us through our Operating Partnership upon the completion of this offering and the formation transactions is currently owned directly or indirectly by the Ownership Entities. Such Ownership Entities are currently controlled by Jon S. Wheeler as follows:

- DF I - Carrolton, LLC ("Carrolton")
  - 100% of the membership interests of DF I - Carrollton, LLC are owned by Development Fund I, LLC, which, as the sole Member of the member managed entity and, pursuant to Carrolton's Operating Agreement, is vested with the authority to manage all of DF I - Carrollton, LLC's assets and business. DF I Management, LLC is the sole Manager of Development Fund I, LLC and, as such, is vested with the complete power and authority for the management and operation of Development Fund I, LLC's assets and business. Jon S. Wheeler is the sole Member and is the sole Manager of DF I Management, LLC and, as such, is vested with the complete power and authority for the management and operation of DF I Management, LLC's business and affairs.
- Northpointe Investors, LLC ("Northpointe")
  - NIA Management, LLC is, pursuant to the Operating Agreement of Lynnhaven, the sole Manager of Northpointe and, as such, is vested with complete power and authority for the management and operation of the assets and business of Northpointe. The Lynnhaven Operating Agreement provides that the Manager may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Manager to have committed an act of willful misconduct or gross negligence in the performance of its duties. Jon S. Wheeler is the sole Member and is the sole Manager of NIA Management, LLC and, as such, is vested with the complete power and authority for the management and operation of the assets and business of NIA Management, LLC. Woodside Capital, LLC, of which Jon S. Wheeler is the sole member and sole managing member, owns a 59.26% interest in Northpointe Investors, LLC.
- Lynnhaven Parkway Associates, LLC ("Lynnhaven")
  - LPA Management, LLC is, pursuant to the Operating Agreement of Lynnhaven, the sole Managing Member of Lynnhaven and, as such, is vested with complete power and authority for the operation and management of Lynnhaven's assets and business. The Lynnhaven Operating Agreement provides that the Managing Member may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Boulevard Capital, LLC is the sole Member and is the sole Managing Member of LPA Management, LLC and, as such, is vested with the complete power and authority for the operation and management of LPA Management, LLC's assets and business. Jon S. Wheeler is the sole Member and is the Sole Managing Member of Boulevard Capital, LLC and as such is vested with the complete power and authority for the operation and management of Boulevard Capital, LLC's assets and business.
- Lumber River Associates, LLC ("Lumber")
  - Lumber River Management, LLC is, pursuant to the Operating Agreement of Lumber, the sole Managing Member of Lumber and, as such, is vested with complete power and authority for the operation and management of Lumber's assets and business. The Lumber Operating Agreement provides that the Managing Member may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have

deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Plume Street Financial, LLC is the sole Member and the sole Managing Member of Lumber River Management, LLC and, as such is vested with the complete power and authority for the operation and management the assets and business of Lumber River Management, LLC. Jon S. Wheeler is the owner of 50% of the ownership interests of Plume Street Financial, LLC and is one of its two Managing Members (the other 50% is owned by Harrison J. Perrine and he is the other Managing Member). The Managing Member of Plume Street Financial, LLC are vested with the complete power and authority for the operation and control of the assets and business of Plume Street Financial, LLC.

- Tuckernuck Associates, LLC ("Tuckernuck")
  - Tuckernuck Management, LLC is, pursuant to the Operating Agreement of Tuckernuck, the sole Manager of Tuckernuck and, as such, is vested with complete power and authority for the operation and management of Tuckernuck's assets and business. The Tuckernuck Operating Agreement provides that the Manager may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Manager to have committed an act of willful misconduct or gross negligence in the performance of its duties. Plume Street Financial, LLC is the sole Manager of Tuckernuck Management, LLC and, as such, is vested with the complete power and authority for the operation and management the assets and business of Tuckernuck Management, LLC. Jon S. Wheeler is the owner of 50% of the ownership interests of Plume Street Financial, LLC and is one of its two managing members (the other 50% is owned by Harrison J. Perrine and he is the other Managing Member). The Managing Members of Plume Street Financial, LLC are vested with the complete power and authority for the operation and control of the assets and business of Plume Street Financial, LLC.
- Perimeter Associates, LLC ("Perimeter")
  - Perimeter Management, LLC is, pursuant to the Operating Agreement of Perimeter, the sole Managing Member of Perimeter and, as such, is vested with complete power and authority for the operation and management of Perimeter's assets and business. The Operating Agreement provides that the Managing Preferred Member may not be removed except by the affirmative vote of the Preferred Members (those owning the 85% of the membership interests with respect to which an initial capital contribution was made), owning a super majority (more than 75% of company's Preferred Member ownership interests) indicating that they have deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Plume Street Financial, LLC is the sole Managing Member of Perimeter. Jon S. Wheeler is the owner of 50% of the ownership interests of Plume Street Financial, LLC and is one of its two Managing Members (the other 50% is owned by Harrison J. Perrine and he is the other Managing Member). The Managing Members of Plume Street Financial, LLC are vested with the complete power and authority for the operation and control of the assets and business of Plume Street Financial, LLC.
- Riversedge Office Associates ("Riversedge")
  - ROA Management, LLC is, pursuant to the Operating Agreement of Riversedge, the sole Manger of Riversedge and, as such, is vested with complete power and authority for the operation and management of Riversedge's assets and business. The Riversedge Operating Agreement provides that the Managing Member may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Boulevard Capital, LLC is the sole Member and is the sole Managing Member of ROA Management, LLC and, as such, is vested with the complete power and authority for the operation and management of ROA Management, LLC's assets and business. Jon S. Wheeler is the sole Member and is the sole Managing Member of Boulevard Capital, LLC and as such is vested with the complete power and authority for the operation and management of Boulevard Capital, LLC's assets and business.

- Walnut Hill Plaza Associates, LLC ("Walnut Hill")
    - Walnut Hill Management, LLC is, pursuant to the Operating Agreement of Walnut Hill, the sole Manger of Walnut Hill and, as such, is vested with complete power and authority for the operation and management of Walnut Hill's assets and business. The Walnut Hill Operating Agreement provides that the Managing Member may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Boulevard Capital, LLC is the sole Member and is the Sole Manager of Walnut Hill Management, LLC and, as such, is vested with the complete power and authority for the operation and management of Walnut Hill Management, LLC's assets and business. Jon S. Wheeler is the sole Member and is the Sole Managing Member of Boulevard Capital, LLC and, as such, is vested with the complete power and authority for the operation and management of Boulevard Capital, LLC's assets and business.
- Mandarin Crossing Associates, LLC ("Mandarin")
    - Mandarin Crossing Management, LLC is, pursuant to the Operating Agreement of Mandarin, the sole Managing Member of Mandarin and, as such, is vested with complete power and authority for the operation and management of Mandarin's assets and business. The Mandarin Operating Agreement provides that the Managing Member may not be removed except by the affirmative vote of Members owning a super majority (more than 75% of company's ownership interests) who have deemed the Managing Member to have committed an act of willful misconduct or gross negligence in the performance of its duties. Woodside Capital, LLC is the sole Manager of Mandarin Crossing Management, LLC and, as such, is vested with the complete power and authority to operate and manage Mandarin Crossing Management, LLC's assets and business. Jon S. Wheeler is the sole Member and sole Managing Member of Woodside Capital, LLC and as such is vested with the complete power and authority for the operation and management of Woodside Capital, LLC's assets and business.

With the exception of the current owners of The Shoppes at Eagle Harbor property, the Prior Investors will enter into contribution agreements with our Operating Partnership, pursuant to which they will contribute their interests in the Ownership Entities to our Operating Partnership substantially concurrently with the completion of this offering. The Prior Investors will receive cash or common units in exchange for their interests in the Ownership Entities. Such common units will be issued by the Operating Partnership pursuant to the terms of a private offering in which the Operating Partnership will offer for sale, solely to persons and entities that represent in writing that they are either accredited investors, as defined in Rule 501 of the 1933 Act or sophisticated investors, as described in Rule 506(b)(2)(ii) of the 1933 Act, in a transaction exempt from registration under Federal and state securities laws, Operating Partnership common units in exchange for membership interests in the Ownership Entities held by the Prior Investors. We will directly purchase all of the membership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor. See "Certain Relationships and Related Transactions." The value of the consideration to be paid to each of the Prior Investors in the formation transactions, in each case, will be based upon the terms of the applicable contribution or purchase agreement among our Operating Partnership, on the one hand, and the prior investor or investors, on the other hand, and will be determined based on a cash flow analysis of all of the properties included in our portfolio. We have not obtained independent third-party appraisals of the properties in our portfolio. See "Our Structure—Determination of Consideration Payable for Our Properties." These formation transactions are designed to:

- consolidate the ownership of our portfolio under our company and our Operating Partnership;
- facilitate this offering;

- enable us to raise necessary capital to repay existing indebtedness related to certain properties in our portfolio;
- enable us to qualify as a REIT for federal income tax purposes commencing with the taxable year ending December 31, 2012;
- defer the recognition of taxable gain by certain Prior Investors; and
- enable Prior Investors to obtain liquidity for their investments.

Additionally, common units exchanged for the Amscot Building, Monarch Bank and Riversedge North properties are subject to adjustment immediately following the public release of our audited consolidated financial statements for the year ended December 31, 2012 and upon the approval of a majority of our independent directors as follows:

- The adjustments will be calculated by applying the initial exchange methodology to such properties' cash flows as used in preparing our audited consolidated financial statements for the year ended December 31, 2012, subject to the adjustments approved by a majority of our independent directors.
- If the adjusted exchange calculation increases the number of common units exchanged for any such property, the Prior Investors in the such property will receive an additional number of common units in our Operating Partnership that, when multiplied by the initial offering price for this offering, will equal the increase in value plus the value of any distributions that would have been made with respect to such common units if such common units had been issued at the time of the acquisition of such property.
- If, however, the adjusted exchange calculation decreases the number of common units exchanged for any such property, the Prior Investors in such property will forfeit that number of common units that, when multiplied by the initial offering price for this offering, equals the decrease in value plus that value of any distributions made with respect to such common units. The Prior Investors in such property will be prohibited from selling the common stock underlying their common units until any such adjustments have been made.
- If any Prior Investor receives cash instead of Operating Partnership common units, similar adjustments to the cash purchase price will also be made.

Since the properties are being recorded at historical cost, any adjustment, which we do not expect to be significant based on current results at the properties, would only impact the number of common units issued in the exchange.

Each of the Prior Investors has a substantive, pre-existing relationship with us and with the exception of the Prior Investors in The Shoppes at Eagle Harbor, will be required to make an election to receive shares of our common units or cash in the formation transactions. The issuance of such common units will be effected in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act.

Pursuant to the formation transactions, the following have occurred or will occur substantially concurrently with the completion of this offering. All amounts are based on the mid-point of the range set forth on the cover page of this prospectus.

- We were formed as a Maryland corporation on June 23, 2011.
- Wheeler Real Estate Investment Trust, L.P., our Operating Partnership, was formed as a Virginia limited partnership on , 2012.
- Assuming a maximum offering, we will sell 4,000,000 shares of our common stock in this offering and we will contribute the net proceeds from this offering to our Operating Partnership in exchange for 4,000,000 common units.
- Assuming a minimum offering, we will sell 3,000,000 shares of our common stock in this offering and we will contribute the net proceeds from this offering to our Operating Partnership in exchange for 3,000,000 common units.
- We and our Operating Partnership will consolidate the ownership of our portfolio by acquiring interests in the entities that directly or indirectly own such properties through a series of contribution agreements with such entities and the owners thereof. The value of the consideration to be paid to each of the owners of such entities in the formation transactions will be determined according to a formula set forth in such contribution agreements.
- Our Operating Partnership intends to use approximately $1.67 million of the net proceeds of this offering to directly purchase the membership interests of DF-1 Carrollton, LLC, the current owner of The Shoppes at Eagle Harbor.
- Prior investors in the contributed entities will receive as consideration for such contributions, common units, or $ in cash in accordance with the terms of the relevant contribution agreement. The aggregate value of common units to be paid to Prior Investors in such entities at the mid-point of the

range of prices shown on the cover of this prospectus is $. This value will increase or decrease if our common stock is priced above or below the mid-point of the range of prices shown on the cover of this prospectus.

- Our Operating Partnership intends to use a portion of the net proceeds of this offering to repay approximately $500,000 of outstanding indebtedness. As a result of the foregoing use of proceeds, we expect to have approximately $28.5 million of total debt outstanding upon completion of this offering and the formation transactions. This will result in a ratio of debt to total market capitalization of approximately 45% assuming completion of the minimum offering, or 42% assuming completion of the maximum offering. Although we are not required by our governing documents to maintain this ratio at any particular level, our Board of Directors will review our ratio of debt to total capital on a quarterly basis, with the goal of maintaining a reasonable rate consistent with our expected ratio of debt to total market capitalization going forward.
- We expect to adopt our 2012 Share Incentive Plan. We expect that an aggregate of 300,000 shares (assuming a minimum offering) or 400,000 shares (assuming a maximum offering) of our common stock will be available for issuance under the 2012 Share Incentive Plan.

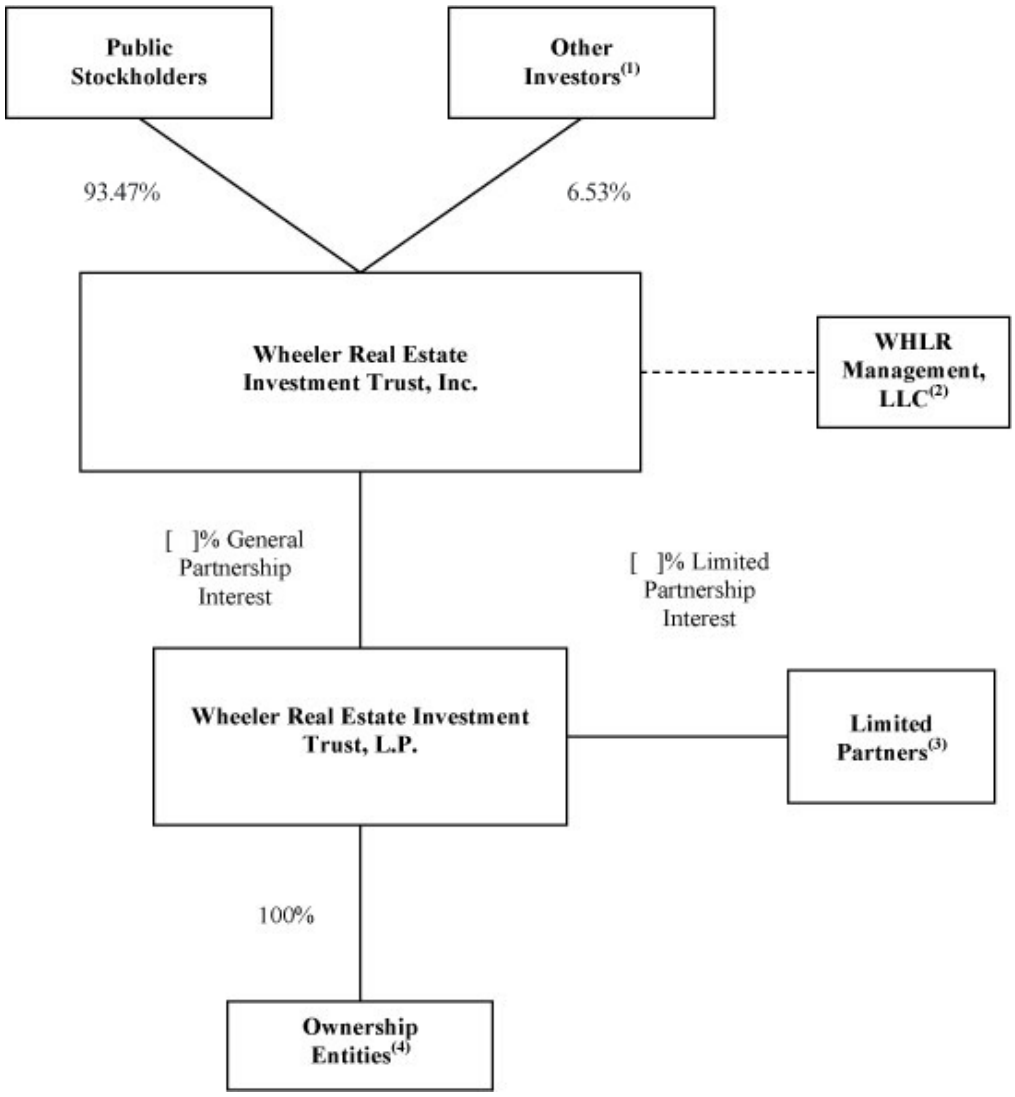
Consequences of this Offering and the Formation Transactions

The completion of this offering and the formation transactions will have the following consequences. All amounts are based on the mid-point of the range set forth on the cover of this prospectus.

- Through our interest in our Operating Partnership and its wholly owned subsidiaries, we expect to indirectly own 100% of the membership interests of the Ownership Entities which will own the nine properties in our portfolio.
- Our Administrative Service Company will operate all of the properties in our portfolio.
- Purchasers of shares of our common stock in this offering will own % of our outstanding common stock, or % on a fully diluted basis, assuming a minimum offering.
- Purchasers of shares of our common stock in this offering will own % of our outstanding common stock, or % on a fully diluted basis, assuming a maximum offering.
- The Prior Investors in the Ownership Entities, including Mr. Wheeler and his affiliates and our executive officers, will own % of our outstanding common stock, or % on a fully diluted basis, assuming a minimum offering.
- The Prior Investors in the Ownership Entities, including Mr. Wheeler and his affiliates and our executive officers, will own % of our outstanding common stock, or % on a fully diluted basis, assuming a maximum offering.
- We will be the sole general partner of our Operating Partnership. We will own % of the outstanding common units of partnership interest in our Operating Partnership, and the Prior Investors in the entities that own the properties in our portfolio, including Mr. Wheeler and his affiliates and our executive officers, will own % of the outstanding common units.
- We expect to have total consolidated indebtedness of approximately $28.5 million.

Our Structure

The following diagram depicts the expected ownership structure of Wheeler Real Estate Investment Trust, Inc. upon completion of the minimum offering and the formation transactions. We expect to own a % general partnership interest in our Operating Partnership and our Operating Partnership expects to indirectly own the properties in our portfolio, through the Ownership Entities.



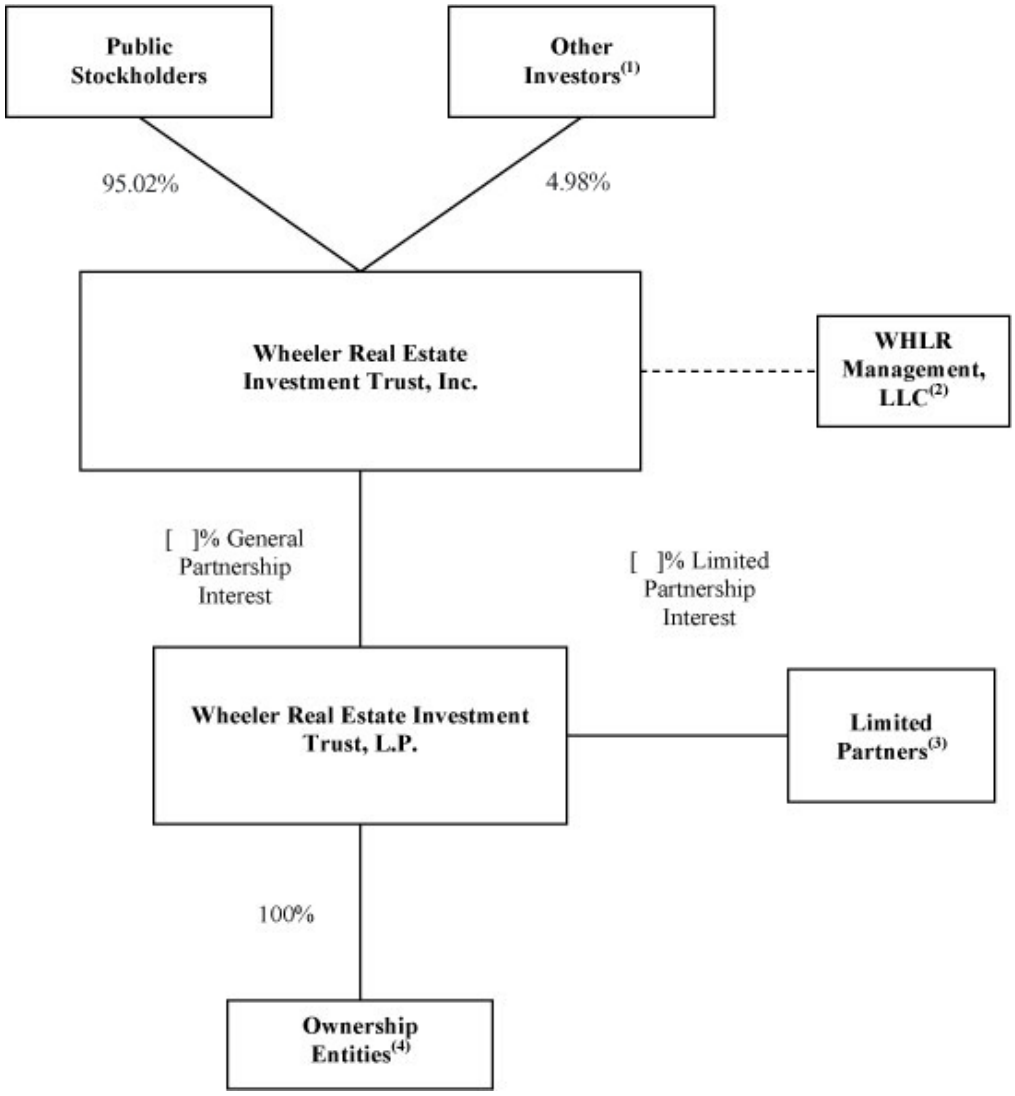
(1) Consists of holders of 183,500 shares of Series A Convertible Preferred Stock. Upon completion of this offering, all issued and outstanding Series A Convertible Preferred Stock will automatically convert into a number of shares of common stock equal to (i) $4.00 divided by (ii) 66.66% of the public offering price of the common stock sold in this offering, or 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus. Jon S. Wheeler, our President and Chairman, controls 2,250 of such shares held by Sooner Capital, LLC.

(2) WHLR Management, LLC, which is wholly-owned by Jon S. Wheeler, will provide administrative services to Wheeler Real Estate Investment Trust, Inc. pursuant to the terms of an administrative services agreement.

(3) Prior Investors will receive [ ] limited partnership units in Wheeler Real Estate Investment Trust, L.P. in exchange for their membership interests in the Ownership Entities. Of those [ ] limited partnership units, 352,641 will be received by Jon S. Wheeler and 3,037 will be received by Robin Hanisch, our Secretary, in exchange for their membership interests in the Ownership Entities.

(4) Upon completion of our formation transactions, we expect our Operating Partnership will own 100% of the membership interests of each of the Ownership Entities that own the initial nine properties in our portfolio.

The following diagram depicts the expected ownership structure of Wheeler Real Estate Investment Trust, Inc. upon completion of the maximum offering and the formation transactions. We expect to own a % general partnership interest in our Operating Partnership and our Operating Partnership expects to indirectly own the properties in our portfolio, through the Ownership Entities.



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(4) Upon completion of our formation transactions, we expect our Operating Partnership will own 100% of the membership interests of each of the Ownership Entities that own the initial nine properties in our portfolio.

Determination of Consideration Payable for Our Properties

We will acquire the indirect ownership of each of the properties in our portfolio in connection with the formation transactions. The value of the consideration to be paid to each of the Prior Investors in the formation transactions, in each case, will be based upon the terms of the applicable contribution or purchase agreement among our Operating Partnership, on the one hand, and the prior investor or Prior Investors, on the other hand, or purchase agreement in the case of The Shoppes at Eagle Harbor property. The actual value of the consideration to be paid by us to each of the Prior Investors, in the form of common units or cash, ultimately will be determined at pricing based on the initial public offering price of our common stock, which will be determined as described below under the heading "Determination of Offering Price." Additionally, the purchase price of any adjusted properties will be subject to adjustment as previously described under the heading "Structure and Formation of our Company—Formation Transactions."

We have not obtained independent third-party appraisals of the properties in our portfolio. Accordingly, there can be no assurance that the fair market value of the cash and equity securities that we pay or issue to the Prior Investors will not exceed the fair market value of the properties and other assets acquired by us in the formation transactions. See "Risk Factors—Risks Related to Our Properties and Our Business—The value of the common units to be issued as consideration for the properties to be acquired by us in the formation transactions may exceed their aggregate fair market value and exceed their aggregate historical combined, net tangible book value of approximately $0.41 million as of December 31, 2011."

Determination of Offering Price

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be negotiated between the representatives of the placement agents and us. In determining the initial public offering price of our common stock, the representatives of the placement agents will consider, among other things, the history and prospects for the industry in which we compete, our results of operations, the ability of our management, our business potential and earnings prospects, our estimated net income, our estimated funds from operations, our estimated cash available for distribution, our anticipated dividend yield, our growth prospects, the prevailing securities markets at the time of this offering, the recent market prices of, and the demand for, publicly traded shares of companies considered by us and the placement agents to be comparable to us and the current state of the commercial real estate industry and the economy as a whole. The initial public offering price does not necessarily bear any relationship to the book value of the properties and assets to be acquired in the formation transactions, our financial condition or any other established criteria of value and may not be indicative of the market price for our common stock after this offering.

DESCRIPTION OF THE PARTNERSHIP AGREEMENT OF WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

Although the following summary describes the material terms and provisions of the Partnership Agreement, it is not a complete description of the Virginia Revised Uniform Limited Partnership Act or the Partnership Agreement, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part and is available from us upon request. See "Where You Can Find More Information." For purposes of this section, references to "we," "our," "us" and "our company" refer to Wheeler Real Estate Investment Trust, Inc.

General

Upon completion of the formation transactions, substantially all of our assets will be held by, and substantially all of our operations will be conducted through, our Operating Partnership, either directly or through its subsidiaries. We are the sole general partner of our Operating Partnership and, upon completion of the minimum offering, the formation transactions and the other transactions described in this prospectus, common units will be outstanding and we will own % of the outstanding common units. In connection with the formation transactions, we will enter into the Partnership Agreement and Prior Investors in our portfolio who elect to receive common units in the formation transactions will be admitted as limited partners of our Operating Partnership. The provisions of the Partnership Agreement described below and elsewhere in the prospectus will be in effect after the completion of the formation transactions and this offering. We do not intend to list the common units on any exchange or any national market system.

Provisions in the Partnership Agreement may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions also make it more difficult for third parties to alter the management structure of our Operating Partnership without the concurrence of our board of directors. These provisions include, among others:

- redemption rights of limited partners and certain assignees of common units;
- transfer restrictions on units and other partnership interests;
- a requirement that we may not be removed as the general partner of our Operating Partnership without our consent;
- our ability in some cases to amend the Partnership Agreement and to cause our Operating Partnership to issue preferred partnership interests in our Operating Partnership with terms that we may determine, in either case, without the approval or consent of any limited partner; and
- the rights of the limited partners to consent to certain direct or indirect transfers of our interest in our Operating Partnership, including in connection with certain mergers, consolidations and other business combinations involving us, recapitalizations and reclassifications of our outstanding stock and issuances of our stock that require approval of our stockholders.

Purpose, Business and Management

Our Operating Partnership is formed for the purpose of conducting any business, enterprise or activity permitted by or under the Virginia Revised Uniform Limited Partnership Act. Our Operating Partnership may enter into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement and may own interests in any entity engaged in any business permitted by or under the Virginia Revised Uniform Limited Partnership Act. However, our Operating Partnership may not, without our specific consent, which we may give or withhold in our sole and absolute discretion, take, or refrain from taking, any action that, in our judgment, in our sole and absolute discretion:

- could adversely affect our ability to continue to qualify as a REIT;
- could subject us to any taxes under Code Section 857 or Code Section 4981 or any other related or successor provision under the Code; or

- could violate any law or regulation of any governmental body or agency having jurisdiction over us, our securities or our Operating Partnership.

In general, our board of directors will manage the business and affairs of our Operating Partnership by directing our business and affairs, in our capacity as the sole general partner of our Operating Partnership. Except as otherwise expressly provided in the Partnership Agreement and subject to the rights of holders of any class or series of partnership interest, all management powers over the business and affairs of our Operating Partnership are exclusively vested in us, in our capacity as the sole general partner of our Operating Partnership. No limited partner, in its capacity as a limited partner, has any right to participate in or exercise management power over our Operating Partnership's business, transact any business in our Operating Partnership's name or sign documents for or otherwise bind our Operating Partnership. We may not be removed as the general partner of our Operating Partnership, with or without cause, without our consent, which we may give or withhold in our sole and absolute discretion. In addition to the powers granted to us under applicable law or any provision of the Partnership Agreement, but subject to certain rights of holders of any class or series of partnership interest, we, in our capacity as the general partner of our Operating Partnership, have the full and exclusive power and authority to do all things that we deem necessary or desirable to conduct the business and affairs of our Operating Partnership, to exercise or direct the exercise of all of the powers of our Operating Partnership and to effectuate the purposes of our Operating Partnership without the approval or consent of any limited partner. We may authorize our Operating Partnership to incur debt and enter into credit, guarantee, financing or refinancing arrangements for any purpose, including, without limitation, in connection with any acquisition of properties, on such terms as we determine to be appropriate, and to acquire or dispose of any, all or substantially all of its assets (including goodwill), dissolve, merge, consolidate, reorganize or otherwise combine with another entity, without the approval or consent of any limited partner. With limited exceptions, we may execute, deliver and perform agreements and transactions on behalf of our Operating Partnership without the approval or consent of any limited partner.

Restrictions on General Partner's Authority

The Partnership Agreement prohibits us, in our capacity as general partner, from taking any action that would make it impossible to carry out the ordinary business of our Operating Partnership or performing any act that would subject a limited partner to liability as a general partner in any jurisdiction or any other liability except as provided under the Partnership Agreement. We may not, without the prior consent of the partners of our Operating Partnership (including us), amend, modify or terminate the Partnership Agreement, except for certain amendments that we may approve without the approval or consent of any limited partner, described in "—Amendment of the Partnership Agreement," and certain amendments described below that require the approval of each affected partner. We may not, in our capacity as the general partner of our Operating Partnership, without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us):

- take any action in contravention of an express provision or limitation of the Partnership Agreement;
- transfer of all or any portion of our general partnership interest in our Operating Partnership or admit any person as a successor general partner, subject to the exceptions described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner"; or
- voluntarily withdraw as the general partner.

Without the consent of each affected limited partner, we may not enter into any contract, mortgage, loan or other agreement that expressly prohibits or restricts us or our Operating Partnership from performing our or its specific obligations in connection with a redemption of units or expressly prohibits or restricts a limited partner from exercising its redemption rights in full. For the avoidance of doubt, because we have the right to elect to acquire common units tendered for redemption in exchange for shares of common stock, the approval of the limited partners generally should not be required in order for us or our Operating Partnership to enter into loan agreements which conditionally restrict our Operating Partnership from redeeming common units for cash. In addition to any approval or consent required by any other provision of the Partnership Agreement, we may not, without the consent of each affected partner, amend the Partnership Agreement or take any other action that would:

- convert a limited partner into a general partner;
- modify the limited liability of a limited partner;
- alter the rights of any partner to receive the distributions to which such partner is entitled, or alter the allocations specified in the Partnership Agreement, except to the extent permitted by the Partnership Agreement in connection with the creation or issuance of any new class or series of partnership interest;
- alter or modify the redemption rights of holders of common units or the related definitions specified in the Partnership Agreement;
- remove, alter or amend certain provisions of the Partnership Agreement relating to the requirements for us to qualify as a REIT or permitting us to avoid paying tax under Sections 857 or 4981 of the Code; or
- amend the provisions of the Partnership Agreement requiring the consent of each affected partner before taking any of the actions described above.

Additional Limited Partners

We may cause our Operating Partnership to issue additional units or other partnership interests and to admit additional limited partners to our Operating Partnership from time to time, on such terms and conditions and for such capital contributions as we may establish in our sole and absolute discretion, without the approval or consent of any limited partner, including:

- upon the conversion, redemption or exchange of any debt, units or other partnership interests or securities issued by our Operating Partnership;
- for less than fair market value; or
- in connection with any merger of any other entity into our Operating Partnership.

The net capital contribution need not be equal for all limited partners. Each person admitted as an additional limited partner must make certain representations to each other partner relating to, among other matters, such person's ownership of any tenant of us or our Operating Partnership and the number of persons that may, as a result of such person's admission as a limited partner, be treated as directly or indirectly owning an interest in our Operating Partnership. No person may be admitted as an additional limited partner without our consent, which we may give or withhold in our sole and absolute discretion, and no approval or consent of any limited partner is required in connection with the admission of any additional limited partner.

The Partnership Agreement authorizes our Operating Partnership to issue common units and our Operating Partnership may issue additional partnership interests in one or more additional classes, or one or more series of any of such classes, with such designations, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over the units) as we may determine, in our sole and absolute discretion, without the approval of any limited partner or any other person. Without limiting the generality of the foregoing, we may specify, as to any such class or series of partnership interest:

- the allocations of items of partnership income, gain, loss, deduction and credit to each such class or series of partnership interest;
- the right of each such class or series of partnership interest to share, on a junior, senior or pari passu basis, in distributions;
- the rights of each such class or series of partnership interest upon dissolution and liquidation of our Operating Partnership;
- the voting rights, if any, of each such class or series of partnership interest; and
- the conversion, redemption or exchange rights applicable to each such class or series of partnership interest.

Ability to Engage in Other Businesses; Conflicts of Interest

We may not conduct any business other than in connection with the ownership, acquisition and disposition of partnership interests, the management of the business and affairs of our Operating Partnership, our operation as a reporting company with a class (or classes) of securities registered under the Exchange Act, our operations as a REIT, the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other

interests, financing or refinancing of any type related to our Operating Partnership or its assets or activities and such activities as are incidental to those activities discussed above. In general, we must contribute any assets or funds that we acquire to our Operating Partnership in exchange for additional partnership interests. We may, however, in our sole and absolute discretion, from time to time hold or acquire assets in our own name or otherwise other than through our Operating Partnership so long as we take commercially reasonable measures to ensure that the economic benefits and burdens of such property are otherwise vested in our Operating Partnership.

Distributions

Our Operating Partnership will make distributions at such times and in such amounts, as we may in our sole and absolute discretion determine:

- first, with respect to any partnership interests that are entitled to any preference in distribution, in accordance with the rights of the holders of such class(es) or series of partnership interest, and, within each such class, among the holders of such class pro rata in proportion to their respective percentage interests of such class; and
- second, with respect to any partnership interests that are not entitled to any preference in distribution, including the common units, in accordance with the rights of the holders of such class(es) or series of partnership interest, and, within each such class, among the holders of each such class, pro rata in proportion to their respective percentage interests of such class.

Distributions payable with respect to any units that were not outstanding during the entire quarterly period in respect of which a distribution is made, other than units issued to us in connection with the issuance of shares of our common stock, will be prorated based on the portion of the period that such units were outstanding.

Allocations

Net income or net loss of our Operating Partnership will generally be allocated to us, as the general partner, and to the limited partners in accordance with the partners' respective percentage ownership of the aggregate outstanding common units. Allocations to holders of a class or series of partnership interest will generally be made proportionately to all such holders in respect of such class or series. However, in some cases gain or loss may be disproportionately allocated to partners who have contributed appreciated property or guaranteed debt of our Operating Partnership. The allocations described above are subject to special rules relating to depreciation deductions and to compliance with the provisions of Sections 704(b) and 704(c) of the Code and the associated Treasury Regulations. See "Federal Income Tax Considerations —Taxation of our Company—Tax Aspects of Our Operating partnership, the Subsidiary Partnerships and the Limited Liability Companies."

Borrowing by the Operating Partnership

We may cause our Operating Partnership to borrow money and to issue and guarantee debt as we deem necessary for the conduct of the activities of our Operating Partnership. Such debt may be secured, among other things, by mortgages, deeds of trust, liens or encumbrances on the properties of our Operating Partnership. We may also guarantee such debt.

Reimbursements of Expenses; Transactions with General Partner and its Affiliates

We will not receive any compensation for our services as the general partner of our Operating Partnership. We have the same right to distributions as other holders of common units. In addition, our Operating Partnership must reimburse us for all amounts expended by us in connection with our Operating Partnership's business, including expenses relating to the ownership of interests in and management and operation of our Operating Partnership, compensation of officers and employees, including payments under future compensation plans that may provide for stock units, or phantom stock, pursuant to which our employees or employees of our Operating Partnership will receive payments based upon dividends on or the value of our common stock, director fees and expenses, any expenses (other than the purchase price) incurred by us in connection with the redemption or repurchase of shares of our preferred stock and our costs and expenses of being a public company, including costs of filings with the SEC, reports and other distributions to our stockholders. Our Operating Partnership must reimburse

us for all expenses incurred by us relating to any offering of our stock, including any placement discounts or commissions, based on the percentage of the net proceeds from such issuance that we contribute or otherwise make available to our Operating Partnership. Any reimbursement will be reduced by the amount of any interest we earn on funds we hold on behalf of our Operating Partnership.

We and our affiliates may engage in any transactions with our Operating Partnership on such terms as we may determine in our sole and absolute discretion.

Exculpation and Indemnification of General Partner

The Partnership Agreement provides that we are not liable to our Operating Partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by our Operating Partnership or any limited partner, except for liability for our intentional harm or gross negligence. The Partnership Agreement also provides that any obligation or liability in our capacity as the general partner of our Operating Partnership that may arise at any time under the Partnership Agreement or any other instrument, transaction or undertaking contemplated by the Partnership Agreement will be satisfied, if at all, out of our assets or the assets of our Operating Partnership only, and no such obligation or liability will be personally binding upon any of our directors, stockholders, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise, and none of our directors or officers will be liable or accountable in damages or otherwise to the partnership, any partner or any assignee of a partner for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission. We, as the general partner of our Operating Partnership, are not responsible for any misconduct or negligence on the part of our employees or agents, provided that we appoint such employees or agents in good faith. We, as the general partner of our Operating Partnership, may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors, and any action that we take or omit to take in reliance upon the opinion of such persons, as to matters which we reasonably believe to be within their professional or expert competence, will be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

In addition, the Partnership Agreement requires our Operating Partnership to indemnify us, our directors and officers, officers of our Operating Partnership and any other person designated by us against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of our Operating Partnership, unless (1) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) such person actually received an improper personal benefit in violation or breach of any provision of the Partnership Agreement or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful. Our Operating Partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our Operating Partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the Partnership Agreement) or if the person is found to be liable to our Operating Partnership on any portion of any claim in the action.

Business Combinations of Our Operating Partnership

Subject to the limitations on the transfer of our interest in our Operating Partnership described in "—Transfers and Withdrawals—Restrictions on Transfers by the General Partner," we generally have the exclusive power to cause our Operating Partnership to merge, reorganize, consolidate, sell all or substantially all of its assets or otherwise combine its assets with another entity. However, in connection with the acquisition of properties from persons to whom our Operating Partnership issues units or other partnership interests as part of the purchase price, in order to preserve such persons' tax deferral, our Operating Partnership may contractually agree, in general, not to sell or otherwise transfer the properties for a specified period of time, or in some instances, not to sell or otherwise transfer the properties without compensating the sellers of the properties for their loss of the tax deferral.

Redemption Rights of Qualifying Parties

Beginning 12 months after first becoming a holder of common units, each limited partner and some assignees of limited partners will have the right, subject to the terms and conditions set forth in the Partnership Agreement, to require our Operating Partnership to redeem all or a portion of the common units held by such limited partner or assignee in exchange for a cash amount per common unit equal to the value of one share of our common stock, determined in accordance with and subject to adjustment under the Partnership Agreement. Our Operating Partnership's obligation to redeem common units does not arise and is not binding against our Operating Partnership until the sixth business day after we receive the holder's notice of redemption or, if earlier, the day we notify the holder seeking redemption that we have declined to acquire some or all of the common units tendered for redemption. If we do not elect to acquire the common units tendered for redemption in exchange for shares of our common stock (as described below), our Operating Partnership must deliver the cash redemption amount on or before the tenth business day after we receive the holder's notice of redemption.

On or before the close of business on the fifth business day after a holder of common units gives notice of redemption to us, we may, in our sole and absolute discretion but subject to the restrictions on the ownership and transfer of our stock set forth in our charter and described in "Description of Securities—Restrictions on Ownership and Transfer," elect to acquire some or all of the common units tendered for redemption from the tendering party in exchange for shares of our common stock, based on an exchange ratio of one share of common stock for each common unit, subject to adjustment as provided in the Partnership Agreement. The holder of the common units tendered for redemption must provide certain information, certifications, representations, opinions and other instruments to ensure compliance with the restrictions on ownership and transfer of our stock set forth in our charter and the Securities Act. The Partnership Agreement does not require us to register, qualify or list any shares of common stock issued in exchange for common units with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange. Shares of our common stock issued in exchange for common units pursuant to the Partnership Agreement may contain legends regarding restrictions under the Securities Act and applicable state securities laws.

Transfers and Withdrawals

Restrictions on Transfers by Limited Partners

Until the expiration of 12 months after the date on which a limited partner first acquires a partnership interest, the limited partner generally may not directly or indirectly transfer all or any portion of its partnership interest without our consent, which we may give or withhold in our sole and absolute discretion, except for certain permitted transfers to certain affiliates, family members and charities, and certain pledges of partnership interests to lending institutions in connection with bona fide loans.

After the expiration of 12 months after the date on which a limited partner first acquires a partnership interest, the limited partner will have the right to transfer all or any portion of its partnership interest without our consent to any person that is an "accredited investor," within meaning set forth in Rule 501 promulgated under the Securities Act, upon ten business days prior notice to us, subject to the satisfaction of conditions specified in the Partnership Agreement, including minimum transfer requirements and our right of first refusal. Unless waived by us in our sole and absolute discretion, a transferring limited partner must also deliver an opinion of counsel reasonably satisfactory to us that the proposed transfer may be effected without registration under the Securities Act, and will not otherwise violate any state securities laws or regulations applicable to our Operating Partnership or the partnership interest proposed to be transferred. We may exercise our right of first refusal in connection with a proposed transfer by a limited partner within ten business days of our receipt of notice of the proposed transfer, which must include the identity and address of the proposed transferee and the amount and type of consideration proposed to be paid for the partnership interest. We may deliver all or any portion of any cash consideration proposed to be paid for a partnership interest that we acquire pursuant to our right of first refusal in the form of a note payable to the transferring limited partner not more than 180 days after our purchase of such partnership interest.

Any transferee of a limited partner's partnership interest must assume by operation of law or express agreement all of the obligations of the transferring limited partner under the Partnership Agreement with respect to the transferred interest, and no transfer (other than a transfer pursuant to a statutory merger or consolidation in which the obligations and liabilities of the transferring limited partner are assumed by a successor corporation by operation of law) will relieve the transferring limited partner of its obligations under the Partnership Agreement without our consent, which we may give or withhold in our sole and absolute discretion.

We may take any action we determine is necessary or appropriate in our sole and absolute discretion to prevent our Operating Partnership from being taxable as a corporation for U.S. federal income tax purposes. No transfer by a limited partner of its partnership interest, including any redemption or any acquisition of partnership interests by us or by our Operating Partnership, may be made to or by any person without our consent, which we may give or withhold in our sole and absolute discretion, if the transfer could:

- result in our Operating Partnership being treated as an association taxable as a corporation for U.S. federal income tax purposes;
- result in a termination of our Operating Partnership under Section 708 of the Code;
- be treated as effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder;
- result in our Operating Partnership being unable to qualify for one or more of the "safe harbors" set forth in Section 7704 of the Code and the Treasury Regulations thereunder; or
- based on the advice of counsel to us or our Operating Partnership, adversely affect our ability to continue to qualify as a REIT or subject us to any additional taxes under Sections 857 or 4981 of the Code.

Admission of Substituted Limited Partners

No limited partner has the right to substitute a transferee as a limited partner in its place. A transferee of a partnership interest of a limited partner may be admitted as a substituted limited partner only with our consent, which we may give or withhold in our sole and absolute discretion, and only if the transferee accepts all of the obligations of a limited partner under the partnership and executes such instruments as we may require to evidence such acceptance and to effect the assignee's admission as a limited partner. Any assignee of a partnership interest that is not admitted as a limited partner will be entitled to all the rights of an assignee of a limited partner interest under the Partnership Agreement and the Virginia Revised Uniform Limited Partnership Act, including the right to receive distributions from our Operating Partnership and the share of net income, net losses and other items of income, gain, loss, deduction and credit of our Operating Partnership attributable to the partnership interest held by the assignee and the rights to transfer and redemption of the partnership interest provided in the Partnership Agreement, but will not be deemed to be a limited partner or holder of a partnership interest for any other purpose under the Partnership Agreement or the Virginia Revised Uniform Limited Partnership Act, and will not be entitled to consent to or vote on any matter presented to the limited partners for approval. The right to consent or vote, to the extent provided in the Partnership Agreement or under the Virginia Revised Uniform Limited Partnership Act, will remain with the transferring limited partner.

Restrictions on Transfers by the General Partner

Except as described below, any transfer of all or any portion of our interest in our Operating Partnership, whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise, must be approved by the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us). Subject to the rights of our stockholders and the limited partners of our Operating Partnership to approve certain direct or indirect transfers of our interests in our Operating Partnership described below and the rights of holders of any class or series of partnership interest, we may transfer all (but not less than all) of our general partnership interest without the consent of the limited partners, voting as a separate class, in connection with a merger, consolidation or other combination of our assets with another entity, a sale of all or substantially all of our assets or a reclassification, recapitalization or change in any outstanding shares of our stock if:

- in connection with such event, all of the limited partners will receive or have the right to elect to receive, for each common unit, the greatest amount of cash, securities or other property paid to a holder of one share of our common stock (subject to adjustment in accordance with the Partnership Agreement) in the transaction and, if a purchase, tender or exchange offer is made and accepted by holders of our common stock in connection with the event, each holder of common units receives, or has the right to elect to receive, the greatest amount of cash, securities or other property that the holder would have received if it had exercised its redemption right and received shares of our common stock in exchange for its common units immediately before the expiration of the purchase, tender or exchange offer and had accepted the purchase, tender or exchange offer; or
- substantially all of the assets of our Operating Partnership will be owned by a surviving entity (which may be our Operating Partnership) in which the limited partners of our Operating Partnership holding common units immediately before the event will hold a percentage interest based on the relative fair market value of the net assets of our Operating Partnership and the other net assets of the surviving entity immediately before the event, which interest will be on terms that are at least as favorable as the terms of the common units in effect immediately before the event and as those applicable to any other limited partners or non-managing members of the surviving entity and will include a right to redeem interests in the surviving entity for the consideration described in the preceding bullet or cash on similar terms as those in effect with respect to the common units immediately before the event, or, if common equity securities of the person controlling the surviving entity are publicly traded, such common equity securities.

We may also transfer all (but not less than all) of our interest in our Operating Partnership to a controlled affiliate of ours without the consent of any limited partner, subject to the rights of holders of any class or series of partnership interest.

In addition, any transferee of our interest in our Operating Partnership must be admitted as a general partner of our Operating Partnership, assume, by operation of law or express agreement, all of our obligations as general partner under the Partnership Agreement, accept all of the terms and conditions of the Partnership Agreement and execute such instruments as may be necessary to effectuate the transferee's admission as a general partner.

Restrictions on Transfers by Any Partner

Any transfer or purported transfer of a partnership interest other than in accordance with the Partnership Agreement will be void. Partnership interests may be transferred only on the first day of a fiscal quarter, and no partnership interest may be transferred to any lender under certain nonrecourse loans to us or our Operating Partnership, in either case, unless we otherwise consent, which we may give or withhold in our sole and absolute discretion. No transfer of any partnership interest, including in connection with any redemption or acquisition of units by us or by our Operating Partnership, may be made:

- to a person or entity that lacks the legal right, power or capacity to own the partnership interest;
- in violation of applicable law;
- without our consent, which we may give or withhold in our sole and absolute discretion, of any component portion of a partnership interest, such as a partner's capital account or rights to distributions, separate and apart from all other components of the partner's interest in our Operating Partnership;
- if the proposed transfer could cause us or any of our affiliates to fail to comply with the requirements under the Code for qualifying as a REIT or as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2));
- without our consent, which we may give or withhold in our sole and absolute discretion, if the proposed transfer could, based on the advice of our counsel or counsel to our Operating Partnership, cause a termination of our Operating Partnership for U.S. federal or state income tax purposes (other than as a result of the redemption or acquisition by us of all units held by limited partners);
- if the proposed transfer could, based on the advice of our legal counsel or legal counsel to our Operating Partnership, cause our Operating Partnership to cease to be classified as a partnership for U.S. federal income tax purposes (other than as a result of the redemption or acquisition by us of all units held by limited partners);

- if the proposed transfer would cause our Operating Partnership to become, with respect to any employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a "party-in-interest" for purposes of ERISA or a "disqualified person" as defined in Section 4975(c) of the Code;
- if the proposed transfer could, based on the advice of our counsel or counsel to our Operating Partnership, cause any portion of the assets of our Operating Partnership to constitute assets of any employee benefit plan pursuant to applicable regulations of the United States Department of Labor;
- if the proposed transfer requires the registration of the partnership interest under any applicable federal or state securities laws;
- without our consent, which we may give or withhold in our sole and absolute discretion, if the proposed transfer (1) could be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder, (2) could cause our Operating Partnership to become a "publicly traded partnership," as that term is defined in Sections 469(k)(2) or 7704(b) of the Code, (3) could cause (i) our Operating Partnership to have more than 100 partners, including as partners certain persons who own their interests in our Operating Partnership indirectly or (ii) the partnership interest initially issued to such partner or its predecessors to be held by more than two partners, including as partners certain persons who own their interests in our Operating Partnership indirectly, or (4) could cause our Operating Partnership to fail one or more of the "safe harbors" within the meaning of Section 7704 of the Code and the Treasury Regulations thereunder;
- if the proposed transfer would cause our Operating Partnership (as opposed to us) to become a reporting company under the Exchange Act; or
- if the proposed transfer subjects our Operating Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended.

Withdrawal of Partners

We may not voluntarily withdraw as the general partner of our Operating Partnership without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us) other than upon the transfer of our entire interest in our Operating Partnership and the admission of our successor as a general partner of our Operating Partnership. A limited partner may withdraw from our Operating Partnership only as a result of a transfer of the limited partner's entire partnership interest in accordance with the Partnership Agreement and the admission of the limited partner's successor as a limited partner of our Operating Partnership or as a result of the redemption or acquisition by us of the limited partner's entire partnership interest.

Amendment of the Partnership Agreement

Except as described below and amendments requiring the consent of each affected partner described in "—Restrictions on General Partner's Authority," amendments to the Partnership Agreement must be approved by a majority in interest of the partners, including us and our subsidiaries. Amendments to the Partnership Agreement may be proposed only by us or by limited partners holding 25% or more of the partnership interests held by limited partners. Following such a proposal, we must submit any proposed amendment that requires the consent, approval or vote of any partners to the partners entitled to vote on the amendment for approval and seek the consent of such partners to the amendment.

We may, without the approval or consent of any limited partner but subject to the rights of holders of any additional class or series of partnership interest, amend the Partnership Agreement as may be required to facilitate or implement any of the following purposes:

- to add to our obligations as general partner or surrender any right or power granted to us or any of our affiliates for the benefit of the limited partners;
- to reflect the admission, substitution or withdrawal of partners, the transfer of any partnership interest, or the termination of our Operating Partnership in accordance with the Partnership Agreement;

- to reflect a change that is of an inconsequential nature or does not adversely affect the limited partners in any material respect, or to cure any ambiguity, correct or supplement any provision in the Partnership Agreement that is not inconsistent with law or with other provisions of the Partnership Agreement, or make other changes with respect to matters arising under the Partnership Agreement that will not be inconsistent with law or with the provisions of the Partnership Agreement;
- to set forth or amend the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption of the holders any additional classes or series of partnership interest;
- to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law;
- to reflect such changes as are reasonably necessary for us to maintain our status as a REIT or satisfy the requirements for us to qualify as a REIT or to reflect the transfer of all or any part of a partnership interest among us and any entity that is disregarded with respect to us for U.S. federal income tax purposes;
- to modify the manner in which items of net income or net loss are allocated or the manner in which capital accounts are adjusted, computed, or maintained (but in each case only to the extent provided by the Partnership Agreement and permitted by applicable law);
- to reflect the issuance of additional partnership interests; and
- to reflect any other modification to the Partnership Agreement as is reasonably necessary for our business or operations or those of our Operating Partnership and that does not require the consent of each affected partner as described in "—Restrictions on General Partner's Authority."

Amendments to the provisions of the Partnership Agreement relating to the restrictions on transfers of partnership interests by general or limited partners and the admission of transferees as limited partners must be approved by a majority in interest of the limited partners (excluding us and any limited partners 50% or more whose equity is owned, directly or indirectly, by us). Amendments to any other provision of the Partnership Agreement that requires the approval or consent of any partner or group of partners to any action may be amended only with the approval or consent of such partner or group of partners.

Procedures for Actions and Consents of Partners

Meetings of partners may be called only by us, to transact any business that we determine. Notice of any meeting must be given to all partners entitled to act at the meeting not less than seven days nor more than 60 days before the date of the meeting. Unless approval by a different number or proportion of the partners is required by the Partnership Agreement, the affirmative vote of the partners holding a majority of the outstanding partnership interests held by partners entitled to act on any proposal is sufficient to approve the proposal at a meeting of the partners. Partners may vote in person or by proxy. Each meeting of partners will be conducted by us or any other person we appoint, pursuant to rules for the conduct of the meeting determined by the person conducting the meeting. Whenever the vote, approval or consent of partners is permitted or required under the Partnership Agreement, such vote, approval or consent may be given at a meeting of partners, and any action requiring the approval or consent of any partner or group of partners or that is otherwise required or permitted to be taken at a meeting of the partners may be taken without a meeting if a consent in writing or by electronic transmission setting forth the action so taken, approved or consented to is given by partners whose affirmative vote would be sufficient to approve such action or provide such approval or consent at a meeting of the partners. If we seek partner approval of or consent to any matter (other than "partnership approval" of direct or indirect transfers of our interests in our Operating Partnership) in writing or by electronic transmission, we may require a response within a reasonable specified time, but not less than fifteen days, and failure to respond in such time period will constitute a partner's consent consistent with our recommendation, if any, with respect to the matter. If we seek "partnership approval" of a direct or indirect transfer of our interests in our Operating Partnership, the record date for the determination of limited partners entitled to provide such approval shall be the same day as the record date for the approval by our stockholders of the event giving rise to such "partnership approval" rights. If "partnership approval" is not obtained with respect to any particular event within five business days from the date upon which our stockholders approved of such event, then "partnership approval" will be deemed not to exist with respect to such event.

Dissolution

Our Operating Partnership will dissolve, and its affairs will be wound up, upon the first to occur of any of the following:

- the removal or withdrawal of the last remaining general partner in accordance with the Partnership Agreement, the withdrawal of the last remaining general partner in violation of the Partnership Agreement or the involuntary withdrawal of the last remaining general partner as a result of such general partner's death, adjudication of incompetency, dissolution or other termination of legal existence or the occurrence of certain events relating to the bankruptcy or insolvency of such general partner unless, within ninety days after any such withdrawal, a majority in interest of the remaining partners agree in writing, in their sole and absolute discretion, to continue our Operating Partnership and to the appointment, effective as of the date of such withdrawal, of a successor general partner;
- an election to dissolve our Operating Partnership by us, in our sole and absolute discretion, with or without the consent of a majority in interest of the partners;
- the entry of a decree of judicial dissolution of our Operating Partnership pursuant to the Virginia Revised Uniform Limited Partnership Act;
- the sale or other disposition of all or substantially all of the assets of our Operating Partnership not in the ordinary course of our Operating Partnership's business or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of our Operating Partnership not in the ordinary course of our Operating Partnership's business; or
- the redemption or other acquisition by us or our Operating Partnership of all of the outstanding partnership interests other than partnership interests held by us.

Upon dissolution we or, if there is no remaining general partner, a liquidator will proceed to liquidate the assets of our Operating Partnership and apply the proceeds from such liquidation in the order of priority set forth in the Partnership Agreement and among holders of partnership interests in accordance with their capital account balances.

Tax Matters

Pursuant to the Partnership Agreement, we, as the general partner, are the tax matters partner of our Operating Partnership, and in such capacity, have the authority to handle tax audits on behalf of our Operating Partnership. In addition, as the general partner, we have the authority to arrange for the preparation and filing of our Operating Partnership's tax returns and to make tax elections under the Code on behalf of our Operating Partnership.

PRINCIPAL STOCKHOLDERS

The following table sets forth, as of the completion of this offering, certain information regarding the beneficial ownership of shares of our common stock and shares of common stock into which common units are exchangeable immediately following the completion of this offering and the formation transactions for (1) each person who is expected to be the beneficial owner of 5% or more of our outstanding common stock immediately following the completion of this offering, (2) each of our directors, director nominees and named executive officers, and (3) all of our directors, director nominees and executive officers as a group. This table assumes that the formation transactions and this offering are completed, and gives effect to the expected issuance of common stock and common units in connection with this offering and the formation transactions. Each person named in the table has sole voting and investment power with respect to all of the shares of our common stock shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. The extent to which a person will hold shares of common stock as opposed to units is set forth in the footnotes below.

The SEC has defined "beneficial ownership" of a security to mean the possession, directly or indirectly, of voting power and/or investment power over such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (1) the exercise of any option, warrant or right, (2) the conversion of a security, (3) the power to revoke a trust, discretionary account or similar arrangement or (4) the automatic termination of a trust, discretionary account or similar arrangement. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, common shares subject to options or other rights (as set forth above) held by that person that are exercisable as of the completion of this offering or will become exercisable within 60 days thereafter, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. As of the date of this prospectus, we had 16 shareholders of record.

Unless otherwise indicated, the address of each named person is c/o Wheeler Real Estate Investment Trust, Inc., Riversedge North, 2529 Virginia Beach Blvd., Suite 200, Virginia Beach, Virginia 23452. No shares beneficially owned by any executive officer, director or director nominee have been pledged as security.

		Minimum Offering		Maximum Offering	
Name of Beneficial Owner	Number of Shares and Units Beneficially Owned	Percentage of All Shares[1]	Percentage of All Shares and Units[2]	Percentage of All Shares[3]	Percentage of All Shares and Units[4]
Jon S. Wheeler	352,641	[ ]%	[ ]%	[ ]%	[ ]%
Steven M. Belote	0	*	*	*	[ ]
Robin Hanisch	3,037	*	*	*	*
Katherine Arris-Wilson	0	*	*	*	*
Martin A. Einhorn	0	*	*	*	*
Christopher J. Ettel	0	*	*	*	*
David Kelly	0	*	*	*	*
William W. King	0	*	*	*	*
Sanjay Madhu	0	*	*	*	*
All directors, director nominees and executive officers as a group (9 persons)	355,678	[ ]%	[ ]%	[ ]%	[ ]%
Argosy Real Estate VI, LP[5]	[ ]	[ ]%	[ ]%	[ ]%	[ ]%

* Less than 1.0%

(1) Assumes 3,209,735 shares of common stock are outstanding immediately following completion of the minimum offering. In addition, amounts for individuals assume that all common units held by the person are exchanged for shares of our common stock, and amounts for all directors, director nominees and executive officers as a group assume all common units held by them are exchanged for shares of our common stock in each case, regardless of when such common units are currently exchangeable. The total number of shares of our common stock outstanding used in calculating this percentage assumes that none of the common units held by other persons are exchanged for shares of our common stock.

(2) Assumes a total of 3,209,735 shares of our common stock and common units, which units may be redeemed for cash or, at our option, exchanged for shares of our common stock as described in "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.," are outstanding immediately following completion of the minimum offering.

(3) Assumes 4,209,735 shares of common stock are outstanding immediately following completion of the maximum offering. In addition, amounts for individuals assume that all common units held by the person are exchanged for shares of our common stock, and amounts for all directors, director nominees and executive officers as a group assume all common units held by them are exchanged for shares of our common stock in each case, regardless of when such common units are currently exchangeable. The total number of shares of our common stock outstanding used in calculating this percentage assumes that none of the common units held by other persons are exchanged for shares of our common stock.

(4) Assumes a total of 4,209,735 shares of our common stock and common units, which units may be redeemed for cash or, at our option, exchanged for shares of our common stock as described in "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.," are outstanding immediately following completion of the maximum offering.

(5) John P. Kirwin, Manager of Argosy Real Estate Partners VI, LLC, the general partner of Argosy Real Estate VI, L.P., controls the voting and dispositive power of the shares held by Argosy Real Estate VI, L.P.

DESCRIPTION OF SECURITIES

Although the following summary describes the material terms of our stock, it is not a complete description of the MGCL or our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is a part and are available from us upon request. See "Where You Can Find More Information."

General

Our charter provides that we may issue up to 15,000,000 shares of common stock, $0.01 par value per share, or common stock, and 500,000 shares of Series A convertible preferred stock, without par value per share, or preferred stock. Our charter authorizes our board of directors, with the approval of a majority of the entire board of directors and without any action by our stockholders, to amend our charter to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of any class or series of our stock. Upon completion of this offering, the formation transactions and the other transactions described in this prospectus, 3,209,735 shares of our common stock will be issued and outstanding, assuming completion of the minimum offering, or 4,209,735 shares assuming the completion of the maximum offering. We currently have 183,500 shares of preferred stock issued and outstanding. All issued and outstanding shares of preferred stock will automatically convert to 209,735 shares of common stock upon completion of this offering.

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

Common Stock

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

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock and except as may otherwise be specified in the terms of any class or series of our common stock, each outstanding share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of stock, the holders of shares of common stock will possess the exclusive voting power. There is no cumulative voting in the election of our directors. Directors are elected by a plurality of all of the votes cast in the election of directors.

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any securities of our company. Our charter provides that our stockholders generally have no appraisal rights unless our board of directors determines prospectively that appraisal rights will apply to one or more transactions in which holders of our common stock would otherwise be entitled to exercise appraisal rights. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, holders of our common stock will have equal dividend, liquidation and other rights.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, consolidate, sell all or substantially all of its assets or engage in a statutory share exchange unless declared advisable by its board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of all of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides for approval of any of these matters by the affirmative vote of stockholders entitled to cast a majority of the votes entitled to be cast on such matters, except that the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of directors is required to remove a director and the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on such matter is required to amend the provisions of our charter relating to the removal of directors or specifying that our stockholders may act without a meeting only

by unanimous consent, or to amend the vote required to amend such provisions. Maryland law also permits a Maryland corporation to transfer all or substantially all of its assets without the approval of the stockholders of the corporation to an entity if all of the equity interests of the entity are owned, directly or indirectly, by the corporation. Because our operating assets may be held by our Operating Partnership or its subsidiaries, these subsidiaries may be able to merge or transfer all or substantially all of their assets without the approval of our stockholders.

Our charter authorizes our board of directors to reclassify any unissued shares of our common stock into other classes or series of stock, to establish the designation and number of shares of each class or series and to set, subject to the provisions of our charter relating to the restrictions on ownership and transfer of our stock, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of each such class or series.

Preferred Stock

Our charter authorizes our board of directors to classify any unissued shares of preferred stock and to reclassify any previously classified but unissued shares into one or more classes or series of preferred stock. Prior to issuance of shares of each new class or series, our board of directors is required by the MGCL and our charter to set, subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of each such class or series. As a result, our board of directors could authorize the issuance of shares of preferred stock that have priority over shares of our common stock with respect to dividends or other distributions or rights upon liquidation or with other terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that our common stockholders otherwise believe to be in their best interests. As of the date hereof, 183,500 shares of preferred stock are issued and outstanding. All issued and outstanding shares of preferred stock will automatically convert to 209,735 shares of common stock upon completion of this offering.

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

We believe that the power of our board of directors to amend our charter to increase or decrease the aggregate number of authorized shares of stock, to authorize us to issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to authorize us to issue such classified or reclassified shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series, as well as the additional authorized shares of common stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our board of directors does not currently intend to do so, it could authorize us to issue a class or series of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or that our common stockholders otherwise believe to be in their best interests. See “Material Provisions of Maryland Law and of Our Charter and Bylaws—Anti-takeover Effect of Certain Provisions of Maryland Law and Our Charter and Bylaws.”

Restrictions on Ownership and Transfer

In order for us to qualify as a REIT under the Code, our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to be a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of stock (after taking into account options to acquire shares of stock) may be owned, directly, indirectly or through application of certain attribution rules by five or fewer individuals (as defined in the Code to include certain entities such as private foundations) at any time during the last half of a taxable year (other than the first year for which an election to be a REIT has been made).

Our charter contains Ownership Limits that are intended to assist us in complying with these requirements and continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to the exceptions described below, no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or in number of shares, whichever is more restrictive) of the outstanding shares of our common stock, or 9.8% in value of the aggregate of the outstanding shares of all classes and series of our stock, in each case excluding any shares of our common stock that are not treated as outstanding for federal income tax purposes. A person or entity that would have acquired actual, beneficial or constructive ownership of our stock but for the application of the Ownership Limits or any of the other restrictions on ownership and transfer of our stock discussed below is referred to as a "prohibited owner."

The constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our common stock (or the acquisition of an interest in an entity that owns, actually or constructively, our common stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding common stock and thereby violate the applicable Ownership Limit.

Our board of directors, in its sole and absolute discretion, prospectively or retroactively, may exempt a person from either or both of the Ownership Limits if doing so would not result in us being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT and our board of directors determines that:

- such waiver will not cause or allow five or fewer individuals to actually or beneficially own more than 49% in value of the aggregate of the outstanding shares of all classes and series of our stock; and
- subject to certain exceptions, the person does not and will not own, actually or constructively, an interest in a tenant of ours (or a tenant of any entity owned in whole or in part by us) that would cause us to own, actually or constructively, more than a 9.8% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant.

As a condition of the exception, our board of directors may require an opinion of counsel or IRS ruling, in either case in form and substance satisfactory to our board of directors, in its sole and absolute discretion, in order to determine or ensure our status as a REIT and such representations and undertakings from the person requesting the exception as are reasonably necessary to make the determinations above. Our board of directors may impose such conditions or restrictions as it deems appropriate in connection with such an exception.

In connection with a waiver of an Ownership Limit or at any other time, our board of directors may, in its sole and absolute discretion, increase or decrease one or both of the Ownership Limits for one or more persons, except that a decreased Ownership Limit will not be effective for any person whose actual, beneficial or constructive ownership of our stock exceeds the decreased Ownership Limit at the time of the decrease until the person's actual, beneficial or constructive ownership of our stock equals or falls below the decreased Ownership Limit, although any further acquisition of our stock will violate the decreased Ownership Limit. Our board of directors may not increase or decrease any Ownership Limit if, among other limitations, the new Ownership Limit would allow five or fewer persons to actually or beneficially own more than 49% in value of our outstanding stock or could otherwise cause us to fail to qualify as a REIT.

Our charter further prohibits:

- any person from actually, beneficially or constructively owning shares of our stock that could result in us being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT (including, but not limited to, actual, beneficial or constructive ownership of shares of our stock that could result in (i) us owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code, or (ii) any manager of a "qualified lodging facility," within the meaning of Section 856(d)(9)(D) of the Code, leased by us to one of our taxable REIT subsidiaries failing to qualify as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code, in each case if the income we derive from such tenant or such taxable REIT subsidiary, taking into account our other income that would not

qualify under the gross income requirements of Section 856(c) of the Code, would cause us to fail to satisfy any the gross income requirements imposed on REITs); and

- any person from transferring shares of our stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution).

Any person who acquires or attempts or intends to acquire actual, beneficial or constructive ownership of shares of our stock that will or may violate the Ownership Limits or any of the other restrictions on ownership and transfer of our stock described above must give written notice immediately to us or, in the case of a proposed or attempted transaction, provide us at least 15 days prior written notice, and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT.

The Ownership Limits and other restrictions on ownership and transfer of our stock described above will not apply until the closing of this offering and will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance is no longer required in order for us to qualify as a REIT.

Pursuant to our charter, if any purported transfer of our stock or any other event would otherwise result in any person violating the Ownership Limits or such other limit established by our board of directors, or could result in us being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT, then that number of shares causing the violation (rounded up to the nearest whole share) will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The prohibited owner will have no rights in shares of our stock held by the trustee. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in the transfer to the trust. Any dividend or other distribution paid to the prohibited owner, prior to our discovery that the shares had been automatically transferred to a trust as described above, must be repaid to the trustee upon demand. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable restriction on ownership and transfer of our stock, then that transfer of the number of shares that otherwise would cause any person to violate the above restrictions will be void. If any transfer of our stock would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution), then any such purported transfer will be void and of no force or effect and the intended transferee will acquire no rights in the shares.

Shares of our stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in the transfer of the shares to the trust (or, in the event of a gift, devise or other such transaction, the last reported sale price on the Nasdaq Capital Market on the day of the transfer or other event that resulted in the transfer of such shares to the trust) and (2) the last reported sale price on the Nasdaq Capital Market on the date we accept, or our designee accepts, such offer. We must reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee and pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We have the right to accept such offer until the trustee has sold the shares of our stock held in the trust. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates and the trustee must distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee with respect to such stock will be paid to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or persons designated by the trustee who could own the shares without violating the Ownership Limits or other restrictions on ownership and transfer of our stock. Upon such sale, the trustee must distribute to the prohibited owner an amount equal to the lesser of (1) the price paid by the prohibited owner for the shares (or, if the prohibited owner did not give value in connection with the transfer or other event that resulted in the transfer to the trust (e.g., a gift, devise or other such transaction), the last reported sale price on the Nasdaq Capital Market on the day of the transfer or other event that resulted in the transfer of such shares to the trust) and (2) the sales proceeds (net of commissions and other expenses of sale) received by the trustee for the shares. The trustee will reduce the amount payable to the prohibited owner by the amount of dividends and other distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the charitable beneficiary,

together with any dividends or other distributions thereon. In addition, if prior to discovery by us that shares of our stock have been transferred to the trustee, such shares of stock are sold by a prohibited owner, then such shares shall be deemed to have been sold on behalf of the trust and, to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount shall be paid to the trustee upon demand.

The trustee will be designated by us and will be unaffiliated with us and with any prohibited owner. Prior to the sale of any shares by the trust, the trustee will receive, in trust for the charitable beneficiary, all dividends and other distributions paid by us with respect to such shares, and may exercise all voting rights with respect to such shares for the exclusive benefit of the charitable beneficiary.

Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee may, at the trustee's sole discretion:

- rescind as void any vote cast by a prohibited owner prior to our discovery that the shares have been transferred to the trust; and
- recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.

However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

If our board of directors or a committee thereof determines in good faith that a proposed transfer or other event has taken place that violates the restrictions on ownership and transfer of our stock set forth in our charter, our board of directors or such committee may take such action as it deems advisable in its sole discretion to refuse to give effect to or to prevent such transfer, including, but not limited to, causing us to redeem shares of stock, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Every owner of 5% or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of our stock, within 30 days after the end of each taxable year, must give written notice to us stating the name and address of such owner, the number of shares of each class and series of our stock that the owner beneficially owns and a description of the manner in which the shares are held. Each such owner also must provide us with any additional information that we request in order to determine the effect, if any, of the person's actual or beneficial ownership on our status as a REIT and to ensure compliance with the Ownership Limits. In addition, any person that is an actual owner, beneficial owner or constructive owner of shares of our stock and any person (including the stockholder of record) who is holding shares of our stock for an actual owner, beneficial owner or constructive owner must, on request, disclose to us such information as we may request in good faith in order to determine our status as a REIT and comply with requirements of any taxing authority or governmental authority or to determine such compliance.

Any certificates representing shares of our stock will bear a legend referring to the restrictions on ownership and transfer of our stock described above.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for our common stock that our stockholders believe to be in their best interest.

Transfer Agent and Registrar

The transfer agent and registrar for our shares of common stock is Computershare Trust Company, N.A. 250 Royall Street, Canton, Massachusetts 02021.

MATERIAL PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

Although the following summary describes certain provisions of Maryland law and the material provisions of our charter and bylaws, it is not a complete description of Maryland law or our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus is a part and are available from us upon request. See "Where You Can Find More Information."

Our Board of Directors

Our charter and bylaws provide that the number of directors of our company may be established, increased or decreased only by a majority of our entire board of directors but may not be fewer than the minimum number required by the MGCL nor, unless our bylaws are amended, more than 11. Upon completion of this offering, we expect to have 5 directors.

Our charter also provides that, at such time as we become eligible to elect to be subject to certain elective provisions of the MGCL (which we expect will be upon completion of this offering) and except as may be provided by our board of directors in setting the terms of any class or series of stock, any vacancy may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director so elected will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is duly elected and qualifies.

Each of our directors is elected by our stockholders to serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualifies under the MGCL. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Directors are elected by a plurality of the votes cast.

Removal of Directors

Our charter provides that, subject to the rights of holders of one or more classes or series of preferred stock to elect or remove one or more directors, a director may be removed only for cause (as defined in our charter) and only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors. This provision, when coupled with the exclusive power of our board of directors to fill vacant directorships, may preclude stockholders from removing incumbent directors except for cause and by a substantial affirmative vote and filling the vacancies created by such removal with their own nominees.

Business Combinations

Under the MGCL, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances specified under the statute, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any interested stockholder, or an affiliate of such an interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Maryland law defines an interested stockholder as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. In approving a transaction, however, a board of directors may provide that its approval is subject to compliance, at or after the time of the approval, with any terms and conditions determined by it.

After such five-year period, any such business combination must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority approval requirements do not apply if, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a corporation's board of directors prior to the time that the interested stockholder becomes an interested stockholder. Our board of directors has, by board resolution, elected to opt out of the business combination provisions of the MGCL. However, we cannot assure you that our board of directors will not opt to be subject to such business combination provisions in the future. Notwithstanding the foregoing, an alteration or repeal of this resolution will not have any effect on any business combinations that have been consummated or upon any agreements existing at the time of such modification or repeal.

Control Share Acquisitions

The MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to any control shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors, generally, excluding shares of stock in a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of such shares in the election of directors: (1) the person who made or proposes to make a control share acquisition, (2) an officer of the corporation or (3) an employee of the corporation who is also a director of the corporation. "Control shares" are voting shares of stock that, if aggregated with all other such shares of stock previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A "control share acquisition" means the acquisition, directly or indirectly, of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an "acquiring person statement" as described in the MGCL), may compel the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the control shares. If no request for a special meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights of control shares are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders

may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to: (1) shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (2) acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our stock. We cannot provide you any assurance, however, that our board of directors will not amend or eliminate this provision at any time in the future.

Subtitle 8

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of the following five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the directors;
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; or
- a majority requirement for the calling of a special meeting of stockholders.

Our charter provides that, at such time as we become eligible to make a Subtitle 8 election and except as may be provided by our board of directors in setting the terms of any class or series of stock, we elect to be subject to the provisions of Subtitle 8 relating to the filling of vacancies on our board of directors. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already (1) require a two-thirds vote for the removal of any director from the board, which removal will be allowed only for cause, (2) vest in the board the exclusive power to fix the number of directorships, subject to limitations set forth in our charter and bylaws and (3) require, unless called by the chairman of our board of directors, our president, our chief executive officer or our board of directors, the request of stockholders entitled to cast not less than a majority of all votes entitled to be cast on a matter at such meeting to call a special meeting to consider and vote on any matter that may properly be considered at a meeting of stockholders. We have not elected to create a classified board. In the future, our board of directors may elect, without stockholder approval, to create a classified board or elect to be subject to one or more of the other provisions of Subtitle 8.

Amendments to Our Charter and Bylaws

Other than amendments to certain provisions of our charter described below and amendments permitted to be made without stockholder approval under Maryland law or by a specific provision in the charter, our charter may be amended only if such amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. The provisions of our charter relating to the removal of directors or specifying that our stockholders may act without a meeting only by unanimous consent, or the provision specifying the vote required to amend such provisions, may be amended only if such amendment is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast not less than two-thirds of all of the votes entitled to be cast on the matter. Our board of directors has the exclusive power to adopt, alter or repeal any provision of our bylaws or to make new bylaws.

Transactions Outside the Ordinary Course of Business

We generally may not merge with or into or consolidate with another company, sell all or substantially all of our assets or engage in a statutory share exchange unless such transaction is declared advisable by our board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter. In addition, to the extent that such a merger, consolidation, sale of assets of statutory share

exchange would require the vote of our stockholders, such transaction would also require the approval of the limited partners of our Operating Partnership. See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.—Restrictions on Transfers by the General Partner."

Dissolution of Our Company

The dissolution of our company must be declared advisable by a majority of our entire board of directors and approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Meetings of Stockholders

Under our bylaws, annual meetings of stockholders must be held each year at a date, time and place determined by our board of directors. Special meetings of stockholders may be called by the chairman of our board of directors, our chief executive officer, our president and our board of directors. Additionally, subject to the provisions of our bylaws, a special meeting of stockholders to act on any matter that may properly be considered at a meeting of stockholders must be called by our secretary upon the written request of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter at such meeting who have requested the special meeting in accordance with the procedures specified in our bylaws and provided the information and certifications required by our bylaws. Only matters set forth in the notice of a special meeting of stockholders may be considered and acted upon at such a meeting. The first annual meeting of our stockholders after this offering will be held in 2012 as our annual meeting for 2011 will occur prior to the completion of this offering.

Advance Notice of Director Nominations and New Business

Our bylaws provide that:

- with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by stockholders at the annual meeting may be made only:
  - pursuant to our notice of the meeting;
  - by or at the direction of our board of directors; or
  - by a stockholder who was a stockholder of record both at the time of giving of the notice required by our bylaws and at the time of the annual meeting, who is entitled to vote at the meeting in the election of each individual so nominated or on such other business and who has provided the information and certifications required by the advance notice procedures set forth in our bylaws; and
- with respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting of stockholders, and nominations of individuals for election to our board of directors may be made only:
  - by or at the direction of our board of directors; or
  - provided that the meeting has been called for the purpose of electing directors, by a stockholder who is a stockholder of record both at the time of giving of the notice required by our bylaws and at the time of the meeting, who is entitled to vote at the meeting in the election of each individual so nominated and who has provided the information and certifications required by the advance notice procedures set forth in our bylaws.

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

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

The restrictions on ownership and transfer of our stock, the provisions of our charter regarding the removal of directors, the exclusive power of our board of directors to fill vacancies on the board and the advance notice provisions of the bylaws could delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our common stock or otherwise be in their best interests. Likewise, if our board of directors were to opt in to the business combination provisions of the MGCL or the provisions of Subtitle 8 of Title 3 of the MGCL providing for a classified board of directors, or if the provision in our bylaws opting out of the control share acquisition provisions of the MGCL were amended or rescinded, these provisions of the MGCL could have similar anti-takeover effects.

Indemnification and Limitation of Directors' and Officers' Liability

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

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

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

However, under the MGCL, a Maryland corporation may not indemnify a director or officer for an adverse judgment in a suit by or in the right of the corporation or if the director or officer was adjudged liable on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer, without requiring a preliminary determination of the director's or officer's ultimate entitlement to indemnification, upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by the director or officer or on the director's of officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us to obligate our company and our bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding, without requiring a preliminary determination of the director's or officer's ultimate entitlement to indemnification, to:

- any present or former director or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity; or

- any individual who, while serving as our director or officer and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us, with the approval of our board of directors, to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

The Partnership Agreement also provides that we, as general partner, and our directors, officers, employees, agents and designees are indemnified to the extent provided therein. See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P.—Exculpation and Indemnification of General Partner."

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Indemnification Agreements

We intend to enter into indemnification agreements with each of our executive officers and directors as described in "Management—Limitation of Liability and Indemnification."

Restrictions on Ownership and Transfer

Subject to certain exceptions, our charter provides that no person or entity may actually or beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (in value or number of shares, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% in value of the aggregate outstanding shares of our stock. For a fuller description of this and other restrictions on ownership and transfer of our stock, see "Description of Securities—Restrictions on Ownership and Transfer."

REIT Qualification

Our charter provides that our board of directors may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to continue to be qualified as a REIT. Our charter also provides that our board of directors may determine that compliance with the restrictions on ownership and transfer of our stock is no longer required in order for us to qualify as a REIT.

SHARES ELIGIBLE FOR FUTURE SALE

General

Upon completion of this offering, we will have outstanding 3,209,735 shares of our common stock assuming a minimum offering and 4,209,735 shares of our common stock, assuming a maximum offering and not including any shares underlying the placement agents' warrants. In addition, shares of our common stock will be reserved for issuance upon exchange of common units.

Of these shares, the 3,000,000 shares sold in the minimum offering or 4,000,000 shares sold in the maximum offering will be freely transferable without restriction or further registration under the Securities Act, subject to the limitations on ownership set forth in our charter, except for any shares purchased in this offering by our "affiliates," as that term is defined by Rule 144 under the Securities Act. The remaining shares of common stock issued to our officers, directors and affiliates in the formation transactions and the shares of our common stock issuable to officers, directors and affiliates upon exchange of common units will be "restricted shares" as defined in Rule 144.

Prior to this offering, there has been no public market for our common stock. Trading of our common stock on the Nasdaq Capital Market is expected to commence immediately following the completion of this offering. No assurance can be given as to (1) the likelihood that an active market for our shares of common stock will develop, (2) the liquidity of any such market, (3) the ability of the stockholders to sell the shares or (4) the prices that stockholders may obtain for any of the shares. No prediction can be made as to the effect, if any, that future sales of shares, or the availability of shares for future sale, will have on the market price prevailing from time to time. Sales of substantial amounts of our common stock (including shares issued upon the exchange of units tendered for redemption or the exercise of stock options), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock. See "Risk Factors—Risks Related to this Offering."

For a description of certain restrictions on transfers of our shares of common stock held by certain of our stockholders, see "Description of Securities—Restrictions on Ownership and Transfer."

Rule 144

After giving effect to this offering, 209,735 shares of our outstanding shares of common stock will be "restricted" securities under the meaning of Rule 144 under the Securities Act, and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemption provided by Rule 144.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned shares considered to be restricted securities under Rule 144 for at least six months would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned shares considered to be restricted securities under Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

An affiliate of ours who has beneficially owned shares of our common stock for at least six months would be entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1.0% of the shares of our common stock then outstanding; or
- the average weekly trading volume of our common stock on the Nasdaq Capital Market during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Redemption/Exchange Rights

In connection with the formation transactions, our Operating Partnership will issue an aggregate of common units to Prior Investors in the entities that own the properties in our portfolio. Beginning on or after the date which is 12 months after the completion of this offering, limited partners of our Operating Partnership and certain qualifying assignees of a limited partner will have the right to require our Operating Partnership to redeem part or all of their common units for cash, or, at our election, shares of our common stock, based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, subject to the restrictions on ownership and transfer of our stock set forth in our charter and described under the section entitled "Description of Securities—Restrictions on Ownership and Transfer." See "Description of the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P."

Share Incentive Plan

We intend to adopt our 2012 Share Incentive Plan immediately prior to the completion of this offering. The plan will provide for the grant of incentive awards to our directors, officers, employees and consultants. An aggregate of up to 400,000 shares of our common stock are authorized for issuance under awards granted pursuant to the 2012 Share Incentive Plan, of which will be granted to officers and directors upon completion of this offering and will be subject to the lock-up agreements discussed below. We expect that an aggregate of shares of our common stock will be available for future issuance under the awards granted pursuant to our 2012 Share Incentive Plan.

We intend to file with the SEC a Registration Statement on Form S-8 covering the shares of common stock issuable under our 2012 Share Incentive Plan. Shares of our common stock covered by this registration statement, including any shares of our common stock issuable upon the exercise of options or shares of restricted common stock, will be eligible for transfer or resale without restriction under the Securities Act unless held by affiliates.

Lock-up Agreements

In addition to the limits placed on the sale of our common stock by operation of Rule 144 and other provisions of the Securities Act, our 2% or greater common stockholders (or partnership common units convertible into common stock), directors, executive officers, director nominees and their affiliates have agreed with the placement agents of this offering, subject to certain exceptions, not to sell or otherwise transfer or encumber, or enter into any transaction that transfers, in whole or in part, directly or indirectly, any shares of common stock or securities convertible into, exchangeable for or exercisable for shares of common stock owned by them at the completion of this offering or thereafter acquired by them for a period of 12 months after the closing date of this offering.

However, in addition to certain other exceptions, each of our directors, director nominees, executive officers and their affiliates may transfer or dispose of his or her shares during the lock-up period in the case of gifts or for estate planning purposes, provided in each case that each transferee agrees to a similar lock-up agreement for the remainder of the lock-up period, the transfer does not involve a disposition for value, no report is required to be filed by the transferor under the Exchange Act as a result of the transfer and the transferor does not voluntarily effect any public filing or report regarding such transfer. See "Plan of Distribution."

FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations regarding our company and this offering of our common stock. For purposes of this discussion, references to "we," "our" and "us" mean only Wheeler Real Estate Investment Trust, Inc., and do not include any of its subsidiaries, except as otherwise indicated. This summary is for general information only and is not tax advice. The information in this summary is based on:

- the Internal Revenue Code of 1986, as amended (the "Code");
- current, temporary and proposed Treasury Regulations promulgated under the Code;
- the legislative history of the Code;
- administrative interpretations and practices of the Internal Revenue Service, or the IRS; and
- court decisions;

in each case, as of the date of this prospectus. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following discussion sets forth certain material aspects of the sections of the Code that govern the federal income tax treatment of a REIT and its stockholders. This summary is qualified in its entirety by the applicable Code provisions, Treasury Regulations promulgated under the Code, and administrative and judicial interpretations thereof. Future legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations contained in this discussion. Any such change could apply retroactively to transactions preceding the date of the change. We have not requested and do not intend to request a ruling from the IRS that we qualify as a REIT, and the statements in this prospectus are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences associated with the purchase, ownership, or disposition of our common stock or our election to be taxed as a REIT.

You are urged to consult your own tax advisors regarding the tax consequences to you of:

- **the purchase, ownership or disposition of our common stock, including the federal, state, local, non-U.S. and other tax consequences;**
- **our election to be taxed as a REIT for federal income tax purposes; and**
- **potential changes in applicable tax laws.**

Taxation of Our Company

General

We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ending December 31, 2012. We believe that we are organized and will operate in a manner that will allow us to qualify for taxation as a REIT under the Code commencing with our taxable year ending December 31, 2012, and we intend to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we have been organized or will be able to operate in a manner so as to qualify or remain qualified as a REIT. See "—Failure to Qualify."

Kaufman & Canoles, P.C. has acted as our tax counsel in connection with this offering of our common stock and our intended election to be taxed as a REIT. Kaufman & Canoles, P.C. will render an opinion to us to the effect that, commencing with our taxable year ending December 31, 2012, we have been organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and our proposed method of operation will enable us to meet the requirements for qualification and taxation as a REIT under the Code. It must be

emphasized that this opinion will be based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one of our officers. In addition, this opinion will be based upon our factual representations set forth in this prospectus. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual annual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Kaufman & Canoles, P.C. Accordingly, no assurance can be given that our actual results of operation for any particular taxable year will satisfy those requirements. Further, the anticipated federal income tax treatment described in this discussion may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Kaufman & Canoles, P.C. has no obligation to update its opinion subsequent to the date of such opinion.

Provided we qualify for taxation as a REIT, we generally will not be required to pay federal corporate income taxes on our REIT taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" that ordinarily results from investment in a "C" corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. We will, however, be required to pay federal income tax as follows:

- First, we will be required to pay tax at regular corporate rates on any undistributed REIT taxable income, including undistributed net capital gains.
- Second, we may be required to pay the "alternative minimum tax" on our items of tax preference under some circumstances.
- Third, if we have (1) net income from the sale or other disposition of "foreclosure property" 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. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, 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.
- Fourth, 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.
- Fifth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described 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 (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability.
- Sixth, if we fail to satisfy any of the asset tests (other than a de minimis failure of the 5% or 10% asset 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.
- Seventh, 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 gross income tests or certain violations of the asset tests, as 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.
- Eighth, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (1) 85% of our ordinary income for the year, (2) 95% of our capital gain net income for the year, and (3) any undistributed taxable income from prior periods.
- Ninth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which our basis in the asset is determined by reference to the C corporation's basis in the asset, 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 will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation.

- Tenth, any subsidiaries that are C corporations, including any "taxable REIT subsidiaries," generally will be required to pay federal corporate income tax on their earnings.
- Eleventh, 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.
- Twelfth, we may elect to retain and pay income tax on our net capital gain. In that case, a stockholder would include its proportionate share of our undistributed net capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the basis of the stockholder in our common stock.

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 certain specified entities, during the last half of each taxable year; 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 and 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. 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), the term "individual" includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe that we have been organized, will operate and will issue sufficient shares of our common stock with sufficient diversity of ownership pursuant to this offering of our common stock 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 share ownership and transfer restrictions relating to our stock is contained in the discussion in this prospectus under the heading "Description of Securities—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. See "—Failure to Qualify."

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

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries. In the case of a REIT that 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, as the case may be, based on its interest in partnership capital, subject to special rules relating to the 10% asset 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 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 partnership or limited liability company 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 gross 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 expect to control our Operating Partnership and any subsidiary partnerships and the subsidiary limited liability companies and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner or non-managing member in any partnership or limited liability company and such entity 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 gross 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 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 do not elect with the subsidiary to treat it as a "taxable REIT subsidiary," as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the federal tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to federal income tax, and our ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities, as described below under "—Asset Tests."

Ownership of Interests in Taxable REIT Subsidiaries. We may own an interest in one or more taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities as more fully described below under "—Income Tests," a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to federal income tax as a regular C corporation. In addition, a taxable REIT subsidiary may be prevented from deducting interest on debt funded directly or indirectly by its parent REIT if certain tests regarding the taxable REIT subsidiary's debt to equity ratio and interest expense are not satisfied. A REIT's ownership of securities of a taxable REIT subsidiary is not subject to the 5% or 10% asset test described below. See "—Asset Tests."

Income Tests

We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property" and, in certain

circumstances, interest, or certain types of temporary investments. Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or any combination of the foregoing. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in any way on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales;
- Neither we nor an actual or constructive owner of 10% or more of our stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the voting power or value of all classes of stock of the tenant. Rents we receive from such a tenant that is a taxable REIT subsidiary of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if (1) at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the taxable REIT subsidiary are substantially comparable to rents paid by our other tenants for comparable space, or (2) the property to which the rents relate is a qualified lodging facility and such property is operated on behalf of the taxable REIT subsidiary by a person who is an eligible independent contractor and certain other requirements are met, as described below. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such taxable REIT subsidiary, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a taxable REIT subsidiary in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such taxable REIT subsidiary;
- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property." To the extent that rent attributable to personal property, leased in connection with a lease of real property, exceeds 15% of the total rent received under the lease, we may transfer a portion of such personal property to a taxable REIT subsidiary; and
- We generally do not operate or manage the property or furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as provided below. We may, however, perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we may employ an independent contractor from whom we derive no revenue to provide customary services, or a taxable REIT subsidiary, which may be wholly or partially owned by us, to provide both customary and non-customary services to our tenants without causing the rent we receive from those tenants to fail to qualify as "rents from real property." Any amounts we receive from a taxable REIT subsidiary with respect to the taxable REIT subsidiary's provision of non-customary services will, however, be nonqualifying income under the 75% gross income test and, except to the extent received through the payment of dividends, the 95% gross income test.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code will not

constitute gross income and thus will be exempt from the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

To the extent any taxable REIT subsidiaries pay dividends, we generally will derive our allocable share of such dividend income through our interest in our Operating Partnership. Such dividend income will qualify under the 95%, but not the 75%, gross income test.

We will monitor the amount of the dividend and other income from any taxable REIT subsidiaries and will take actions intended to keep this income, and any other nonqualifying income, within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and
- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. As discussed above in "—Taxation of Our Company—General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

Prohibited Transaction Income. Any gain that we realize on the sale of property held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our Operating Partnership, either directly or through its subsidiary partnerships and limited liability companies, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. Our Operating Partnership intends to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our Operating Partnership's investment objectives. We do not intend to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our Operating Partnership or its subsidiary partnerships or limited liability companies are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales.

Penalty Tax. Any redetermined rents, redetermined deductions or excess interest we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary of ours, and redetermined deductions and excess interest represent any 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. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

Asset Tests

At the close of each calendar quarter of our taxable year, we must also satisfy four tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property) and shares (or transferable certificates of beneficial interest) in other REITs, as well as any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years, but only for the one-year period beginning on the date the REIT receives such proceeds.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of one or more taxable REIT subsidiaries), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for investments in other REITs, any qualified REIT subsidiaries and taxable REIT subsidiaries, the value of any one issuer's securities may not exceed 5% of the value of our total assets, and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer except, in the case of the 10% value test, securities satisfying the "straight debt" safe-harbor or securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership or limited liability company in which we own an interest will be based on our proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, not more than 25% of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries. Our Operating Partnership will own 100% of the securities of one or more corporations that will elect, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in other taxable REIT subsidiaries in the future.

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through our Operating Partnership) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of increasing our interest in our Operating Partnership). For example, our indirect ownership of securities of each issuer will increase as a result of our capital contributions to our Operating Partnership or as limited partners exercise their redemption/exchange rights. Accordingly, after initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in our Operating Partnership), we may cure this failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We believe that we have maintained and intend to maintain adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30 day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (1) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (2) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the *de minimis* exception described above, we may avoid disqualification as a REIT after the 30-day cure period by taking steps including (1) the disposition of sufficient nonqualifying assets, or the taking of other

actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (2) paying a tax equal to the greater of (a) $50,000 or (b) the highest corporate tax rate multiplied by the net income generated by the nonqualifying assets, and (3) disclosing certain information to the IRS.

Although we believe we have satisfied the asset tests described above and plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance that we will always be successful, or will not require a reduction in our Operating Partnership's overall interest in an issuer (including in a taxable REIT subsidiary). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT.

Annual Distribution Requirements

To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders in an amount at least equal to the sum of:

- 90% of our "REIT taxable income"; and
- 90% of our after-tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our "REIT taxable income."

For these purposes, our "REIT taxable income" is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income means income attributable to leveled stepped rents, original issue discount on purchase money debt, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

In addition, if we dispose of any asset we acquired from a corporation which is or has been a C corporation in a transaction in which our basis in the asset is determined by reference to the basis of the asset in the hands of that C corporation, within the ten-year period following our acquisition of such asset, we would be required to distribute at least 90% of the after-tax gain, if any, we recognized on the disposition of the asset, to the extent that gain does not exceed the excess of (a) the fair market value of the asset over (b) our adjusted basis in the asset, in each case, on the date we acquired the asset.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for purposes of our distribution requirement, the amount distributed must not be preferential—*i.e.*, every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. To the extent that we do not distribute all of our net capital gain, or distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be required to pay tax on the undistributed amount at regular corporate tax rates. We believe that we will make timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the Partnership Agreement of our Operating Partnership authorizes us, as general partner of our Operating Partnership, to take such steps as may be necessary to cause our Operating Partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

Pursuant to recent IRS guidance, certain part-stock and part-cash dividends distributed by publicly traded REITs with respect to calendar years 2008 though 2011, and in some cases declared as late as December 31, 2012, will be treated as distributions for purposes of the REIT distribution requirements. Under the terms of this Revenue Procedure, up to 90% of our distributions could be paid in shares of our stock. If we make such a distribution, taxable stockholders would be required to include the full amount of the dividend (*i.e.*, the cash and the stock portion) as ordinary income (subject to limited exceptions), to the extent of our current and accumulated earnings and profits for federal income tax purposes, as described under the headings "—Federal Income Tax Considerations

for Holders of Our Common Stock—Taxation of Taxable U.S. Stockholders—Distributions Generally" and "—Federal Income Tax Considerations for Holders of Our Common Stock—Taxation of Non-U.S. Stockholders— Distributions Generally." As a result, our stockholders could recognize taxable income in excess of the cash received and may be required to pay tax with respect to such dividends in excess of the cash received. If a taxable stockholder sells the stock it receives as a dividend, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock.

Under some circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. Thus, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which this excise tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating such tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

Like-Kind Exchanges

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding the particular transaction.

Failure to Qualify

If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, certain specified cure provisions may be available to us. Except with respect to violations of the gross income tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us, and we will not be required to distribute any amounts to our stockholders. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In such event, corporate distributees may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Unless entitled to relief under specific statutory provisions, we will also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lost our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Tax Aspects of Our Operating Partnership, the Subsidiary Partnerships and the Limited Liability Companies

General. All of our investments will be held indirectly through our Operating Partnership. In addition, our Operating Partnership may hold certain of its investments indirectly through subsidiary partnerships and limited liability companies which we expect will be treated as partnerships or disregarded entities for federal income tax purposes. In general, entities that are classified as partnerships or disregarded entities for federal income tax purposes are "pass-through" entities which are not required to pay federal income tax. Rather, partners or members of such entities are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership or limited liability company, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership or limited liability company. We will include in our income our share of these partnership and limited liability company items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our Operating Partnership, including its share of its subsidiary partnerships and limited liability companies, based on our capital interests in each such entity. See "—Taxation of Our Company."

Entity Classification. Our interests in our Operating Partnership and any subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships (or disregarded entities). For example, an entity that would otherwise be classified as a partnership for federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership or limited liability company would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. Interests in a partnership are not treated as readily tradable on a secondary market, or the substantial equivalent thereof, if all interests in the partnership were issued in one or more transactions that were not required to be registered under the Securities Act, and the partnership does not have more than 100 partners at any time during the taxable year of the partnership, taking into account certain ownership attribution and anti-avoidance rules (the "100 Partner Safe Harbor"). Our Operating Partnership may not qualify for the 100 Partner Safe Harbor. In the event that the 100 Partner Safe Harbor or certain other safe harbor provisions of applicable Treasury Regulations are not available, our Operating Partnership could be classified as a publicly traded partnership.

If our Operating Partnership does not qualify for the 100 Partner Safe Harbor, interests in our Operating Partnership may nonetheless be viewed as not readily tradable on a secondary market or the substantial equivalent thereof if the sum of the percentage interests in capital or profits of our Operating Partnership transferred during any taxable year of our Operating Partnership does not exceed 2% of the total interests in our Operating Partnership's capital or profits, subject to certain exceptions. For purpose of this 2% trading restriction, our interests in our Operating Partnership are excluded from the determination of the percentage interests in capital or profits of our Operating Partnership. In addition, this 2% trading restriction does not apply to transfers by a limited partner in one or more transactions during any 30-day period representing in the aggregate more than 2% of the total interests in our Operating Partnership's capital or profits. We, as general partner of our Operating Partnership, have the authority to take any steps we determine necessary or appropriate to prevent any trading of interests in our Operating Partnership that would cause our Operating Partnership to become a publicly traded partnership, including any steps necessary to ensure compliance with this 2% trading restriction.

We believe our Operating Partnership and each of our other partnerships and limited liability companies will be classified as partnerships or disregarded entities for federal income tax purposes, and we do not anticipate that our Operating Partnership or any subsidiary partnership or limited liability company will be treated as a publicly traded partnership that is taxable as a corporation.

If our Operating Partnership or any of our other partnerships or limited liability companies were to be treated as a publicly traded partnership, it would be taxable as a corporation unless it qualified for the statutory "90% qualifying income exception." Under that exception, a publicly traded partnership is not subject to corporate-level tax if 90% or more of its gross income consists of dividends, interest, "rents from real property" (as that term is defined for purposes of the rules applicable to REITs, with certain modifications), gain from the sale or other disposition of real property, and certain other types of qualifying income. However, if any such entity did not qualify for this exception or was otherwise taxable as a corporation, it would be required to pay an entity-level tax on its

income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "—Taxation of Our Company—Asset Tests" and "—Income Tests." This, in turn, could prevent us from qualifying as a REIT. See "—Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our Operating Partnership or a subsidiary partnership or limited liability company might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment.

Allocations of Income, Gain, Loss and Deduction. The operating Partnership Agreement generally provides that allocations of net income to holders of common units generally will be made proportionately to all such holders in respect of such units. Certain limited partners will have the opportunity to guarantee debt of our Operating Partnership, indirectly through an agreement to make capital contributions to our Operating Partnership under limited circumstances. As a result of these guaranties or contribution agreements, and notwithstanding the foregoing discussion of allocations of income and loss of our Operating Partnership to holders of units, such limited partners could under limited circumstances be allocated a disproportionate amount of net loss upon a liquidation of our Operating Partnership, which net loss would have otherwise been allocable to us.

If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Our Operating Partnership's allocations of taxable income and loss are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations With Respect to the Properties. Under Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership, must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution, as adjusted from time to time. These allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Our Operating Partnership may, from time to time, acquire interests in property in exchange for interests in our Operating Partnership. In that case, the tax basis of these property interests generally carries over to the Operating Partnership, notwithstanding their different book (*i.e.*, fair market) value (this difference is referred to as a book-tax difference). The Partnership Agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Depending on the method we choose in connection with any particular contribution, the carryover basis of each of the contributed interests in the properties in the hands of our Operating Partnership (1) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (2) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our Operating Partnership. An allocation described in clause (2) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "—General—Requirements for Qualification as a REIT" and "—Annual Distribution Requirements."

Any property acquired by our Operating Partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code generally will not apply.

Federal Income Tax Considerations for Holders of Our Common Stock

The following summary describes the principal federal income tax consequences to you of purchasing, owning and disposing of our common stock. This summary assumes you hold shares of our common stock as a

"capital asset" (generally, property held for investment within the meaning of Section 1221 of the Code). It does not address all the tax consequences that may be relevant to you in light of your particular circumstances. In addition, this discussion does not address the tax consequences relevant to persons who receive special treatment under the federal income tax law, except where specifically noted. Holders receiving special treatment include, without limitation:

- financial institutions, banks and thrifts;
- insurance companies;
- tax-exempt organizations;
- "S" corporations;
- traders in securities that elect to mark to market;
- partnerships, pass-through entities and persons holding our stock through a partnership or other pass-through entity;
- stockholders subject to the alternative minimum tax;
- regulated investment companies and REITs;
- foreign governments and international organizations;
- broker-dealers or dealers in securities or currencies;
- U.S. expatriates;
- persons holding our stock as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction; or
- U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar.

If you are considering purchasing our common stock, you should consult your tax advisors concerning the application of federal income tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of our common stock arising under the laws of any state, local or non-U.S. taxing jurisdiction.

When we use the term "U.S. stockholder," we mean a holder of shares of our common stock who, for federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof or in the District of Columbia;
- an estate the income of which is subject to federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If you hold shares of our common stock and are not a U.S. stockholder, you are a "non-U.S. stockholder."

If a partnership or other entity treated as a partnership for federal income tax purposes holds shares of our common stock, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners of partnerships holding shares of our common stock are encouraged to consult their tax advisors.

Taxation of Taxable U.S. Stockholders

Distributions Generally. Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax discussed below, will be taxable to our taxable U.S. stockholders as ordinary income when actually or constructively received. See "—Tax Rates" below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. stockholders that are corporations or, except to the extent provided in "—Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. stockholders, including individuals.

To the extent that we make distributions on our common stock in excess of our current and accumulated earnings and profits, these distributions will be treated first as a tax-free return of capital to a U.S. stockholder. This treatment will reduce the U.S. stockholder's adjusted tax basis in such shares of stock by the amount of the distribution, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. stockholder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a stockholder of record on a specified date in any of these months will be treated as both paid by us and received by the stockholder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. stockholders may not include in their own income tax returns any of our net operating losses or capital losses.

Certain stock dividends, including dividends partially paid in our stock and partially paid in cash that comply with IRS Revenue Procedure 2010-12, will be taxable to the recipient U.S. stockholder to the same extent as if paid in cash.

Capital Gain Dividends. Dividends that we properly designate as capital gain dividends will be taxable to our U.S. stockholders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year. U.S. stockholders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income.

Retention of Net Capital Gains. We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for federal income tax purposes) would be adjusted accordingly, and a U.S. stockholder generally would:

- include its pro rata share of our undistributed net capital gains in computing its long-term capital gains in its return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. stockholder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted basis of its stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. stockholder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

Passive Activity Losses and Investment Interest Limitations. Distributions we make and gain arising from the sale or exchange by a U.S. stockholder of our shares will not be treated as passive activity income. As a result, U.S. stockholders generally will not be able to apply any "passive losses" against this income or gain. A U.S. stockholder may elect to treat capital gain dividends, capital gains from the disposition of our stock and income designated as qualified dividend income, described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the stockholder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Common Stock. If a U.S. stockholder sells or disposes of shares of common stock, it will recognize gain or loss for federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted basis in the shares. This gain or loss, except as provided below, will be a long-term capital gain or loss if the holder has held such common stock for more than one year. However, if a U.S. stockholder recognizes a loss upon the sale or other disposition of common stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. stockholder received distributions from us which were required to be treated as long-term capital gains.

Tax Rates. The maximum tax rate for non-corporate taxpayers for (1) capital gains, including certain "capital gain dividends," is 15% (although depending on the characteristics of the assets which produced these gains

and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" is 15%. However, dividends payable by REITs are not eligible for the 15% tax rate on qualified dividend income, except to the extent that certain holding requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if it distributed taxable income that it retained and paid tax on in the prior taxable year) or to dividends properly designated by the REIT as "capital gain dividends." For taxable years beginning after December 31, 2012, the 15% capital gains tax rate is currently scheduled to increase to 20% and the rate applicable to dividends will be increased to the tax rate then applicable to ordinary income. In addition, U.S. stockholders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income.

Medicare Tax on Unearned Income. Newly enacted legislation requires certain U.S. stockholders that are individuals, estates or trusts to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

New Legislation Relating to Foreign Accounts. Under newly enacted legislation, certain payments made after December 31, 2012 to "foreign financial institutions" in respect of accounts of U.S. stockholders at such financial institutions may be subject to withholding at a rate of 30%. U.S. stockholders should consult their tax advisors regarding the effect, if any, of this new legislation on their ownership and disposition of our common stock. See "—Taxation of Non-U.S. Stockholders—New Legislation Relating to Foreign Accounts."

Information Reporting and Backup Withholding. We are required to report to our U.S. stockholders and the IRS the amount of dividends paid during each calendar year, and the amount of any tax withheld. Under the backup withholding rules, a stockholder may be subject to backup withholding with respect to dividends paid unless the holder comes within certain exempt categories and, when required, demonstrates this fact, or provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A U.S. stockholder that does not provide us with its correct taxpayer identification number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. Any amount paid as backup withholding will be creditable against the stockholder's federal income tax liability, provided the required information is timely furnished to the IRS. In addition, we may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their non-foreign status. See "—Taxation of Non-U.S. Stockholders."

Taxation of Tax-Exempt Stockholders

Dividend income from us and gain arising upon a sale of our shares generally should not be unrelated business taxable income ("UBTI"), to a tax-exempt stockholder, except as described below. This income or gain will be UBTI, however, if a tax-exempt stockholder holds its shares as "debt-financed property" within the meaning of the Code or if the shares are used in a trade or business of the tax-exempt stockholder. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt stockholder.

For tax-exempt stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, or qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) or (c)(20) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as unrelated business taxable income as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of our stock contained in our charter,

we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our stockholders. However, because our stock will be publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Stockholders

The following discussion addresses the rules governing federal income taxation of the purchase, ownership and disposition of our common stock by non-U.S. stockholders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of federal income taxation and does not address state, local or non-U.S. tax consequences that may be relevant to a non-U.S. stockholder in light of its particular circumstances. We urge non-U.S. stockholders to consult their tax advisors to determine the impact of federal, state, local and non-U.S. income tax laws on the purchase, ownership and disposition of shares of our common stock, including any reporting requirements.

Distributions Generally. Distributions (including any taxable stock dividends) that are neither attributable to gains from sales or exchanges by us of U.S. real property interests nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. stockholder of a U.S. trade or business. Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business will generally not be subject to withholding but will be subject to federal income tax on a net basis at graduated rates, in the same manner as dividends paid to U.S. stockholders are subject to federal income tax. Any such dividends received by a non-U.S. stockholder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold federal income tax at the rate of 30% on any distributions made to a non-U.S. stockholder unless:

(1) a lower treaty rate applies and the non-U.S. stockholder files with us an IRS Form W-8BEN evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. stockholder files an IRS Form W-8ECI with us claiming that the distribution is income effectively connected with the non-U.S. stockholder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. stockholder to the extent that such distributions do not exceed the adjusted basis of the stockholder's common stock, but rather will reduce the adjusted basis of such stock. To the extent that such distributions exceed the non-U.S. stockholder's adjusted basis in such common stock, they will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of U.S. Real Property Interests. Distributions to a non-U.S. stockholder that we properly designate as capital gain dividends, other than those arising from the disposition of a U.S. real property interest, generally should not be subject to federal income taxation, unless:

(1) the investment in our stock is treated as effectively connected with the non-U.S. stockholder's U.S. trade or business, in which case the non-U.S. stockholder will be subject to the same treatment as U.S. stockholders with respect to such gain, except that a non-U.S. stockholder that is a non-U.S. corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. stockholder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the nonresident alien individual will be subject to a 30% tax on the individual's capital gains.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. stockholder that are attributable to gain from sales or exchanges by us of "U.S. real property interests," or USRPI, whether or not designated as capital gain dividends, will cause the non-U.S. stockholder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. stockholders would generally be taxed at the same rates applicable to U.S. stockholders, subject to any applicable alternative minimum tax. We also will be required to withhold and to remit to the IRS 35% (or 15% to the extent provided in Treasury Regulations) of any distribution to non-U.S. stockholders that is designated as a capital gain dividend or, if greater, 35% of any distribution to non-U.S. stockholders that could have been designated as a capital gain dividend. The amount withheld is creditable against the non-U.S. stockholder's federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded" on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 35% U.S. withholding tax described above, if the non-U.S. stockholder did not own more than 5% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions will generally be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends.

Retention of Net Capital Gains. Although the law is not clear on the matter, it appears that amounts designated by us as retained net capital gains in respect of the stock held by stockholders generally should be treated with respect to non-U.S. stockholders in the same manner as actual distributions of capital gain dividends. Under that approach, the non-U.S. stockholders would be able to offset as a credit against their federal income tax liability resulting from their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, a non-U.S. stockholder should consult its tax advisor regarding the taxation of such retained net capital gain.

Sale of Our Common Stock. Gain recognized by a non-U.S. stockholder upon the sale, exchange or other taxable disposition of our common stock generally will not be subject to federal income taxation unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a "U.S. real property holding corporation," or USRPHC, will constitute a USRPI. We expect that we will be a USRPHC. Our common stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a specified testing period less than 50% in value of its stock is held directly or indirectly by non-U.S. stockholders. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." Because our common stock will be publicly traded, no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our common stock not otherwise subject to FIRPTA will be taxable to a non-U.S. stockholder if either (a) the investment in our common stock is treated as effectively connected with the non-U.S. stockholder's U.S. trade or business or (b) the non-U.S. stockholder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our stock (subject to the 5% exception applicable to "regularly

traded" stock described below), a non-U.S. stockholder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. stockholder (1) disposes of our stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1).

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. stockholder sells our stock, gain arising from the sale or other taxable disposition by a non-U.S. stockholder of such stock would not be subject to federal income taxation under FIRPTA as a sale of a USRPI if:

- such class of stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as Nasdaq; and
- such non-U.S. stockholder owned, actually and constructively, 5% or less of such class of our stock throughout the five-year period ending on the date of the sale or exchange.

If gain on the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, the non-U.S. stockholder would be subject to regular federal income tax with respect to such gain in the same manner as a taxable U.S. stockholder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, and if shares of our common stock were not "regularly traded" on an established securities market, the purchaser of such common stock would generally be required to withhold and remit to the IRS 10% of the purchase price.

Information Reporting and Backup Withholding Tax. Generally, we must report annually to the IRS the amount of dividends paid to a non-U.S. stockholder, such holder's name and address, and the amount of tax withheld, if any. A similar report is sent to the non-U.S. stockholder. Pursuant to tax treaties or other agreements, the IRS may make its reports available to tax authorities in the non-U.S. stockholder's country of residence.

Payments of dividends or of proceeds from the disposition of stock made to a non-U.S. stockholder may be subject to information reporting and backup withholding unless such holder establishes an exemption, for example, by properly certifying its non-U.S. status on an IRS Form W-8BEN or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we have or our paying agent has actual knowledge, or reason to know, that a non-U.S. stockholder is a U.S. person.

Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained, provided that the required information is timely furnished to the IRS.

New Legislation Relating to Foreign Accounts. Newly enacted legislation may impose withholding taxes on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities. Under this legislation, the failure to comply with additional certification, information reporting and other specified requirements could result in withholding tax being imposed on payments of dividends and sales proceeds to U.S. stockholders that own the shares through foreign accounts or foreign intermediaries and certain non-U.S. stockholders. The legislation imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of, our stock paid to a foreign financial institution or to a foreign nonfinancial entity, unless (1) the foreign financial institution undertakes certain diligence and reporting obligations or (2) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. In addition, if the payee is a foreign financial institution, it generally must enter into an agreement with the U.S. Treasury that requires, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to certain other account holders. The legislation applies to payments made after December 31, 2012. Prospective investors should consult their tax advisors regarding this legislation.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction. You should consult your tax advisor regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our common stock.

ERISA CONSIDERATIONS

General

The following is a summary of certain considerations arising under ERISA, and the prohibited transaction provisions of Section 4975 of the Code that may be relevant to a prospective purchaser that is an employee benefit plan subject to ERISA. The following summary may also be relevant to a prospective purchaser that is not an employee benefit plan subject to ERISA, but is a tax-qualified retirement plan or an individual retirement account, individual retirement annuity, medical savings account or education individual retirement account, which we refer to collectively as an "IRA." This discussion does not address all aspects of ERISA or Section 4975 of the Code or, to the extent not preempted, state law that may be relevant to particular employee benefit plan stockholders in light of their particular circumstances, including plans subject to Title I of ERISA, other employee benefit plans and IRAs subject to the prohibited transaction provisions of Section 4975 of the Code, and governmental, church, foreign and other plans that are exempt from ERISA and Section 4975 of the Code but that may be subject to other federal, state, local or foreign law requirements.

A fiduciary making the decision to invest in shares of our common stock on behalf of a prospective purchaser which is an ERISA plan, a tax qualified retirement plan, an IRA or other employee benefit plan is advised to consult its legal advisor regarding the specific considerations arising under ERISA, Section 4975 of the Code, and, to the extent not preempted, state law with respect to the purchase, ownership or sale of shares of our common stock by the plan or IRA.

Plans should also consider the entire discussion under the heading "Federal Income Tax Considerations," as material contained in that section is relevant to any decision by an employee benefit plan, tax-qualified retirement plan or IRA to purchase our common stock.

Employee Benefit Plans, Tax-Qualified Retirement Plans and IRAs

Each fiduciary of an "ERISA plan," which is an employee benefit plan subject to Title I of ERISA, should carefully consider whether an investment in shares of our common stock is consistent with its fiduciary responsibilities under ERISA. In particular, the fiduciary requirements of Part 4 of Title I of ERISA require that:

- an ERISA plan make investments that are prudent and in the best interests of the ERISA plan, its participants and beneficiaries;
- an ERISA plan make investments that are diversified in order to reduce the risk of large losses, unless it is clearly prudent for the ERISA plan not to do so;
- an ERISA plan's investments are authorized under ERISA and the terms of the governing documents of the ERISA plan; and
- the fiduciary not cause the ERISA plan to enter into transactions prohibited under Section 406 of ERISA (and certain corresponding provisions of the Code).

In determining whether an investment in shares of our common stock is prudent for ERISA purposes, the appropriate fiduciary of an ERISA plan should consider all of the facts and circumstances, including whether the investment is reasonably designed, as a part of the ERISA plan's portfolio for which the fiduciary has investment responsibility, to meet the objectives of the ERISA plan, taking into consideration the risk of loss and opportunity for gain or other return from the investment, the diversification, cash flow and funding requirements of the ERISA plan, and the liquidity and current return of the ERISA plan's portfolio. A fiduciary should also take into account the nature of our business, the length of our operating history and other matters described in the section entitled "Risk Factors." Specifically, before investing in shares of our common stock, any fiduciary should, after considering the

employee plan's or IRA's particular circumstances, determine whether the investment is appropriate under the fiduciary standards of ERISA or other applicable law including standards with respect to prudence, diversification and delegation of control and the prohibited transaction provisions of ERISA and the Code.

Our Status Under ERISA

In some circumstances where an ERISA plan holds an interest in an entity, the assets of the entity are deemed to be ERISA plan assets. This is known as the "look-through rule." Under those circumstances, the obligations and other responsibilities of plan sponsors, plan fiduciaries and plan administrators, and of parties in interest and disqualified persons, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code (except to the extent (if any) that a favorable statutory or administrative exemption or exception applies). For example, a prohibited transaction may occur if our assets are deemed to be assets of investing ERISA plans and persons who have certain specified relationships to an ERISA plan ("parties in interest" within the meaning of ERISA, and "disqualified persons" within the meaning of the Code) deal with these assets. Further, if our assets are deemed to be assets of investing ERISA plans, any person that exercises authority or control with respect to the management or disposition of the assets is an ERISA plan fiduciary.

ERISA plan assets are not defined in ERISA or the Code, but the United States Department of Labor has issued regulations that outline the circumstances under which an ERISA plan's interest in an entity will be subject to the look-through rule. The Department of Labor regulations apply to the purchase by an ERISA plan of an "equity interest" in an entity, such as stock of a REIT. However, the Department of Labor regulations provide an exception to the look-through rule for equity interests that are "publicly offered securities."

Under the Department of Labor regulations, a "publicly offered security" is a security that is:

- freely transferable;
- part of a class of securities that is widely held; and
- either part of a class of securities that is registered under section 12(b) or 12(g) of the Exchange Act or sold to an ERISA plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act, and the class of securities of which this security is a part is registered under the Exchange Act within 120 days, or longer if allowed by the SEC, after the end of the fiscal year of the issuer during which this offering of these securities to the public occurred.

Whether a security is considered "freely transferable" depends on the facts and circumstances of each case. Under the Department of Labor regulations, if the security is part of an offering in which the minimum investment is $10,000 or less, then any restriction on or prohibition against any transfer or assignment of the security for the purposes of preventing a termination or reclassification of the entity for federal or state tax purposes will not ordinarily prevent the security from being considered freely transferable. Additionally, limitations or restrictions on the transfer or assignment of a security which are created or imposed by persons other than the issuer of the security or persons acting for or on behalf of the issuer will ordinarily not prevent the security from being considered freely transferable.

A class of securities is considered "widely held" if it is a class of securities that is owned by 100 or more investors independent of the issuer and of one another. A security will not fail to be "widely held" because the number of independent investors falls below 100 subsequent to the initial public offering as a result of events beyond the issuer's control.

The shares of our common stock offered in this prospectus may meet the criteria of the publicly offered securities exception to the look-through rule. First, the common stock could be considered to be freely transferable, as the minimum investment will be less than $10,000 and the only restrictions upon its transfer are those generally permitted under the Department of Labor regulations, those required under federal tax laws to maintain our status as a REIT, resale restrictions under applicable federal securities laws with respect to securities not purchased pursuant to this prospectus and those owned by our officers, directors and other affiliates, and voluntary restrictions agreed to by the selling stockholder regarding volume limitations.

Second, we expect (although we cannot confirm) that our common stock will be held by 100 or more investors, and we expect that at least 100 or more of these investors will be independent of us and of one another.

Third, the shares of our common stock will be part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the common stock is registered under the Exchange Act.

In addition, the Department of Labor regulations provide exceptions to the look-through rule for equity interests in some types of entities, including any entity which qualifies as either a "real estate operating company" or a "venture capital operating company."

Under the Department of Labor regulations, a "real estate operating company" is defined as an entity which on testing dates has at least 50% of its assets, other than short-term investments pending long-term commitment or distribution to investors, valued at cost:

- invested in real estate which is managed or developed and with respect to which the entity has the right to substantially participate directly in the management or development activities; and
- which, in the ordinary course of its business, is engaged directly in real estate management or development activities.

According to those same regulations, a "venture capital operating company" is defined as an entity which on testing dates has at least 50% of its assets, other than short-term investments pending long-term commitment or distribution to investors, valued at cost:

- invested in one or more operating companies with respect to which the entity has management rights; and
- which, in the ordinary course of its business, actually exercises its management rights with respect to one or more of the operating companies in which it invests.

We have not endeavored to determine whether we will satisfy the "real estate operating company" or "venture capital operating company" exception.

Prior to making an investment in the shares offered in this prospectus, prospective employee benefit plan investors (whether or not subject to ERISA or section 4975 of the Code) should consult with their legal and other advisors concerning the impact of ERISA and the Code (and, particularly in the case of non-ERISA plans and arrangements, any additional state, local and foreign law considerations), as applicable, and the potential consequences in their specific circumstances of an investment in such shares.

PLAN OF DISTRIBUTION

Wellington Shields & Co., LLC and Capitol Securities Management, Inc. are acting as placement agents for this offering (the "Placement Agents"). Subject to the terms and conditions described in a placement agreement between the Placement Agents and our company, the Placement Agents have agreed to place a minimum of 3,000,000 and a maximum of 4,000,000 shares on a "best-efforts" basis.

While the Placement Agents will use their best efforts to sell the shares, they will be under no obligation to sell any or all of the shares and will not be obligated to purchase any of the shares.

We are offering the shares subject to prior sale, withdrawal, cancellation or modification of the offer, including its structure, terms and conditions, without notice. We are offering the shares to the public at the public offering price set forth on the cover page of this prospectus. The Placement Agents may also offer the shares to selected dealers at the public offering price. Any selected dealers that place such shares will be paid a fee of $ per share out of the placement agents' fee. The Placement Agents reserve the right, in their sole discretion, to reject in whole or in part any offer to purchase the shares.

The placement agreement provides that we will pay as compensation to the Placement Agents a placement fee equal to 7% of the gross proceeds of the shares placed in this offering. Any purchases of shares made by persons affiliated with our company for the explicit purpose of satisfying the minimum offering size of this offering will be made for investment purposes only, and not with a view toward redistribution. The following table summarizes the placement agents' fees and commissions that we will pay to the Placement Agents.

	Per share	Minimum offering	Maximum offering
Public offering price			
Placement agents fee			
Proceeds to us, before expenses			

We will be responsible for the expenses of issuance and distribution of the shares, including registration fees, legal and accounting fees and printing expenses, which we estimate will total approximately $1,025,000. In addition to the placement agents fee, we will pay the Placement Agents at the closing of the offering a non-accountable expense allotment not to exceed 2.0% of the gross proceeds of the shares placed in this offering.

The shares to be issued are new securities with no established trading market. We have applied to list the shares and the underlying shares of common stock on the Nasdaq Capital Market. Neither we nor the Placement Agents can provide any assurance that an active and liquid market will develop or, if developed, that the market will continue. The offering price of the shares and the placement agents fee have been determined by negotiations between us and the Placement Agents, and the offering price of the shares may not be indicative of the market price following the offering.

The Placement Agents have agreed in accordance with the provisions of SEC Rule 15c2-4 to cause all funds received from the sale of the shares to be promptly deposited in an escrow account maintained by SunTrust Bank as escrow agent for the investors in the offering. Payment for the shares may be made (i) by check, bank draft or money order made payable to "SunTrust Bank" and delivered to the Placement Agents no less than four business days before the date of closing, or (ii) by authorization of withdrawal from securities accounts maintained with the Placement Agents. If payment is made by authorization of withdrawal from securities accounts, the funds authorized to be withdrawn from a securities account will continue to accrue interest, if any interest is to accrue on such amounts, at the contractual rates until closing or termination of the offering. If a purchaser authorizes the Placement Agents to withdraw the amount of the purchase price from a securities account, the Placement Agents will do so as of the date of closing. The Placement Agents will inform prospective purchasers of the anticipated date of closing.

If we have not received subscriptions for a minimum of 3,000,000 shares by December 22, 2012, we will promptly return to the subscribers all funds placed in the escrow account without interest or deduction for expense. If the minimum number of subscriptions for the shares is attained, the offering will close, and the escrow agent will release all funds to us.

Pursuant to the placement agreement, we have agreed that, for so long as 5% or more of the outstanding shares of our Common Stock are owned by investors who purchased their shares in the offering due to the solicitation efforts of the Placement Agents (rather than due to referrals to our Placement Agents from our officers, directors or affiliates), the Placement Agents will have the right to designate, subject to our approval, which shall not be unreasonably withheld, one individual to serve as a non-voting observer to our board of directors and one individual to serve as an independent member of our board of directors. This observer will be (a) entitled to proper notice of all meetings of our board of directors, (b) permitted to attend such meetings via telephone, (c) entitled to receive the same compensation (including stock options, if any) as that paid or awarded to our independent directors, (d) entitled to reimbursement of travel expenses incurred in connection with in-person attendance at any meetings of our board of directors; provided, however, that such reimbursement shall be limited to an aggregate amount equal to $1,500 per meeting. Our Placement Agents have initially designated , the of , as the observer and Sanjay Madhu as one of our independent directors.

In the placement agreement, the obligations of the Placement Agents are subject to approval of certain legal matters by their counsel and to various other conditions. The placement agreement also provides that we will indemnify the Placement Agents against certain liabilities, including liabilities under the Securities Act, or contribute to payments the Placement Agents may be required to make in respect of any such liabilities.

Placement Agents' Warrants

We have agreed to sell to the Placement Agents, on the closing date of this offering, at a price of $0.001 per warrant, placement agents' warrants exercisable at a rate of one warrant per share to purchase 4% of the number of shares of common stock issued by us in connection with the offering. Each placement agents' warrant will be exercisable to purchase one share of common stock. The placement agents' warrants will be exercisable at 120% of the offering price per share of common stock for a period of five years from the effective date of this offering. The placement agents' warrants may not be exercised, sold, transferred, pledged, assigned or hypothecated until the one year anniversary of the date of effectiveness or commencement of sales of the public offering, except to officers or partners of the placement agent. This restriction is imposed pursuant to the requirements of FINRA Rule 5110(g)(1). If we do not complete this offering by selling at least the minimum number of shares of common stock, we will not issue any placement agents' warrants to our placement agents.

For the life of the placement agents' warrants, the holders thereof are given, at nominal costs, the opportunity to profit from a rise in the market price of our common shares with a resulting dilution in the interest of other shareholders. Further, the holders may be expected to exercise the placement agents' warrants at a time when we would, in all likelihood, be able to obtain equity capital on terms more favorable than those provided in the placement agents' warrants. By way of example, and assuming solely for purposes of this illustration that (i) the maximum 4,000,000 shares are sold in this offering, (ii) the cash exercise of all Placement Agents' Warrants, and (iii) the number of our issued and outstanding shares has not increased since the closing of this offering, the Placement Agents will receive 160,000 shares of common stock at a price of $6.30 assuming an offering price of $5.25, which will result in dilution to our shareholders of approximately 0.96%.

We are required for the life of the placement agents' warrants to reserve sufficient common stock to deliver upon exercise of the warrants and to take all necessary actions to ensure that we may validly and legally issue fully paid and non-assessable shares on exercise of the warrants.

The placement agents' warrants also contain anti-dilution protection, consistent with applicable FINRA rules, in the event we issue or undertake stock dividends and splits, reclassifications, rights offerings, distributions of indebtedness or assets or similar events which affect all our shareholders on a pro rata basis.

Right of First Refusal

Commencing on the closing date of this offering, if any, we have granted to our Placement Agent an eighteen (18) month right of first refusal to provide financing arrangements to us, in a role to be determined at such time, for any and all future public and private equity offerings as well as any debt offerings for us (or any successor to us) during such eighteen (18)-month period. In addition, during the one (1) year period following the closing date of this offering, we have granted our Placement Agent the preferential right to participate as co-manager of any of our future public and private equity offerings as well as any debt offerings with at least 25% of the economic interest (fees) of such offering(s).

LEGAL MATTERS

Certain legal matters will be passed upon for us by Kaufman & Canoles, P.C. and for the Placement Agents by McCarter & English, LLP. Kaufman & Canoles, P.C. will pass upon the validity of the shares of common stock sold in this offering and certain other matters of Maryland law. In addition, the description of federal income tax consequences contained in the section of the prospectus entitled "Federal Income Tax Considerations" is based on the opinion of Kaufman & Canoles, P.C.

EXPERTS

The combined balance sheets of Wheeler Real Estate Investment Trust, Inc. and Affiliated Companies as of December 31, 2011 and 2010, and the related combined statements of operations, equity and cash flows for each of the years in the three year period ended December 31, 2011 appearing in this Prospectus and Registration Statement, have been audited by Cherry, Bekaert & Holland, L.L.P., an independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We intend to maintain a web site at www.WHLR.us. Information contained on, or accessible through our website is not incorporated by reference into and does not constitute a part of this prospectus or any other report or documents we file with or furnish to the SEC.

We have filed with the SEC a Registration Statement on Form S-11, including exhibits, schedules and amendments thereto, of which this prospectus is a part, under the Securities Act with respect to the shares of our common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and the shares of our common stock to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules thereto. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete and, where that contract or other document has been filed as an exhibit to the registration statement, each statement in this prospectus is qualified in all respects by the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined without charge at the public reference room of the SEC, 100 F Street, N.E., Washington, DC 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you, free of charge, on the SEC's website, www.sec.gov.

AS A RESULT OF THIS OFFERING, WE WILL BECOME SUBJECT TO THE INFORMATION AND PERIODIC REPORTING REQUIREMENTS OF THE EXCHANGE ACT, AND WILL FILE PERIODIC REPORTS AND OTHER INFORMATION WITH THE SEC. THESE PERIODIC REPORTS AND OTHER INFORMATION WILL BE AVAILABLE FOR INSPECTION AND COPYING AT THE SEC'S PUBLIC REFERENCE FACILITIES AND THE WEB SITE OF THE SEC REFERRED TO ABOVE.

GLOSSARY

Unless the context otherwise requires, the following capitalized terms shall have the meanings set forth below for the purposes of this prospectus.

"1933 Act" means the Securities Act of 1933.

"ADA" means the Americans with Disabilities Act.

"Administrative Service Company" means WHLR Management, LLC.

"ASC" means Accounting Standards Codification.

"CAM" means common area maintenance.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Wheeler Real Estate Investment Trust, Inc.

"ERISA" means the Employment Retirement Income Security Act of 1974, as amended.

"FASB" means the Financial Accounting Standards Board.

"FFO" means funds from operations, which represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization (excluding amortization of loan origination costs) and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP measure and it is not audited.

"FHAA" means the Fair Housing Amendment Act of 1988.

"FIRPTA" means the Foreign Investment in Real Property Tax Act.

"GAAP" means generally accepted accounting principles in the United States of America.

"GLA" means gross leasable area.

"ICSC" means the International Council of Shopping Centers.

"IRA" means collectively, a tax-qualified retirement plan or an individual retirement account, individual retirement annuity, medical savings account or education individual retirement account.

"IRS" means the Internal Revenue Service.

"MGCL" means the Maryland General Corporation Law.

"NAREIT" means the National Association of Real Estate Investment Trusts.

"Operating Partnership" means Wheeler Real Estate Investment Trust, L.P.

"Ownership Entities" means the limited liability companies that currently own the properties that will comprise our operating portfolio upon completion of the formation transactions described elsewhere in this prospectus, and whose ownership interests will be contributed to or purchased by our operating partnership.

"Ownership Limits" means restrictions in our charter prohibiting any person from actually, beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of common stock or more than 9.8% in value of the aggregate outstanding shares of all classes and series of our stock.

"Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of Wheeler Real Estate Investment Trust, L.P.

"Placement Agents" means Wellington Shields & Co., LLC and Capitol Securities Management, Inc.

"Predecessor" means the entities and properties to be contributed to or purchased by our operating partnership pursuant to the formation transactions described elsewhere in this prospectus.

"Prior Investors" means the owners of the membership interests of the Ownership Entities prior to the formation transactions described elsewhere in this prospectus.

"REIT" means real estate investment trust as defined in the Code.

"SEC" means the United States Securities and Exchange Commission.

"Services Companies" means collectively, Wheeler Interests, LLC, Wheeler Real Estate, LLC, Wheeler Development, LLC, Wheeler Capital, LLC, Site Applications, LLC, Creative Retail Works and TESR, LLC.

"UBTI" means unrelated business taxable income.

"UPREIT" means umbrella partnership real estate investment trust.

APPENDIX A
PRIOR PERFORMANCE TABLES
(Unaudited)

This introduction provides information relating to the real estate investment programs sponsored by the sponsor and his affiliates. A narrative summary of the prior performance of programs sponsored by our sponsor and his affiliates can be found on page 63 of this prospectus. All programs described herein have similar investment objectives to ours in that such programs are focused on investing in rental income producing assets in the Mid-Atlantic, Southeast and Southwest regions, with low risk properties. Such programs invest in community, neighborhood and strip centers, as well as freestanding retail properties. These tables provide information for use in evaluating the programs, the results of operations of the programs, and the compensation paid by the programs. These tables are furnished solely to provide prospective investors with information concerning the past performance of entities formed by the sponsor that raised capital from third parties. The information contained herein is included solely to provide prospective investors with background to be used to evaluate the real estate experience of our sponsor and his affiliates.

Investors are strongly encouraged to carefully review these tables in conjunction with the summary information contained elsewhere in this prospectus in the section captioned “Prior Performance Summary.”

THE INFORMATION IN THIS SECTION AND THE TABLES REFERENCED HEREIN SHOULD NOT BE CONSIDERED AS INDICATIVE OF HOW WE WILL PERFORM. THIS DISCUSSION REFERS TO THE PERFORMANCE OF PRIOR PROGRAMS AND PROPERTIES SPONSORED BY OUR SPONSOR OR HIS AFFILIATES OVER THE PERIODS LISTED THEREIN. IN ADDITION, THE TABLES INCLUDED WITH THIS PROSPECTUS (WHICH REFLECT RESULTS OVER THE PERIODS SPECIFIED IN EACH TABLE) DO NOT MEAN THAT WE WILL MAKE INVESTMENTS COMPARABLE TO THOSE REFLECTED IN SUCH TABLES.

YOU SHOULD NOT CONSTRUE INCLUSION OF THE FOLLOWING INFORMATION AS IMPLYING IN ANY MANNER THAT WE WILL HAVE RESULTS COMPARABLE TO THOSE REFLECTED IN THE INFORMATION BELOW.

Table of Contents

TABLE I
EXPERIENCE IN RAISING AND INVESTING FUNDS
(Unaudited)

This table provides a summary of the experience of the sponsor and his affiliates in connection with each program the offering of which closed during the most recent three years. Information is provides with regard to the manner in which the proceeds of the offering have been applied. Also set forth below is information pertaining to the timing and length of these offerings.

	Port Crossing Shopping Center	Liberty Storage (Liberty Property Associates)	Crossroads Storage (Disney Associates)	Shops at Liberty Square	LaGrange Marketplace	Mandarin Crossing
Dollar Amount Offered	7,500,000.00	3,550,000.00	540,000.00	21,292.00	3,000,000.00	3,445,000.00
Dollar Amount Raised (100%)	2,546,500.00	902,500.00	174,200.00	13,272.30	615,000.00	674,982.00
Less offering Expenses:						
Selling Commissions and Discounts retained by affiliates	—	—	—	—	—	—
Organizational Expenses	—	—	—	—	—	—
Other (explain)	—	—	—	—	—	—
Reserves						
Percent available for investment	0%	0%	0%	0%	0%	0%
Acquisition Costs						
Prepaid Items and fees related to purchase of property	45,499.74	6,535.50	4,250.00	750.00	22,750.00	25,025.00
Cash down payment	2,276,000.26	789,464.50	144,950.00	12,522.30	502,250.00	633,892.00
Acquisition Fees	225,000.00	106,500.00	25,000.00	—	90,000.00	16,065.00
Other (Explain) (Construction cost to build building)	—	—	—	124,997.01	—	—
Total Acquisition Cost	$2,546,500.00	$ 902,500.00	$174,200.00	$138,269.31	$ 615,000.00	$ 674,982.00
Percent Leverage (mortgage financing divided by total acquisition cost)	82%	75%	67.70%	90.00%	79.50%	80%
Date Offering began	10/31/08	01/01/09	12/09/09	01/05/10	01/14/10	08/10/09
Length of Offering (In months)	3 months	5 Months	1 Month	1 Month	1.5 Months	12 Months
Months to invest 90% of amount available for investment (from beginning)	N/A	N/A	N/A	N/A	N/A	N/A

TABLE II
COMPENSATION TO SPONSOR
(Unaudited)

Table II summarizes the amount and type of compensation paid to our sponsor and his affiliates in connection with (1) each program the offering of which closed during the most recent three years, and (2) all other programs that have made payments to the sponsor or his affiliates during the most recent three years.

	Port Crossing Shopping Center	Liberty Storage (Liberty Property Associates)	Crossroads Storage (Disney Associates)	Shops at Liberty Square	LaGrange Marketplace	Mandarin Crossing	Aggregate of other programs
Date Offering Commenced	10/31/08	01/01/09	12/09/09	01/05/10	01/14/10	08/10/09	# of programs
Dollar Amount Raised	2,546,500.00	902,500.00	174,200.00	13,272.30	615,000.00	674,982.00	33.00
Amount Paid to Sponsor from proceeds of offering:							
Underwriting fees							
Acquisition fees	90,000.00	31,950.00	7,500.00	—	36,000.00	42,840.00	
Real estate commissions							
Advisory fees							
Other (identify and qualify) Capital Distribution pd to Woodside Capital	110,000.00	37,275.00	8,750.00	—	36,000.00	48,195.00	—
Dollar amount of cash generated from operations before deducting payments to sponsors: (Used EBTDA)	1,967,009.27	637,841.83	77,518.07	14,776.26	586,700.10	401,281.69	53,934,061.57
Amount paid to sponsor from operations:							
Property Management Fees	93,809.49	5,111.51	589.22	—	40,275.04	31,864.76	3,654,772.00
Partnership management fees							
Reimbursements	43,952.83	10,909.97	808.32	4,195.52	20,798.46	15,346.92	768,497.43
Leasing commissions	91,958.93	—	—	—	2,648.00	56,761.51	1,833,091.04
Other (identify and qualify) see breakdown below	80,741.37	2,520.00	—	—	26,628.09	6,002.94	4,300,154.44
Other—Site Applications							3,414,178.84
Other—TESR	15,636.19	2,520.00			23,322.16	6,002.94	545,236.33
Other—Creative Retail	5,105.18				3,305.93		241,609.30
Other—Wheeler RE							4,500.00
Other—Wheeler Dev.	60,000.00						94,629.97
	80,741.37	2,520.00	—	—	26,628.09	6,002.94	4,300,154.44
Dollar amount of property sales and refinancing before deducting payments to sponsors:						—	—
Cash	—	—	—	—	—	—	—
Notes	—	—	—	—	—	—	—
Amount paid to sponsor from property sales and refinancing:							
Real estate commissions	—	—	—	—	—	—	—
Incentive fees (explain subordinated commissions in a note)	—	—	—	—	—	—	—
Other (identify and qualify)	—	—	—	—	—	—	—

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TABLE III
OPERATING RESULTS OF PRIOR PROGRAMS
(Unaudited)

The following tables summarize the operating results of programs sponsored by our sponsor and his affiliates the offerings of which have closed during the most recent five years. Operating results are presented for each fiscal year since the inception of each program. All figures are as of December 31 of the year indicated.

Wheeler REIT
Property: Disney Associates, LLC

	2011	2010	2009	2008
Gross Revenues	$ 65	$ 64		
Profit on sale of properties		—		
Less:				
Operating expenses	27	26		
Interest expense	26	24		
Depreciation	18	15		
	70	65	—	—
Net Income—Income Tax Basis	(6)	(0)	—	—
Taxable Income				
from operations	(6)	(0)		
from gain on sale		—		
Cash generated from operations	12	15		
Cash generated from sales				
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	12	15	—	—
Less:				
Cash distributions to investors				
from operating cash flow	10	15		
from sales and refinancing				
from other		31		
	10	45	—	—
Cash generated (deficiency) after cash distributions	2	(31)	—	—
Less: Special items				
Cash generated (deficiency) after cash distributions and special items	2	(31)	—	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(6)	(0)		
from recapture		—		
	(6)	(0)	—	—
Capital gain (loss)		—		
Cash Distributions to Investors Source (on GAAP basis)				
Investment income		—		
Return of capital	10	31		
	10	31	—	—
Source (on cash basis)				
Sales				
Refinancing				
Operations	10	15		
other		16		

TABLE III
(continued)

Wheeler REIT
Property: Jenks Plaza Associates

	2011	2010	2009	2008
Gross Revenues	$147	$148	$129	$ 59
Profit on sale of properties				
Less:				
Operating expenses	38	47	56	34
Interest expense	69	71	72	28
Depreciation	60	60	60	25
	167	178	187	88
Net Income—GAAP Basis	(20)	(30)	(59)	(29)
Taxable Income				
from operations	(12)	(33)	(64)	(74)
from gain on sale	—	—	—	—
Cash generated from operations	31	19	3	(15)
Cash generated from sales				
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	31	19	3	(15)
Less:				
Cash distributions to investors				
from operating cash flow	14	19	3	—
from sales and refinancing	—	—	—	—
from other	—	—	12	89
	14	19	15	89
Cash generated (deficiency) after cash distributions	17	1	(12)	(104)
Less: Special items	—	—	—	
Cash generated (deficiency) after cash distributions and special items	17	1	(12)	(104)
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(12)	(33)	(64)	(74)
from recapture			—	
	(12)	(33)	(64)	(74)
Capital gain (loss)	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—	—	—
Return of capital	15	20	13	89
	15	20	13	89
Source (on cash basis)				
Sales				
Refinancing				
Operations	15	19	3	—
other	—	0	10	89

TABLE III
(continued)

Property: Kitty Hawk

	2011	2010	2009	2008
Gross Revenues	$ 335	$ 72	$182	$ 13
Profit on sale of properties	—	—	—	—
Less:				
Operating expenses	342	116	58	7
Interest expense	119	152	102	6
Depreciation	40	40	40	3
	501	308	201	16
Net Income—GAAP Basis	(166)	(236)	(19)	(3)
Taxable Income				
from operations	(166)	(236)	(19)	(1)
from gain on sale	—	—	—	—
Cash generated from operations	(95)	(170)	43	(1)
Cash generated from sales	—	—	—	—
Cash generated from refinancing	—	—	—	—
Cash generated from operations, sales, and refinancing	(95)	(170)	43	(1)
Less:				
Cash distributions to investors				
from operating cash flow	—	—	27	—
from sales and refinancing	—	—	—	—
from other	—	—	—	34
	—	—	27	34
Cash generated (deficiency) after cash distributions	(95)	(170)	16	(35)
Less: Special items	—	—	—	—
Cash generated (deficiency) after cash distributions and special items	(95)	(170)	16	(35)
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(166)	(236)	(19)	(1)
from recapture	—	—	—	—
	(166)	(236)	(19)	(1)
Capital gain (loss)	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—	—	—
Return of capital	—	—	30	34
	—	—	30	34
Source (on cash basis)				
Sales				
Refinancing				
Operations	—	—	30	—
other	—	—	—	34

TABLE III
(continued)

Property: LaGrange Associates

	2011	2010	2009	2008
Gross Revenues	$ 399	$ 428		
Profit on sale of properties		—		
Less:				
Operating expenses	195	135		
Interest expense	108	82		
Depreciation	177	112		
	480	330	—	—
Net Income—Income Tax Basis	(81)	98	—	—
Taxable Income				
from operations	(81)	98		
from gain on sale		—		
Cash generated from operations	165	220		
Cash generated from sales				
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	165	220	—	—
Less:				
Cash distributions to investors				
from operating cash flow	62	118		
from sales and refinancing				
from other				
	62	118	—	—
Cash generated (deficiency) after cash distributions	103	102	—	—
Less: Special items				
Cash generated (deficiency) after cash distributions and special items	103	102	—	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(81)	98		
from recapture		—		
	(81)	98	—	—
Capital gain (loss)				
Cash Distributions to Investors Source (on GAAP basis)				
Investment income		—		
Return of capital	62	118		
	62	118	—	—
Source (on cash basis)				
Sales				
Refinancing				
Operations	62	118		
other				

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TABLE III
(continued)

Property: Liberty Property Associates

	2011	2010	2009	NOT IN EXISTENCE 2008
Gross Revenues	$ 338	$ 312	$ 231	
Profit on sale of properties		10		
Less:				
Operating expenses	121	122	80	
Interest expense	152	163	104	
Depreciation	74	74	49	
	347	359	233	—
Net Income—GAAP Basis	(9)	(37)	(2)	—
Taxable Income				
from operations	(9)	(37)	78	
from gain on sale	—	—	—	
Cash generated from operations	62	63	65	
Cash generated from sales		61		
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	62	125	65	—
Less:				
Cash distributions to investors				
from operating cash flow	39	77	65	
from sales and refinancing		61		
from other			119	
	39	138	184	—
Cash generated (deficiency) after cash distributions	22	(14)	(119)	—
Less: Special items	—	—	—	
Cash generated (deficiency) after cash distributions and special items	22	(14)	(119)	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(9)	(47)	78	
from recapture	—	—	—	
	(9)	(47)	78	—
Capital gain (loss)		9,890	—	
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—	—	
Return of capital	43	81	119	
	43	81	119	—
Source (on cash basis)				

Sales	—	61	
Refinancing			
Operations	22	20	65
other	21		54

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TABLE III
(continued)

Property: Lynnhaven Parkway Associates

	2011	2010	2009	2008	2007
Gross Revenues	$ 221	$ 232	$ 209	$ 200	$—
Profit on sale of properties					
Less:					
Operating expenses	26	21	25	20	0
Interest expense	145	145	145	146	—
Depreciation	168	168	168	178	4
	339	334	338	345	4
Net Income—GAAP Basis	(117)	(102)	(129)	(145)	(4)
Taxable Income					
from operations	(64)	(61)	(134)	(350)	(2)
from gain on sale		—	—	—	—
Cash generated from operations	37	53	39	45	(0)
Cash generated from sales					
Cash generated from refinancing					
Cash generated from operations, sales, and refinancing	37	53	39	45	(0)
Less:					
Cash distributions to investors					
from operating cash flow	37	53	39	45	—
from sales and refinancing					
from other	14	13	23	16	84
	51	65	62	61	84
Cash generated (deficiency) after cash distributions	(14)	(13)	(23)	(16)	(84)
Less: Special items	—	—			
Cash generated (deficiency) after cash distributions and special items	(14)	(13)	(23)	(16)	(84)
Tax Distribution Data Per $1000 Invested					
Federal Income Tax Results					
Ordinary income (loss)					
from operations	(64)	(61)	(134)	(350)	(2)
from recapture	—	—			
	(64)	(61)	(134)	(350)	(2)
Capital gain (loss)	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)					
Investment income	—	—	—		
Return of capital	51	65	65	61	84
	51	65	65	61	84
Source (on cash basis)					
Sales					
Refinancing					
Operations	37	53	39	45	—
other	14	13	26	16	84

TABLE III
(continued)

Property: Mandarin Crossing Associates

	2011	2010	2009	2008
Gross Revenues	$ 451	$ 188		
Profit on sale of properties				
Less:				
Operating expenses	205	93		
Interest expense	204	82		
Depreciation	177	74		
	586	249	—	—
Net Income—GAAP Basis	(135)	(61)	—	—
Taxable Income				
from operations	(133)	(313)		
from gain on sale	—	—		
Cash generated from operations	42	(84)		
Cash generated from sales	—			
Cash generated from refinancing	—			
Cash generated from operations, sales, and refinancing	42	(84)	—	—
Less:				
Cash distributions to investors				
from operating cash flow	42	—		
from sales and refinancing	—	—		
from other	25	97		
	67	97	—	—
Cash generated (deficiency) after cash distributions	(25)	(181)	—	—
Less: Special items	—	—		
Cash generated (deficiency) after cash distributions and special items	(25)	(181)	—	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(133)	(313)		
from recapture	—	—		
	(133)	(313)	—	—
Capital gain (loss)	—	—		
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—		
Return of capital	67	97		
	67	97	—	—
Source (on cash basis)				
Sales				
Refinancing				
Operations	42			
other	25	97		

TABLE III
(continued)

Property: Our Town

	2011	2010	2009	2008	2007
Gross Revenues	$ 383	$ 425	$ 423	$ 438	$ 160
Profit on sale of properties	—	—	—	—	—
Less:					
Operating expenses	139	136	130	142	56
Interest expense	228	228	228	232	90
Depreciation	187	187	187	187	78
	555	552	546	561	224
Net Income—GAAP Basis	(172)	(127)	(123)	(124)	(64)
Taxable Income					
from operations	(136)	(108)	(127)	(225)	(72)
from gain on sale	—	—	—	—	—
Cash generated from operations	15	50	94	42	24
Cash generated from sales	—	—	—	—	—
Cash generated from refinancing	—	—	—	—	—
Cash generated from operations, sales, and refinancing	15	50	94	42	24
Less:					
Cash distributions to investors					
from operating cash flow	10	47	94	42	24
from sales and refinancing	—	—	—	—	—
from other	—	—	107	103	122
	10	47	201	145	146
Cash generated (deficiency) after cash distributions	5	2	(107)	(103)	(122)
Less: Special items	—	—	—	—	—
Cash generated (deficiency) after cash distributions and special items	5	2	(107)	(103)	(122)
Tax Distribution Data Per $1000 Invested					
Federal Income Tax Results					
Ordinary income (loss)					
from operations	(136)	(108)	(127)	(225)	(72)
from recapture	—	—	—	—	—
	(136)	(108)	(127)	(225)	(72)
Capital gain (loss)	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)					
Investment income	—	—	—	—	—
Return of capital	11	47	1,069	103	122
	11	47	1,069	103	122
Source (on cash basis)					
Sales					
Refinancing					
Operations	11	47	94	42	24
other			975	61	99

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TABLE III
(continued)

Property: PCSC

	2011	2010	2009	2008
Gross Revenues	$ 852	$ 772	$ 628	
Profit on sale of properties	(2)	—	—	
Less:				
Operating expenses	223	169	164	
Interest expense	466	446	334	
Depreciation	194	239	139	
	883	854	638	—
Net Income—GAAP Basis	(32)	(82)	(10)	—
Taxable Income				
from operations	(32)	(82)	(10)	
from gain on sale	—	—		
Cash generated from operations	144	175	135	
Cash generated from sales				
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	144	175	135	—
Less:				
Cash distributions to investors				
from operating cash flow	76	52	67	
from sales and refinancing				
from other			—	
	76	52	67	—
Cash generated (deficiency) after cash distributions	68	123	69	—
Less: Special items				
Cash generated (deficiency) after cash distributions and special items	68	123	69	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(32)	(82)		
from recapture	—	—		
	(32)	(82)	—	—
Capital gain (loss)	—	—		
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—		
Return of capital	76	52	67	
	76	52	67	—
Source (on cash basis)				
Sales				
Refinancing				
Operations	76	52	67	
other			—	

TABLE III
(continued)

Wheeler REIT
Property: Riversedge Office Assoc.

	2011	2010	2009	2008
Gross Revenues	$397	$383	$ 407	$ 189
Profit on sale of properties	—	—	—	—
Less:				
Operating expenses	101	104	101	92
Interest expense	131	133	134	96
Depreciation	135	135	135	101
	367	372	371	290
Net Income—GAAP Basis	30	12	36	(101)
Taxable Income				
from operations	79	50	45	(280)
from gain on sale	—	—	—	—
Cash generated from operations	99	139	110	18
Cash generated from sales	—	—	—	—
Cash generated from refinancing	—	—	—	—
Cash generated from operations, sales, and refinancing	99	139	110	18
Less:				
Cash distributions to investors				
from operating cash flow	99	110	110	18
from sales and refinancing	—	—	—	—
from other	18	—	111	144
	118	110	220	162
Cash generated (deficiency) after cash distributions	(18)	29	(111)	(144)
Less: Special items	—	—	—	—
Cash generated (deficiency) after cash distributions and special items	(18)	29	(111)	(144)
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	79	50	45	(280)
from recapture	—	—	—	—
	79	50	45	(280)
Capital gain (loss)	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)				
Investment income	—	—	—	—
Return of capital	118	117	117	144
	118	117	117	144
Source (on cash basis)				
Sales				
Refinancing				
Operations	99	117	110	18
other	18		7	126

TABLE III
(continued)

Property: Shoppes at Moyock

	2011	2010	2009	2008	2007
Gross Revenues	$ 149	$218	$203	$ 147	$ 62
Profit on sale of properties					
Less:					
Operating expenses	106	50	64	51	28
Interest expense	97	98	98	99	38
Depreciation	68	68	68	67	26
	272	216	229	217	92
Net Income—GAAP Basis	(122)	2	(26)	(71)	(30)
Taxable Income					
from operations	(116)	5	(34)	(103)	(269)
from gain on sale	—	—	—	—	—
Cash generated from operations	20	19	39	(1)	(2)
Cash generated from sales					
Cash generated from refinancing					
Cash generated from operations, sales, and refinancing	20	19	39	(1)	(2)
Less:					
Cash distributions to investors					
from operating cash flow	0	19	33	—	—
from sales and refinancing					
from other				18	56
	0	19	33	18	56
Cash generated (deficiency) after cash distributions	20	1	6	(19)	(58)
Less: Special items	—	—	—	—	—
Cash generated (deficiency) after cash distributions and special items	20	1	6	(19)	(58)
Tax Distribution Data Per $1000 Invested					
Federal Income Tax Results					
Ordinary income (loss)					
from operations	(116)	5	(34)	(103)	(27)
from recapture	—	—	—	—	—
	(116)	5	(34)	(103)	(27)
Capital gain (loss)	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)					
Investment income	—	—	—		
Return of capital	0	19	36	18	56
	0	19	36	18	56
Source (on cash basis)					
Sales					
Refinancing					
Operations	0	19	36		
other				18	56

TABLE III
(continued)

Property: Shoppes of Liberty Square

	2011	INCEPTION 2010	2009	2008
Gross Revenues	$ 14	$ 8		
Profit on sale of properties				
Less:				
Operating expenses	3	9		
Interest expense	8	7		
Depreciation	3	2		
	14	17	—	—
Net Income—GAAP Basis	(0)	(10)	—	—
Taxable Income				
from operations	(0.23)	(9)		
from gain on sale	—	—		
Cash generated from operations	3	(8)		
Cash generated from sales				
Cash generated from refinancing				
Cash generated from operations, sales, and refinancing	3	(8)	—	—
Less:				
Cash distributions to investors				
from operating cash flow	2	0		
from sales and refinancing				
from other		0.438		
	2	0	—	—
Cash generated (deficiency) after cash distributions	1	(8)	—	—
Less: Special items	—	—		
Cash generated (deficiency) after cash distributions and special items	1	(8)	—	—
Tax Distribution Data Per $1000 Invested				
Federal Income Tax Results				
Ordinary income (loss)				
from operations	(0)	(9)		
from recapture	—	—		
	(0)	(9)	—	—
Capital gain (loss)	—	—		
Cash Distributions to Investors Source (on GAAP basis)				
Investment income				
Return of capital	2	0		
	2	0	—	—
Source (on cash basis)				
Sales				
Refinancing				
Operations	2			
other		0		

TABLE III
(continued)

Property: Walnut Hill Plaza Associates

	2011	2010	2009	2008	2007
Gross Revenues	$682	$ 570	$ 515	$ 476	$ 19
Profit on sale of properties	—	—	—	—	—
Less:					
Operating expenses	275	285	230	453	33
Interest expense	252	265	239	194	10
Depreciation	246	233	196	193	16
	774	783	665	840	58
Net Income—GAAP Basis	(92)	(214)	(150)	(364)	(39)
Taxable Income					
from operations	(31)	(392)	(177)	(301)	(33)
from gain on sale	—	—	—	—	—
Cash generated from operations	98	(63)	110	33	3
Cash generated from sales	—	—	—	—	—
Cash generated from refinancing	—	—	—	—	—
Cash generated from operations, sales, and refinancing	98	(63)	110	33	3
Less:					
Cash distributions to investors					
from operating cash flow	87	—	7	—	3
from sales and refinancing	—	—	—	—	—
from other		99	—	—	107
	87	99	7	—	110
Cash generated (deficiency) after cash distributions	11	(162)	103	33	(107)
Less: Special items	—	—	—	—	—
Cash generated (deficiency) after cash distributions and special items	11	(162)	103	33	(107)
Tax Distribution Data Per $1000 Invested					
Federal Income Tax Results					
Ordinary income (loss)					
from operations	(31)	(392)	(180)	(301)	(33)
from recapture	—	—	—	—	—
	(31)	(392)	(180)	(301)	(33)
Capital gain (loss)	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)					
Investment income	—	—	—	—	—
Return of capital	96	110	7	—	110
	96	110	7	—	110
Source (on cash basis)					
Sales					
Refinancing					
Operations			7		3
other	96	110	—	—	107

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TABLE IV
RESULTS OF COMPLETED PROGRAMS
(Unaudited)

The following table presents summary information on the results of programs sponsored by our sponsor and his affiliates that completed operations in the most recent five years.

Property: Brandy Hill

	FINAL RETURN 2011		2010		2009		2008		2007		2006	
Dollar Amount Raised												
Number of Properties Purchased												
Date of Closing of Offering												
Date of First Sale of Property												
Date of Final Sale of Property												
Tax Distribution Data Per $1000 Invested												
Federal Income Tax Results												
Ordinary income (loss)												
from operations	(248,222)		(2,624)		(134,245)		(389,174)		(340,640)		(94,197)	
from recapture	386,307		—		—		—		—		—	
		138,085		(2,624)		(134,245)		(389,174)		(340,640)		(94,197)
Capital gain (loss)		101,140		—		—		—		—		—
Deferred gain												
capital												
ordinary												
Cash Distributions to Investors Source (on GAAP basis)												
Investment income					—							
Return of capital					8,955				37,798		264,600	
		—		—		8,955		—		37,798		264,600
Source (on cash basis)												
Sales												
Refinancing												
Operations		—				8,955				37,798		264,600
other												
Receivable on Net Purchase Money Financing	N/A		N/A		N/A		N/A		N/A		N/A	

TABLE IV
(continued)

Property: Goldenrod Associates

	FINAL RETURN 2011	2010	2009	2008	2007	2006
Dollar Amount Raised						
Number of Properties Purchased						
Date of Closing of Offering						
Date of First Sale of Property						
Date of Final Sale of Property						
Tax Distribution Data Per $1000 Invested						
Federal Income Tax Results						
Ordinary income (loss)						
from operations	1,106	53,969	(2,502)	(238,813)	(176,654)	(352,917)
from recapture	—	643,585	—	—	—	—
	1,106	697,554	(2,502)	(238,813)	(176,654)	(352,917)
Capital gain (loss)		389,405	—	—	—	—
Deferred gain						
capital	(4,932)	—	—	—	—	—
ordinary	—	—	—	—	—	—
	(4,932)	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)						
Investment income	—	—	—	—	—	—
Return of capital	84,021	142,876	200,000	131,875	131,875	158,250
	84,021	142,876	200,000	131,875	131,875	158,250
Source (on cash basis)						
Sales	—	—	—	—	—	—
Refinancing	—	—	—	—	—	—
Operations	—	142,876	199,443	131,875	131,875	55,173
other	84,021	—	557	—	—	103,077
Receivable on Net Purchase Money Financing	N/A	N/A	N/A	N/A	N/A	N/A

TABLE IV
(continued)

Property: Shop City Associates

	FINAL RETURN 2011		2010		2009		2008		2007		2006	
Dollar Amount Raised												
Number of Properties Purchased												
Date of Closing of Offering												
Date of First Sale of Property												
Date of Final Sale of Property												
Tax Distribution Data Per $1000 Invested												
Federal Income Tax Results												
Ordinary income (loss)												
from operations	(5,424)		2,021		57,788		318,096		17,202		91,182	
from recapture												
		(5,424)		2,021		57,788		318,096		17,202		91,182
Capital gain (loss)								10,040,227				
Deferred gain												
capital												
ordinary												
		—		—		—		—		—		—
Cash Distributions to Investors Source (on GAAP basis)												
Investment income												
Return of capital	15,214		24,000		73,000		9,628,449		807,989		803,291	
		15,214		24,000		73,000		9,628,449		807,989		803,291
Source (on cash basis)												
Sales								7,517,562				
Refinancing												
Operations								2,110,887		807,989		803,291
other		15,214		24,000		73,000						
Receivable on Net Purchase Money Financing	N/A		N/A		N/A		N/A		N/A		N/A	

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TABLE IV
(continued)

Property: Smithfield Associates

	2011	2010	FINAL RETURN 2009	2008	2007	2006
Dollar Amount Raised						
Number of Properties Purchased						
Date of Closing of Offering						
Date of First Sale of Property						
Date of Final Sale of Property						
Tax Distribution Data Per $1000 Invested						
Federal Income Tax Results						
Ordinary income (loss)						
from operations			23,489	(100,582)	90,070	298,084
from recapture				572,456		
	—	—	23,489	471,874	90,070	298,084
Capital gain (loss)				4,148,483		
Deferred gain						
capital						
ordinary						
	—	—	—	—	—	—
Cash Distributions to Investors Source (on GAAP basis)						
Investment income						
Return of capital			61,179	2,550,000	189,999	2,206,598
	—	—	61,179	2,550,000	189,999	2,206,598
Source (on cash basis)						
Sales				2,108,841		
Refinancing						2,206,598
Operations				441,159	189,999	—
other			61,179		—	
Receivable on Net Purchase Money Financing	N/A	N/A	N/A	N/A	N/A	N/A

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Property: TOTALS

	2011	2010	2009	2008	2007	2006	Totals
Dollar Amount Raised							
Number of Properties Purchased							
Date of Closing of Offering							
Date of First Sale of Property							
Date of Final Sale of Property							
Tax Distribution Data Per $1000 Invested							
Federal Income Tax Results							
Ordinary income (loss)							
from operations	(253)	53	(55)	(410)	(410)	(58)	(1,133)
from recapture	386	—	—	—	—	—	386
	134	53	(55)	(410)	(410)	(58)	(747)
Capital gain (loss)	101	—	—	—	—	—	101
Deferred gain							
capital							
ordinary							
Cash Distributions to Investors Source (on GAAP basis)							
Investment income			—				—
Return of capital	99	167	343	12,310	1,168	3,433	17,520
	99	167	343	12,310	1,168	3,433	17,520
Source (on cash basis)							
Sales	—	—	—	9,626	—	—	9,626
Refinancing	—	—	—	—	—	2,207	2,207
Operations	—	143	208	2,684	1,168	1,123	5,326
other	15	24	135	—	—	103	277
Receivable on Net Purchase Money Financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Property: TOTALS

		TOTAL
Dollar Amount Raised		
Number of Properties Purchased		
Date of Closing of Offering		
Date of First Sale of Property		
Date of Final Sale of Property		
Tax Distribution Data Per $1000 Invested		
	Federal Income Tax Results	
Ordinary income (loss)		
from operations	(1,133)	
from recapture	—	
		(1,133)
Capital gain (loss)		101
Deferred gain		
capital		
ordinary		
	Cash Distributions to Investors Source (on GAAP basis)	
Investment income		
Return of capital	17,520	
		17,520
Source (on cash basis)		
Sales		9,626
Refinancing		2,207
Operations		5,341
other		277
	Receivable on Net Purchase Money Financing	N/A

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TABLE V
SALE OR DISPOSALS OF PROPERTIES
(Unaudited)

The following table provides summary information on the results of sales or disposals of properties by programs sponsored by our sponsor and his affiliates during the most recent three years.

Property	Date Acquired	Date of Sale	Selling Price, Net of Closing Costs and GAAP Adjustments					Cost of Properties Including Closing and Soft Costs		Excess (deficiency) of Property Operating Cash Receipts Over Cash Expenditures	Combined Cost of Mortgage Balance and Total Acquisition Cost
			Cash Received net of Closing Costs	Mortgage balance at time of sale	Purchase money mortgage taken back by program	Adjustments resulting from application of GAAP	Total	Original mortgage financing	Total Acquisition cost, capital improvement closing and soft costs	Total	Total
Brandy Hill Plaza [1]	5/21/2003	10/1/2011	0	$8,146,458.93	0		$8,146,458.93	$8,950,000.00	$ 798,731.68	$ 190,898.31	$8,945,190.61
Goldenrod Plaza [1]	4/14/2003	2/1/2010	0	$6,500,000.00	0		$6,500,000.00	$6,500,000.00	$ 339,763.97	$ 95,769.54	$6,839,763.97

(1) Property disposed of by Deed In Lieu Agreement due to investors unwilling to agree to a partnership re-capitalization.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
INDEX TO FINANCIAL STATEMENTS

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Wheeler Real Estate Investment Trust, Inc. and Affiliates
Unaudited Pro Forma Condensed Combined Balance Sheet

	Historical December 31, 2011	Pro Forma Adjustments	Pro Forma December 31, 2011
ASSETS:			
Investment properties, at cost	$37,067,637	$ —	$37,067,637
Less accumulated depreciation	8,096,084	—	8,096,084
	28,971,553	—	28,971,553
Cash and cash equivalents	218,902	11,606,854(1)(3)(4)(5)	11,825,756
Tenant and other receivables	998,273	—	998,273
Deferred costs, reserves and other assets	1,890,833	(924,398)(1)	966,435
Total Assets	$32,079,561	$10,682,456	$42,762,017
LIABILITIES:			
Mortgages and other indebtedness	$28,733,226	$ (500,000)(5)	$28,233,226
Accounts payable, accrued expenses, intangibles and deferred revenues	1,084,197	(684,044)(1)	400,153
Due to related parties	1,316,121	(1,200,000)(4)	116,121
Total Liabilities	31,133,544	(2,384,044)	28,749,500
Commitments and contingencies	—	—	—
EQUITY:			
Preferred stock	505,000	(505,000)(3)	—
Members' equity	7,497,161	(7,497,161)(2)	—
Common stock	—	32,097(1)(3)	32,097
Additional paid-in capital	—	14,009,403(1)(3)	14,009,403
Accumulated deficit	(7,056,144)	(470,000)(4)	(7,526,144)
Noncontrolling interest	—	7,497,161(2)	7,497,161
Total Equity	946,017	13,066,500	14,012,517
Total Liabilities and Equity	$32,079,561	$10,682,456	$42,762,017

See accompanying notes and management's assumptions to unaudited pro forma condensed combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Unaudited Pro Forma Condensed Combined Statement of Operations

	Year Ended December 31, 2011		
	Historical	Pro Forma Adjustments	Pro Forma
REVENUE:			
Minimum rent	$ 3,782,942	$ —	$ 3,782,942
Percentage of sales rent	23,756	—	23,756
Tenant reimbursements	948,487	—	948,487
Other income	153,612	30,000(6)	183,612
Total Revenue	4,908,797	30,000	4,938,797
OPERATING EXPENSES:			
Property operating	928,900	—	928,900
Depreciation and amortization	1,503,978	—	1,503,978
Real estate taxes	345,543	—	345,543
Repairs and maintenance	241,352	—	241,352
Advertising and promotion	51,673	—	51,673
Provision for credit losses	55,121	—	55,121
Corporate general & administrative	321,178	828,822(7)	1,150,000
Other	128,337	—	128,337
Total Operating Expenses	3,576,082	828,822	4,404,904
Operating Income	1,332,715	(798,822)	533,893
Interest expense	(1,876,173)	33,000(8)	(1,843,173)
Net Loss	$ (543,458)	$ (765,822)	(1,309,280)
Net loss allocated to noncontrolling interests			(555,307)
Net loss allocated to common stockholders			$ (753,973)
Pro forma earnings (loss) per share:			
Basic			$ (0.24)
Diluted			$ (0.24)
Pro forma weighted-average number of shares:			
Basic			3,183,500
Diluted			3,183,500

See accompanying notes and management's assumptions to unaudited pro forma condensed combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes and Management's Assumptions to Unaudited Pro Forma
Condensed Combined Financial Statements

1. Basis of Presentation

As used herein, the "Company" refers to Wheeler Real Estate Investment Trust, Inc. and its affiliates on a combined basis, including the Operating Partnership. The accompanying unaudited pro forma condensed combined financial statements are presented to reflect:

- the contribution of the net proceeds of the Company's initial public offering, after the payment of the placement fee and costs relating to the offering, assuming the issuance of 3,000,000 shares of $0.01 par value common stock at $5.25 per share under the minimum offering scenario discussed in the registration statement;
- with the exception of The Shoppes at Eagle Harbor property, the contribution to the Operating Partnership of the partnership interests of the Prior Investors in the limited liability companies that directly or indirectly own the respective properties;
- the issuance of an additional 57,250 shares of preferred stock subsequent to December 31, 2011 and the corresponding conversion of 183,500 shares of total preferred stock currently outstanding into 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus;
- using approximately $1.67 million of the net proceeds of this offering to directly purchase 100% of the partnership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor property, one of the original nine properties in our operating portfolio;
- estimated interest income earned on net cash proceeds generated by the offering, net of the effect of all formation transactions;
- expected increase in general and administrative expenses as a result of becoming a publicly traded company; and
- using approximately $500,000 of the net proceeds of this offering to repay outstanding indebtedness and the corresponding impact on interest expense.

The unaudited pro forma condensed combined balance sheet assumes the formation transactions occurred on December 31, 2011. The unaudited pro forma condensed combined statements of operations assume the formation transactions occurred on January 1, 2011. The unaudited pro forma condensed combined balance sheet is presented for illustrative purposes only and is not necessarily indicative of what the actual financial position would have been had the transactions referred to above occurred on December 31, 2011, nor does it purport to represent the future financial position of the Company. The unaudited pro forma condensed combined statements of operations are presented for illustrative purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions referred to above occurred on January 1, 2011, nor does it purport to represent the future results of operations of the Company. In the opinion of management, all material adjustments have been made to reflect the effects of transactions referred to above.

2. Management's Assumptions to the Unaudited Pro Forma Condensed Combined Financial Statements

(1) Reflects the issuance of shares of the Company's common stock:

Sale of 3,000,000 shares of $0.01 par value common stock at an estimated price of $5.25 per share	$15,750,000
Estimated placement fee and other offering costs	(1,417,500)
Legal, accounting and other costs relating to the offering	(1,025,000)
Conversion of preferred stock	734,000
Net new common equity	$14,041,500

(2) Reflects the reclassification of equity of the Prior Investors into noncontrolling interests of the Operating Partnership attributable to the issuance of approximately 2,210,000 common units in conjunction with the formation transactions.

(3) Reflects the issuance of an additional 57,250 shares of preferred stock subsequent to December 31, 2011 and the corresponding conversion of 183,500 shares of total preferred stock currently outstanding into 209,735 shares of common stock assuming the mid-point of the price range set forth on the cover page of this prospectus.

(4) Reflects using approximately $1.67 million of the net proceeds to directly purchase 100% of the partnership interests of DF-1 Carrollton, LLC, which currently owns The Shoppes at Eagle Harbor property, of which approximately $1.2 million will offset a related party payable to the owner and approximately $470,000 will be deemed a dividend.

(5) Reflects using approximately $500,000 of the net proceeds of this offering to repay outstanding indebtedness.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes and Management's Assumptions to Unaudited Pro Forma
Condensed Combined Financial Statements (continued)

2. Management's Assumptions to the Unaudited Pro Forma Condensed Combined Financial Statements (continued)

(6) Reflects estimated interest income earned on net cash proceeds generated by the offering, net of the effect of all formation transactions.

(7) Reflects the expected increase in general and administrative expenses as a result of becoming a publicly traded company. These expenses include, but are not limited to, $360,000 to be paid WHLR Management to manage the Company, $75,000 in fees to be paid the Company's directors, incremental professional fees, registration fees and other miscellaneous expenses.

(8) Reflects the estimated reduction in interest expense as a result of repaying approximately $500,000 of outstanding indebtedness with the offering proceeds.

Report of Independent Registered Public Accounting Firm

To the Partners and Stockholders of
Wheeler Real Estate Investment Trust, Inc. and
Affiliated Companies
Virginia Beach, Virginia

We have audited the accompanying combined balance sheets of Wheeler Real Estate Investment Trust, Inc. and Affiliated Companies (the "Company") as of December 31, 2011 and 2010 and the related combined statements of operations, equity and cash flows for each of the years in the three year period ended December 31, 2011. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Wheeler Real Estate Investment Trust, Inc. and Affiliated Companies as of December 31, 2011 and 2010 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ Cherry, Bekaert & Holland, L.L.P.

Virginia Beach, Virginia
March 16, 2012

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Combined Balance Sheets

	December 31, 2011	December 31, 2010
ASSETS:		
Investment properties, at cost	$37,067,637	$36,974,317
Less accumulated depreciation and amortization	8,096,084	6,771,960
	28,971,553	30,202,357
Cash and cash equivalents	218,902	363,623
Receivables:		
Rents and other tenant receivables, net	138,253	125,067
Rents and other tenant receivables due from related parties, net	128,790	97,573
Unbilled rent	731,230	820,683
Deferred costs and other assets	1,890,833	1,095,471
Total Assets	$32,079,561	$32,704,774
LIABILITIES:		
Mortgages and other indebtedness	$28,733,226	$29,199,131
Accounts payable, accrued expenses and other liabilities	1,084,197	293,978
Due to related parties	1,316,121	1,275,964
Total Liabilities	31,133,544	30,769,073
Commitments and contingencies (Note 9)	—	—
EQUITY:		
Convertible preferred stock (no par value, 150,000 shares authorized, 126,250 shares shares issued and outstanding)	505,000	—
Common stock ($0.01 par value, 1,000,000 shares authorized, no shares issued and outstanding)	—	—
Capital contributions	7,497,161	7,497,161
Accumulated deficit	(7,056,144)	(5,561,460)
Total Equity	946,017	1,935,701
Total Liabilities and Equity	$32,079,561	$32,704,774

See accompanying notes to combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Combined Statements of Operations

	For the Years Ended December 31,		
	2011	2010	2009
REVENUE:			
Minimum rent	$ 3,782,942	$ 3,754,691	$ 3,654,409
Percentage of sales rent	23,756	33,557	34,605
Tenant reimbursements	948,487	906,883	745,097
Other income	153,612	21,786	70,159
Total Revenue	4,908,797	4,716,917	4,504,270
OPERATING EXPENSES:			
Property operating	928,900	699,677	654,427
Depreciation and amortization	1,503,978	1,473,488	1,380,882
Real estate taxes	345,543	296,440	278,541
Repairs and maintenance	241,352	246,732	249,087
Advertising and promotion	51,673	33,407	30,055
Provision for credit losses	55,121	9,632	73,204
Corporate general & administrative	321,178	—	—
Other	128,337	96,526	73,784
Total Operating Expenses	3,576,082	2,855,902	2,739,980
Operating Income	1,332,715	1,861,015	1,764,290
Interest expense	(1,876,173)	(1,762,858)	(1,585,281)
Net Income (Loss)	$ (543,458)	$ 98,157	$ 179,009

See accompanying notes to combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Combined Statements of Equity

	Preferred Stock		Capital		
	Shares	Value	Contributions	Accumulated Deficit	Total
Balance, December 31, 2008	—	$ —	$ 6,793,079	$ (3,770,365)	$ 3,022,714
Equity contributions	—	—	29,100	—	29,100
Equity distributions	—	—	—	(993,749)	(993,749)
Net income	—	—	—	179,009	179,009
Balance, December 31, 2009	—	—	6,822,179	(4,585,105)	2,237,074
Equity contributions	—	—	674,982	—	674,982
Equity distributions	—	—	—	(1,074,512)	(1,074,512)
Net income	—	—	—	98,157	98,157
Balance, December 31, 2010	—	—	7,497,161	(5,561,460)	1,935,701
Net proceeds from issuance of preferred stock	126,250	505,000	—	—	505,000
Equity distributions	—	—	—	(951,226)	(951,226)
Net loss	—	—	—	(543,458)	(543,458)
Balance, December 31, 2011	126,250	$505,000	$ 7,497,161	$ (7,056,144)	$ 946,017

See accompanying notes to combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Combined Statements of Cash Flows

	For the Years Ended December 31,		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (543,458)	$ 98,157	$ 179,009
Adjustments to reconcile combined net income (loss) to net cash provided by operating activities			
Depreciation and amortization	1,503,978	1,473,488	1,380,882
Provision for doubtful accounts	55,121	9,632	73,204
Changes in assets and liabilities			
Tenant receivables and accrued revenue, net	(99,523)	(76,923)	(158,034)
Unbilled rent	89,453	(89,908)	(251,275)
Other assets	(50,687)	(113,191)	75,382
Accounts payable, accrued expenses and other liabilities	257,012	49,835	(76,023)
Net cash from operating activities	1,211,896	1,351,090	1,223,145
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment property acquisitions	—	(466,328)	—
Capital expenditures	(93,451)	(217,558)	(999,492)
Net cash from investing activities	(93,451)	(683,886)	(999,492)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of member units	—	674,982	29,100
Distributions to members	(951,226)	(1,074,512)	(993,749)
Proceeds from sales of preferred stock	505,000	—	—
Deferred offering costs	(391,192)	—	—
Net proceeds from related parties	40,157	194,653	3,818
Mortgage indebtedness proceeds	—	68,401	773,095
Mortgage indebtedness principal payments	(465,905)	(601,810)	(225,364)
Net cash from financing activities	(1,263,166)	(738,286)	(413,100)
DECREASE IN CASH AND CASH EQUIVALENTS	(144,721)	(71,082)	(189,447)
CASH AND CASH EQUIVALENTS, beginning of year	363,623	434,705	624,152
CASH AND CASH EQUIVALENTS, end of year	$ 218,902	$ 363,623	$ 434,705
Noncash Transactions:			
Debt assumed in conjunction with investment property acquisition	$ —	$ 3,183,922	$ —
Other Cash Transactions:			
Cash paid for interest	$ 1,874,976	$ 1,730,425	$1,588,332

See accompanying notes to combined financial statements.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements

1. Organization and Basis of Presentation and Consolidation

As used herein, the "Company" refers to Wheeler Real Estate Investment Trust, Inc. and its affiliates on a combined basis, including the Operating Partnership (see below). The accompanying combined financial statements include the accounts and operations of the following entities and their respective properties:

- Wheeler Real Estate Investment Trust, Inc.
- DF-1 Carrollton, LLC – The Shoppes at Eagle Harbor (Carrollton, VA)
- Lumber River Associates, LLC – Lumber River Village (Lumberton, NC)
- Mandarin Crossing Associates, LLC – Mandarin Crossing (Jacksonville, FL)
- Lynnhaven Parkway Associates, LLC – Monarch Bank Building (Virginia Beach, VA)
- North Pointe Investors, LLC – North Pointe Crossing/Amscot Building (Tampa, FL)
- Perimeter Associates, LLC – Perimeter Square (Tulsa, OK)
- Riversedge Office Associates, LLC – Riversedge North (Virginia Beach, VA)
- Tuckernuck Associates, LLC – Shoppes at TJ Maxx (Richmond, VA)
- Walnut Hill Plaza Associates, LLC – Walnut Hill Plaza (Petersburg, VA)

The Company prepared the accompanying combined financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP. The financial statements are prepared under the assumption that prior to or contemporaneously with completing the Offering and related formation transactions described in Note 3 to the combined financial statements, greater than 50% of the current owners of the ownership entities (prior investors) will enter into contribution agreements with the Operating Partnership, pursuant to which they will contribute 100% of their interests in the ownership entities to the Company or the Operating Partnership in exchange for partnership units.

The entities included in the accompanying combined financial statements are under common ownership and control. Each property included in the financial statements that will be owned by the Company through the Operating Partnership upon the completion of the Offering and the formation transactions is currently owned directly or indirectly by partnerships, limited liability companies or corporations in which Jon S. Wheeler and his affiliates, certain of the Company's other directors and executive officers and their affiliates and/or other third parties own a direct or indirect interest. See Note 10 "Related Party Transactions" for further information regarding the relationships and transactions between the Company and its related parties. Mr. Wheeler and his affiliates will continue to manage the properties and maintain significant influence over the operations and strategic direction of the Company. Accordingly, the Company relied on GAAP applicable to transactions between entities under common control when preparing the accompanying combined financial statements. In accordance with these principles, the Company prepared the accompanying combined financial statements using historical accounting records and has included the historical financial position, results of operations and cash flows applicable under GAAP. All material balances and transactions between the combined entities of the Company have been eliminated.

Wheeler Real Estate Investment Trust, Inc., organized as a Maryland corporation on June 23, 2011, intends to elect to be taxed as a Real Estate Investment Trust (REIT) beginning with its taxable year ending December 31, 2012. The Company will conduct substantially all of its business through Wheeler Real Estate Investment Trust, L.P., a Maryland limited partnership (the "Operating Partnership"). The Company will be structured as an UPREIT, which means that it will own most of its properties through the Company's Operating Partnership and its affiliates. The Company will represent the sole general partner of the Operating Partnership. As an UPREIT, the Company may be able to acquire properties on more attractive terms from sellers who can defer tax obligations by contributing properties to the Operating Partnership in exchange for Operating Partnership Units (See Note 3), which will be redeemable for cash or exchangeable for shares of our common stock at our election.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

1. Organization and Basis of Presentation and Consolidation (continued)

The Company was formed with the principle objective of acquiring, financing, developing, leasing, owning and managing income producing, strip centers, neighborhood, grocery-anchored, community and free-standing retail properties. Its strategy is to acquire high quality, well-located, dominant retail properties that generate attractive risk-adjusted returns. The Company will target competitively protected properties in communities that have stable demographics and have historically exhibited favorable trends, such as strong population and income growth. The Company considers competitively protected properties to be located in the most prominent shopping districts in their respective markets, ideally situated at major "Main and Main" intersections. The Company generally leases its properties to national and regional supermarket chains and select retailers that offer necessity and value oriented items and generate regular consumer traffic. The Company's tenants carry goods that are less impacted by fluctuations in the broader U.S. economy and consumers' disposable income, which it believes generates more predictable property-level cash flows.

The Company intends to execute an Initial Public Offering (the "Offering"). Upon completing the Offering, both the Offering net proceeds and the existing property investors' ownership interests will be contributed to the operating partnership in exchange for limited partner interests in the operating partnership. As a result, the common shareholders of the Company will hold a controlling interest in the operating partnership while the partnerhip unit holders (Prior Investors) will maintain a non-controlling interest in the operating partnership. In turn, the operating partnership will control the entities that own the individual properties. See additional disclosure regarding the Offering and formation transactions in Note 3 of the combined financial statements.

Upon consummation of the Offering, the Company expects that its portfolio will be comprised of six retail shopping centers, two free-standing retail properties, and one office building. Five of these properties are located in Virginia, two are located in Florida, one is located in North Carolina and one is located in Oklahoma. As of December 31, 2011, the Company's portfolio had total net rentable space of 368,865 square feet and an occupancy level of approximately 90% (unaudited).

2. Summary of Significant Accounting Policies

Investment Properties

The Company records investment properties and related intangibles at cost less accumulated depreciation and amortization. Investment properties include both acquired and constructed assets. Improvements and major repairs and maintenance are capitalized when the repair and maintenance substantially extends the useful life, increases capacity or improves the efficiency of the asset. All other repair and maintenance costs are expensed as incurred. The Company capitalizes interest on projects during periods of construction until the projects reach the completion point that corresponds with their intended purpose.

The Company allocates the purchase price of acquisitions to the various components of the acquisition based upon the fair value of each component which may be derived from various observable or unobservable inputs and assumptions. Also, the Company may utilize third party valuation specialists. These components typically include buildings, land and any intangible assets related to in-place leases the Company determines to exist.

The Company records depreciation on buildings and improvements utilizing the straight-line method over the estimated useful life of the asset, generally 5 to 40 years. The Company reviews depreciable lives of investment properties periodically and makes adjustments to reflect a shorter economic life, when necessary. Tenant allowances, tenant inducements and tenant improvements are amortized utilizing the straight-line method over the term of the related lease or occupancy term of the tenant, if shorter.

Amounts allocated to building are depreciated over the estimated remaining life of the acquired building or related improvements. The Company amortizes amounts allocated to tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. The Company also estimates the value of other acquired intangible assets, if any, and amortizes them over the remaining life of the underlying related intangibles.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (Continued)

The Company reviews investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable, but at least annually. These circumstances include, but are not limited to, declines in the property's cash flows, occupancy and fair market value. The Company measures any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization, plus its residual value, is less than the carrying value of the property. To the extent impairment has occurred, the Company charges to income the excess of carrying value of the property over its estimated fair value. The Company estimates fair value using unobservable data such as operating income, estimated capitalization rates, or multiples, leasing prospects and local market information. The Company may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. The Company did not record any impairment adjustments to its properties during the years ended December 31, 2011, 2010 and 2009.

Conditional Asset Retirement Obligation

A conditional asset retirement obligation represents a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement depends on a future event that may or may not be with the Company's control. Currently, the Company does not have any conditional asset retirement obligations. However, any such obligations identified in the future would result in the Company recording a liability if the fair value of the obligation can be reasonably estimated. Environmental studies conducted at the time the Company acquired its properties did not reveal any material environmental liabilities, and the Company is unaware of any subsequent environmental matters that would have created a material liability. The Company believes that its properties are currently in material compliance with applicable environmental, as well as non-environmental, statutory and regulatory requirements. The Company did not record any conditional asset retirement obligation liabilities during the years ended December 31, 2011, 2010 and 2009.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents consist primarily of bank operating accounts and money markets. Financial instruments that potentially subject the Company to concentrations of credit risk include its cash and cash equivalents and its trade accounts receivable. The Company places its cash and cash equivalents with institutions of high credit quality.

The Company places its cash and cash equivalents on deposit with financial institutions in the United States. On November 9, 2010, the Federal Deposit Insurance Corporation ("FDIC") issued a Final Rule implementing section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors, including consumers, businesses, and government entities. This unlimited coverage is separate from, and in addition to, the $250,000 insurance coverage provided to a depositor's other deposit accounts held at an FDIC-insured institution.

The Company's bank deposits were fully insured by the FDIC at December 31, 2011, based on specified coverage.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (Continued)

Tenant Receivables and Unbilled Rent

Tenant receivables include base rents, tenant reimbursements and receivables attributable to recording rents on a straight-line basis. The Company determines an allowance for the uncollectible portion of accrued rents and accounts receivable based upon customer credit-worthiness (including expected recovery of a claim with respect to any tenants in bankruptcy), historical bad debt levels, and current economic trends. The Company considers a receivable past due once it becomes delinquent per the terms of the lease. Our standard lease form considers a rent charge past due after five days. A past due receivable triggers certain events such as notices, fees and other allowable and required actions per the lease. As of December 31, 2011 and 2010, the Company's allowance for uncollectible accounts totaled $107,300 and $52,200, respectively. During the years ended December 31, 2011, 2010 and 2009, the Company recorded bad debt expense in the amount of $55,121, $9,632 and $73,204, respectively, related to tenant receivables that were specifically identified as potentially uncollectible based on the an assessment of the tenant's credit-worthiness. During the years ended December 31, 2011, 2010 and 2009, the Company did not realize any recoveries related to tenant receivables previously charged off.

Deferred Costs and Other Assets

The Company's deferred costs and other assets consists primarily of internal and external leasing commissions, fees incurred in order to obtain long-term financing, and various property escrow accounts for real estate taxes, insurance and tenant improvements and replacements. The Company records amortization of financing costs using the effective interest method over the terms of the respective loans or agreements. The Company's lease origination costs consist primarily of commissions paid in connection with lease originations. The Company records amortization of lease origination costs on a straight-line basis over the terms of the related leases. Details of these deferred costs, net of amortization and other assets are as follows:

	December 31,	
	2011	2010
Lease origination costs, net	$ 516,349	$ 592,397
Financing costs, net	64,911	75,669
Property escrows	341,567	330,348
Deferred REIT costs	924,398	—
Other	43,608	97,057
Total Deferred Costs and Other Assets	$1,890,833	$1,095,471

Amortization of lease origination costs and in place leases represents a component of depreciation and amortization expense. The Company reports amortization of financing costs, amortization of premiums, and accretion of discounts as part of interest expense. The Company accounts for in place lease assets as a component of the investment properties' cost basis (See Note 4 "Investment Properties"). Future amortization of lease origination, financing costs and in place leases is as follows:

For the Years Ending December 31,	Lease Origination Costs	Financing Costs	In Place Leases
2012	$ 127,875	$ 19,701	$30,229
2013	106,166	14,056	13,035
2014	89,413	9,482	10,920
2015	68,487	8,389	4,989
2016	50,770	8,389	1,779
Thereafter	73,638	4,894	5,812
	$ 516,349	$ 64,911	$66,764

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company retains substantially all of the risks and benefits of ownership of the investment properties and accounts for its leases as operating leases. The Company accrues minimum rents on a straight-line basis over the terms of the respective leases. Additionally, certain of the lease agreements contain provisions that grant additional rents based on tenants' sales volumes (contingent or percentage rent). Percentage rents are recognized when the tenants achieve the specified targets as defined in their lease agreements. During the years ended December 31, 2011, 2010 and 2009, the Company recognized percentage rents of $23,756, $33,557 and $34,605, respectively.

The Company's leases generally require the tenant to reimburse the Company for a substantial portion of its expenses incurred in operating, maintaining, repairing, insuring and managing the shopping center and common areas (collectively defined as Common Area Maintenance or "CAM" expenses). This significantly reduces the Company's exposure to increases in costs and operating expenses resulting from inflation or other outside factors. The Company accrues reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. The Company calculates the tenant's share of operating costs by multiplying the total amount of the operating costs by a fraction, the numerator of which is the total number of square feet being leased by the tenant, and the denominator of which is the average total square footage of all leasable buildings in the property. The Company also receives escrow payments for these reimbursements from substantially all its tenants throughout the year. The Company recognizes differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented.

The Company recognizes lease termination fees in the period that the lease is terminated and collection of the fees is reasonably assured. Upon early lease termination, the Company provides for losses related to unrecovered intangibles and other assets. The Company did not recognize any lease termination fees during the years ended December 31, 2011 and 2009. During the year ended December 31, 2010, the Company recognized $25,000 of lease termination fees which are included in tenant reimbursements income.

Income Taxes

The Company intends to elect to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code and applicable Treasury regulations relating to REIT qualification. In order to maintain this REIT status, the regulations require the Company to distribute at least 90% of its taxable income to stockholders and meet certain other asset and income tests, as well as other requirements. As a REIT, the Company will generally not be liable for federal corporate income taxes as long as it distributes 100% of its taxable income. Thus, the Company made no provision for federal income taxes for the REIT in the accompanying combined financial statements. If the Company fails to qualify as a REIT, it will be subject to tax at regular corporate rates for the years in which it failed to qualify. If the Company loses its REIT status it could not elect to be taxed as a REIT for four years unless the Company's failure to qualify was due to reasonable cause and certain other conditions were satisfied.

Management has evaluated the effect of the guidance provided by GAAP on *Accounting for Uncertainty of Income Taxes* and has determined that the Company had no uncertain income tax positions that could have a significant effect on the financial statements for the years ended December 31, 2011, 2010 and 2009.

The Company's income tax returns since 2008 are subject to examination by the Internal Revenue Service and state tax authorities, generally for three years after the tax returns were filed.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments

The carrying amount of financial instruments included in assets and liabilities approximates fair market value due to their immediate or short-term maturity.

Use of Estimates

The Company has made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. The Company's actual results could differ from these estimates.

Advertising Costs

The Company expenses advertising and promotion costs as incurred. The Company incurred advertising and promotion costs of $51,673, $33,407 and $30,055 for the years ended December 31, 2011, 2010 and 2009, respectively.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued additional guidance under Accounting Standards Update ("ASU") 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements*. This ASU improves disclosures regarding fair value under FASB Accounting Standard Codification ("ASC") No. 820 including (1) requiring an entity to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; (2) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances and settlements; and (3) providing clarification that a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and non-recurring fair value measurements. The Company's adoption of ASU 2010-06 had no material impact on its financial position, results of operations and cash flows.

In May 2011, the FASB issued guidance under FASB ASC No. 820 – *Fair Value Measurement*, which serves to converge guidance between the FASB and the International Accounting Standards Board ("IASB") for fair value measurements and their related disclosures. This guidance provides for common requirements for measuring fair value and for disclosing information about fair value measurements including the consistency of the meaning of the term "fair value". This guidance also provides clarification about the application of existing fair value measurements and disclosure requirements as well as changes in particular requirements for measuring fair value or for disclosing information about fair value measurements. The new requirements are effective for interim and annual periods beginning after December 15, 2011. Management is currently evaluating the impact of this guidance on its financial position, results of operations and cash flows.

The FASB and the IASB have initiated a joint project to develop a new approach to lease accounting that would ensure that assets and liabilities arising under leases are recognized in the statement of financial position. This proposed amendment to Topic 840 of the FASB Accounting Standards Codification would require a lessor to apply either a performance obligation approach or a derecognition approach to account for the assets and liabilities arising from a lease, depending on whether the lessor retains exposure to significant risks or benefits associated with the underlying asset during or after the expected term of the lease. The Company has not yet determined the effect of this proposed accounting proposal to the balance sheet.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (Continued)

In October 2011, the FASB issued a proposed accounting standards update to Real Estate – Investment Property Entities (Topic 973). The amendments of this proposed update would provide accounting guidance for entities that meet the criteria to be an investment property entity. The amendment would also introduce additional presentation and disclosure requirements. Investment properties acquired by an investment property entity would initially be measured at transaction price, including related transaction costs, and subsequently measured at fair value with all changes in fair value recognized in net income. In connection with this, a lessor of an investment property would not be required to apply the above mentioned proposed lessor accounting requirements for leases if the lessor measures its investment properties at fair value but would account for lease rental income on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished. The Company has not yet determined the impact of this proposed standard to the balance sheet.

In January 2012, the FASB issued a proposed ASC update to Topic 350, *"Intangibles – Goodwill and Other; Testing Goodwill for Impairment."* This amendment would give the Company the option to first assess qualitative factors to determine whether the existence of an event or circumstance indicates that it is more likely than not that indefinite – lived intangible assets are impaired before having to determine the fair value using the current quantitative approach.

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies are not currently applicable to the Company or are not expected to have a significant impact on the Company's financial position, results of operations and cash flows.

3. Structure and Formation of the Company

The Operating Partnership

Following the completion of the proposed Offering and the formation transactions, substantially all of the Company's assets will be held by, and its operations will be conducted through, the Operating Partnership. The Company will contribute the net proceeds from the Offering to the Operating Partnership in exchange for Operating Partnership units therein. The Company's interest in the Operating Partnership will generally entitle it to share in cash distributions from, and in the profits and losses of, the Operating Partnership in proportion to the Company's percentage ownership. As the sole general partner of the Operating Partnership, the Company will generally have the exclusive power under the partnership agreement to manage and conduct the Operating Partnership's business and affairs, subject to certain limited approval and voting rights of the limited partners.

Formation Transactions

Each property that will be owned by the Company through the Operating Partnership upon the completion of the Offering and the formation transactions is currently owned directly or indirectly by partnerships, limited liability companies or corporations in which Jon S. Wheeler and his affiliates (See Note 10), certain of the Company's other directors and executive officers and their affiliates and/or other third parties own a direct or indirect interest. The Company refers to these partnerships, limited liability companies and corporations collectively as the "ownership entities." The financial statements are prepared under the assumption that prior to or contemporaneously with completing the Offering and related formation transactions greater than 50% of the current owners of the ownership entities (prior investors) will enter into contribution agreements with the Operating Partnership, pursuant to which they will contribute their interests in the ownership entities to the Company or the Operating Partnership. The prior investors will receive cash or common units in exchange for their interests in the ownership entities. The value of the consideration to be paid to each of the prior investors in the formation transactions, in each case, will be based upon the terms of the applicable contribution agreement among the Operating Partnership, on the one hand, and the prior investor or investors, on the other hand, and will be determined based on a relative equity valuation analysis of all of the properties included in the Company's portfolio and the property management business. The Company has not obtained independent third-party appraisals of the properties in its portfolio.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

3. Structure and Formation of the Company (continued)

Pursuant to the formation transactions, the Company intends to use approximately $1.67 million of the net proceeds of the Offering to directly purchase The Shoppes at Eagle Harbor and approximately $500,000 to repay outstanding indebtedness and approximately $2.0 million for working capital purposes. Additionally, the Company expects to adopt the proposed 2012 Share Incentive Plan which will establish a pool for share options for the Company's employees following the completion of the Offering. This pool will contain options to purchase the Company's common stock equal to ten percent (10%) of the number of common shares outstanding at the conclusion of the Offering. The options will vest at a rate of 20% per year for five years and have a per share exercise price equal to the fair market value of one of the Company's common shares on the date of grant. Other than those granted under this pool, the Company will not grant any shares or options to its employees prior to the second anniversary of the closing of the Offering. The Company expects to grant options under this pool to certain employees as of the closing of the Offering. Any options granted as of the closing of the Offering will have an exercise price per common share equal to the Offering price.

Consequences of the Offering and the Formation Transactions

The completion of the Offering and the formation transactions will have the following consequences.

- The Company, through its interest in the Operating Partnership and its wholly owned affiliates, will indirectly own a 100% fee simple interest in all of the properties in its portfolio and will operate all of the properties in its portfolio;
- Purchasers of shares of the Company common stock in the Offering will own a percentage of the Company's outstanding common stock;
- The prior investors in the entities that own the properties in the Company's portfolio, including Mr. Wheeler and his affiliates and certain executive officers, will own a percentage of the Company's outstanding common stock; and
- The Company will be the sole general partner of the Operating Partnership, owning a certain percentage of the outstanding common units of partnership interest in the Operating Partnership. The prior investors in the entities that own the properties in the Company's portfolio, including Mr. Wheeler and his affiliates and certain executive officers, will also own certain percentage of the outstanding common units.

4. Investment Properties

Investment properties consist of the following:

	December 31,	
	2011	2010
Land	$ 8,539,665	$ 8,539,665
Buildings and improvements	28,461,208	28,293,777
In place leases	66,764	140,875
Investment properties at cost	37,067,637	36,974,317
Less accumulated depreciation and amortization	(8,096,084)	(6,771,960)
Investment properties at cost, net	$28,971,553	$30,202,357

The Company's depreciation and amortization expense was $1.32 million, $1.31 million and $1.26 million for the years ended December 31, 2011, 2010 and 2009, respectively.

All of the Company's land, buildings and improvements serve as collateral for its mortgage loans payable portfolio. Accordingly, restrictions exist as to each property's transferability, use and other common rights typically associated with property ownership.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

5. Real Estate Acquisitions

On August 9, 2010, the Company acquired the Mandarin Crossing shopping center located in Jacksonville, Florida. The transaction was valued at approximately $3.4 million, including the assumption of existing mortgage indebtedness of approximately $3.2 million. The Company funded the acquisition by raising investor capital.

The following table summarizes our recording of the assets acquired and liabilities assumed at the acquisition date:

	Total
Investment properties, at cost:	
Land	$ 841,152
Building and improvements	2,459,119
In place leases	144,729
Deferred costs, reserves and other assets	232,408
Total Assets	$3,677,408
Mortgages payable	$3,183,922
Accounts payable, accrued expenses, intangibles and deferred revenues	27,158
Total Liabilities	$3,211,080
Net Cash Outlay	$ 466,328

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

6. Mortgage Loans Payable

The Company's mortgage loans payable consist of the following:

	December 31, 2011	December 31, 2010
Mortgage term loan (The Shoppes at Eagle Harbor); payable in monthly principal and interest installments of $30,863; interest rate fixed at 6.20%; secured by real estate; matures April 2012.	$ 4,024,629	$ 4,138,109
Mortgage term loan (Lumber River Plaza); payable in monthly principal and interest installments of $18,414; interest rate fixed at 5.65%; secured by real estate; matures May 2015.	3,038,979	3,084,442
Mortgage term loan (Mandarin Crossing); payable in monthly principal and interest installments of $19,790; interest rate fixed at 6.37%; secured by real estate; matures August 2017.	3,139,896	3,173,412
Mortgage term loan (Monarch Bank Building); interest only payable monthly at a fixed rate of 7.00%; secured by real estate; matures December 2012.	2,044,462	2,044,462
Mortgage term loan (Amscot Building); payable in monthly principal and interest installments of $4,634; interest rate fixed at 6.50%; secured by real estate; matures April 2014.	348,171	—
Mortgage term loan (Perimeter Square); payable in monthly principal and interest installments of $28,089; interest rate fixed at 6.38%; secured by real estate; matures June 2016.	4,376,033	4,428,148
Mortgage term loan (Riversedge North); payable in monthly principal and interest installments of $13,556; interest rate fixed at 6.00%; secured by real estate; matures April 2013.	2,131,678	2,163,602
Mortgage term loan (Shoppes at TJ Maxx); payable in monthly principal and interest installments of $43,931; interest rate fixed at 6.57%; secured by real estate; matures September 2012.	6,042,235	6,162,552
Mortgage term loan (Walnut Hill Plaza); payable in monthly principal and interest installments of $25,269; interest rate fixed at 6.75%; secured by real estate; matures April 2014.	3,587,143	—
Mortgage term loan (Amscot Building); payable in monthly principal installments of $3,700 plus interest at 3 month Libor plus 2.80%; interest rate was 3.10% and 3.05% at December 31, 2010 and 2009, respectively; secured by real estate; matured February 2011.	—	380,175
Mortgage construction loan (Walnut Hill Plaza); interest only monthly at a 7.25% fixed rate; secured by real estate; matured March 2011.	—	3,624,229
Total Mortgage Loans Payable	$28,733,226	$29,199,131

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

6. Mortgage Loans Payable (continued)

Debt Maturity

The Company's scheduled principal repayments on indebtedness as of December 31, 2011 are as follows:

	Twelve Months Ending December 31,
2012	$ 12,375,027
2013	2,346,134
2014	3,900,912
2015	2,997,248
2016	4,176,854
Thereafter	2,937,051
Total principal maturities	$ 28,733,226

7. Rentals under Operating Leases

Future minimum rentals to be received under noncancelable tenant operating leases for each of the next five years and thereafter, excluding CAM and percentage rent based on tenant sales volume, as of December 31, 2011 are as follows:

	Twelve Months Ending December 31,
2012	$ 3,952,371
2013	3,528,328
2014	2,968,485
2015	2,508,480
2016	2,115,415
Thereafter	2,734,319
	$ 17,807,398

8. Equity

Equity currently consists of partnership interests in the Company's nine properties (see Note 1). The Company has authority to issue 1,000,000 shares of $0.01 par value common stock. The Board of Directors (once formed), with the approval of a majority of the entire Board and without an action by the stockholders of the Company, may amend the charter to increase or decrease the aggregate number of common shares available. Additionally, the Company's Board may authorize the issuance of shares of its stock of any class or securities convertible into shares of its stock of any class. During January 2012, the Company amended its Articles of Incorporation to increase the total authorized shares of Series A Convertible Preferred Stock to 500,000. Prior to consummation of the Offering and formation transactions, the Company intends to amend its Articles of Incorporation by increasing the number of shares authorized in order to accommodate shares required to complete the Offering. During the year ended December 31, 2011, the Company issued 126,250 shares of Series A Convertible Preferred Stock at $4.00 per share generating $505,000 in proceeds to cover anticipated Offering expenses to be incurred prior to closing. Subsequent to December 31, 2011, the Company issued an additional 57,250 shares of Series A Convertible Preferred Stock at $4.00 per share generating $229,000 in proceeds. All outstanding preferred stock shares are convertible into shares of common stock upon completion of the Offering at a conversion rate of $4.00 divided by 66.66% of the offering price.

Contemporaneously with executing the Offering and formation transactions, the prior investors (See Note 3) will receive cash or common units in exchange for their interests in the ownership entities. The value of the consideration to be paid to each of the prior investors in the formation transactions will be based upon the terms of the applicable contribution agreement among the Operating Partnership and the prior investor(s), and will be determined based on a relative equity valuation analysis of all of the properties included in the Company's portfolio and the property management business. The common units issued in exchange for each property's ownership interest will be convertible into common stock 180 days after the Offering prospectus becomes effective.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

9. Commitments and Contingencies

Litigation

The Company is involved in various legal proceedings arising in the ordinary course of its business, including, but not limited to commercial disputes. The Company believes that such litigation, claims and administrative proceedings will not have a material adverse impact on its financial position or its results of operations. The Company records a liability when it considers the loss probable and the amount can be reasonably estimated.

Lease Commitments

As of December 31, 2011, one of the combined properties is subject to a ground lease which terminates in 2045. The ground lease requires the Company to make a fixed annual rental payment and includes escalation clauses and renewal options. The Company incurred ground lease expense included in other expense of $29,500, $26,100 and $24,800 during the years ended December 31, 2011, 2010 and 2009, respectively.

Future minimum lease payments due under the ground lease, including applicable automatic extension options, are as follows (unaudited):

	Twelve Months Ending December 31,
2012	$ 12,000
2013	12,000
2014	12,000
2015	16,613
2016	18,150
Thereafter	668,430
	$ 739,193

Insurance

The Company carries comprehensive liability, fire, extended coverage, business interruption and rental loss insurance covering all of the properties in its portfolio under a blanket insurance policy, in addition to other coverages, such as trademark and pollution coverage, that may be appropriate for certain of its properties. The Company believes the policy specifications and insured limits are appropriate and adequate for its properties given the relative risk of loss, the cost of the coverage and industry practice; however, its insurance coverage may not be sufficient to fully cover its losses.

Concentration of Credit Risk

The Company is subject to risks incidental to the ownership and operation of commercial real estate. These risks include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rates, the availability of financing and potential liability under environmental and other laws.

The Company's portfolio of properties is dependent upon regional and local economic conditions and is geographically concentrated in the Mid-Atlantic, Southeast, and Southwest, which markets represented approximately 73%, 10%, and 17%, respectively, of the total annualized base rent of the properties in its portfolio as of December 31, 2011. The Company's geographic concentration may cause it to be more susceptible to adverse developments in those markets than if it owned a more geographically diverse portfolio. Additionally, the Company's retail shopping center properties depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

9. Commitments and Contingencies (continued)

The Company does not have any tenants that individually represent 10% or more of its combined total assets or 10% or more or its combined gross revenues. The following represent the Company's properties that are components of its portfolio and which each individually represents 10% or more of the related property's total assets or gross revenues:

		(Unaudited)					
		Net Rentable Square	Square Footage Leased		Annual Lease		Option Periods
Property/Tenant	Location	Feet	Amount	Percentage	Payments	Expiration Date	Remaining
Shoppes at TJ Maxx	Richmond, VA	93,552					
Tenant 1			32,400	34.63%	$294,192	4/30/2014	—
Walnut Hill Plaza	Petersburg, VA	89,907					
Tenant 1			15,000	16.68%	$ 73,050	2/28/2013	—
Tenant 2			14,812	16.47%	$ 97,759	2/29/2016	2
Tenant 3			11,780	13.10%	$106,020	3/31/2018	1
Tenant 4			9,875	10.98%	$ 45,425	7/30/2013	—
Lumber River Plaza	Lumberton, NC	66,781					
Tenant 1			30,280	45.34%	$155,250	6/30/2013	5
Tenant 2			9,100	13.63%	$ 63,700	9/30/2015	1
Tenant 3			8,001	11.98%	$ 44,520	12/31/2012	2
Perimeter Square	Tulsa, OK	58,277					
Tenant 1			26,813	46.01%	$339,162	6/30/2018	—
Tenant 2			10,754	18.45%	$ 90,334	7/31/2012	1
Mandarin Crossing	Jacksonville, FL	20,375					
Tenant 1			5,000	24.54%	$ 85,000	4/30/2016	—
Tenant 2			5,000	24.54%	$ 56,000	5/31/2017	—
Tenant 3			2,500	12.27%	$ 53,300	7/31/2015	—
The Shoppes at Eagle Harbor	Carrollton, VA	23,303					
Tenant 1			7,012	30.09%	$146,970	9/30/2015	4
Tenant 2			5,337	22.90%	$ 80,996	10/31/2016	1
Tenant 3			4,084	17.53%	$ 81,680	1/31/2014	2
Tenant 4			2,812	12.07%	$ 61,864	7/31/2014	—
Riversedge North	Virginia Beach, VA	10,550					
Tenant 1			10,550	100.00%	$282,638	11/14/2017	4
Monarch Bank Building	Virginia Beach, VA	3,620					
Tenant 1			3,620	100.00%	$218,360	12/31/2012	2
Amscot Building	Tampa, FL	2,500					
Tenant 1			2,500	100.00%	$100,738	3/31/2020	3

The Net Rentable Square Feet and square footage lease data in the above table has not been audited, but has been included in the above table because management believes that it is useful information.

Regulatory and Environmental

As the owner of the buildings on our properties, the Company could face liability for the presence of hazardous materials (e.g., asbestos or lead) or other adverse conditions (e.g., poor indoor air quality) in its buildings. Environmental laws govern the presence, maintenance, and removal of hazardous materials in buildings, and if the Company does not comply with such laws, it could face fines for such noncompliance. Also, the Company could be liable to third parties (e.g., occupants of the buildings) for damages related to exposure to hazardous materials or adverse conditions in its buildings, and the Company could incur material expenses with respect to abatement or remediation of hazardous materials or other adverse conditions in its buildings. In addition, some of the Company's tenants routinely handle and use hazardous or regulated substances and wastes as part of their operations at our properties, which are subject to regulation. Such environmental and health and safety laws and regulations could subject the Company or its tenants to liability resulting from these activities. Environmental liabilities could affect a tenant's ability to make rental payments to the Company, and changes in laws could increase the potential liability for noncompliance. This may result in significant unanticipated expenditures or may otherwise materially and adversely affect the Company's operations. The Company is not aware of any material contingent liabilities, regulatory matters or environmental matters that may exist.

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

10. Related Party Transactions

Jon S. Wheeler ("Mr. Wheeler"), the Company's Chairman and President, when combined with his affiliates and after the execution of the contemplated transactions, will represent the Company's second largest stockholder. Wheeler Interests, LLC and its affiliates (Wheeler Interests), controlled by Mr. Wheeler, provide administrative services to the Company, including management, administrative, accounting, marketing, development and design services. Pursuant to the terms of the Company's administrative services agreement, Wheeler Interests' responsibilities include administering the Company's day-to-day business operations, identifying and acquiring targeted real estate investments, overseeing the management of the investments, and handling the disposition of the real estate investments. The Company also benefits from Wheeler Interests' affiliates that specialize in retail real estate investment and management, including (i) Wheeler Development, LLC, a full service real estate development firm, (ii) Wheeler Capital, LLC, a capital investment firm specializing in venture capital, financing, and small business loans, (iii) Wheeler Real Estate, LLC, a real estate management and administration firm, (iv) Site Applications, LLC, a full service facility company, equipped to handle all levels of building maintenance, (v) Graham Cracker V, LLC, d/b/a Creative Retail Works, a full service design house, specializing in shopping centers and their tenants, and (vi) TESR, LLC, a tenant relations company, serving as a liaison between property management, lease administration and leasing and working to provide information on the health and fiscal viability of each tenant.

Wheeler Interests leases the Company's Riversedge property under a 10 year operating lease expiring in November 2017, with four five year renewal options available. The lease currently requires monthly base rent payments of $23,600 and provides for annual increases throughout the term of the lease and subsequent option periods. Additionally, Wheeler Interests reimburses the Company for a portion of the property's operating expenses and real estate taxes.

The following summarizes related party activity as of and for the years ended December 31, 2011, 2010 and 2009:

	December 31,		
	2011	2010	2009
Amounts paid to Wheeler Interests and its affiliates:			
Wheeler Interests	$ 441,846	$ 158,744	$ 149,390
Wheeler Development	15,364	700	22,300
Wheeler Real Estate	238,442	237,061	239,225
Site Applications	160,331	261,912	829,658
Creative Retail Works	67,427	16,826	18,251
TESR	60,882	26,450	35,582
	$ 984,292	$ 701,693	$1,294,406
Amounts due to Wheeler Interests and its affiliates:			
Wheeler Interests	$ 13,450	$ 12,564	$ 26,154
Wheeler Development	—	38	—
Wheeler Real Estate	19,977	24,947	1,649
Site Applications	16,356	1,835	40,978
Creative Retail Works	25,829	—	3,509
TESR	9,795	38,704	4,472
Jon Wheeler and affiliates	1,230,714	1,197,876	1,004,548
	$1,316,121	$1,275,964	$1,081,310
Rent and reimbursement income received from Wheeler Interests	$ 396,500	$ 396,600	$ 425,400
Rent and other tenant receivables due from Wheeler Interests	$ 128,790	$ 97,573	$ 69,250

Wheeler Real Estate Investment Trust, Inc. and Affiliates
Notes to Combined Financial Statements (continued)

10. Related Party Transactions (continued)

The amounts outstanding to Mr. Wheeler and Wheeler Interests at December 31, 2011, 2010 and 2009 primarily consisted of a payable due from The Shoppes at Eagle Harbor property to its owner, a company in which Mr. Wheeler holds a substantial investment and management position. This amount primarily consists of advances to the property for construction costs incurred to build the center in excess of what was financed through the lender, and for a subsequent $250,000 principal curtailment required by the lender in conjunction with converting the construction loan to permanent financing; the lender required this payment due to cap rate changes and other factors occurring subsequent to their original underwriting of the construction loan as a result of the economic downturn beginning in 2008. In conjunction with the formation transactions and Offering, the REIT will use approximately $1.67 million of the net proceeds to purchase The Shoppes at Eagle Harbor property from DF-1 Carrollton, LLC. Per the DF-1 Carrollton, LLC operating agreement, this transaction will constitute a capital event, resulting in a distribution to DF-1 Carrollton, LLC, a portion of which will go towards satisfying the outstanding amounts due from the property.

Upon completion of the Offering and related formation transactions, properties that will be owned by the Company through the Operating Partnership are currently owned directly or indirectly by partnerships, limited liability companies or corporations in which Mr. Wheeler and his affiliates, certain of the Company's other directors and executive officers and their affiliates own a direct or indirect interest. Additionally, Mr. Wheeler will effectively control the Company in his role as President and Chairman of its board of directors. See additional disclosure regarding the Offering and formation transactions in Note 3 of the combined financial statements.

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Until , 2012 (90 days after the date of this prospectus), all dealers that effect transactions in our common shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as placement agent and with respect to their unsold allotments or subscriptions.

3,000,000 Share Minimum
4,000,000 Share Maximum

Wheeler Real Estate Investment Trust, Inc.

Common Stock

PROSPECTUS

Wellington Shields & Co., LLC **Capitol Securities Management, Inc.**

, 2012

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. ***Other Expenses of Issuance and Distribution.***

The following table itemizes the expenses incurred by us in connection with the issuance and registration of the securities being registered hereunder. All amounts shown are estimates except for the Securities and Exchange Commission registration fee.

SEC Registration Fee	$ 2,728
NASDAQ Capital Market Listing Fee	50,000
FINRA Filing Fee	2,880
Printing Expenses	35,000
Legal Fees and Expenses (other than Blue Sky)	600,000
Accounting Fees and Expenses	300,000
Miscellaneous	34,392
Total	$1,025,000

Item 32. ***Sales to Special Parties.***

None.

Item 33. ***Recent Sales of Unregistered Securities.***

On August 2, 2011, we completed a private offering of 126,250 shares of our Series A Convertible Preferred Stock at an offering price of $4.00 per share. There were no underwriting discounts or commissions in connection with such issuance and we received proceeds of $505,000. Such shares were purchased by 16 investors, all of whom are "accredited investors" as defined under Regulation D of the Securities Act of 1933. The issuance of such shares was effected in reliance upon exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder.

On January 26, 2012, we completed a private offering of 57,250 shares of our Series A Convertible Preferred Stock at an offering price of $4.00 per share. There were no underwriting discounts or commissions in connection with such issuance and we received proceeds of $229,000. Such shares were purchased by 10 investors, all of whom are "accredited investors" as defined under Regulation D of the Securities Act of 1933. The issuance of such shares was effected in reliance upon exemptions from registration provided by Section 4(2) of the Securities Act of 1933, as amended and Rule 506 of Regulation D promulgated thereunder.

In connection with the formation transactions, an aggregate of common units with an aggregate value of $, based on the mid-point of the range of prices on the cover of the prospectus, will be issued to certain persons owning interests in the entities that own the properties comprising our portfolio as consideration in the formation transactions. All such persons had a substantive, pre-existing relationship with us. The issuance of such units will be effected in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended and corresponding state securities registration exemptions.

Item 34. ***Indemnification of Directors and Officers.***

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision which eliminates our directors' and officers' liability to the maximum extent permitted by Maryland law.

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

the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty; (b) the director or officer actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a Maryland corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Our charter authorizes us, to the maximum extent permitted by Maryland law, to obligate ourselves and our bylaws obligate us, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any of the foregoing capacities and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our charter and bylaws also permit us to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employees or agents of our company or a predecessor of our company. Furthermore, our officers and directors are indemnified against specified liabilities by the placement agent, and the placement agent is indemnified against certain liabilities by us, under the placement agreement relating to this offering. See "Plan of Distribution."

We intend to enter into indemnification agreements with each of our executive officers and directors whereby we indemnify such executive officers and directors to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer or director to a court of appropriate jurisdiction, such court may order us to indemnify such executive officer or director.

In addition, our directors and officers are indemnified for specified liabilities and expenses pursuant to the Partnership Agreement of Wheeler Real Estate Investment Trust, L.P., the partnership of which we serve as sole general partner.

Item 35. ***Treatment of Proceeds from Stock Being Registered.***

None.

Item 36. ***Financial Statements and Exhibits.***

(A) *Financial Statements.* See Index to Combined Financial Statements and the related notes thereto.

(B) *Exhibits*. The attached Exhibit Index is incorporated herein by reference.

Item 37. ***Undertakings.***

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:

(i) include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) that, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to file a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(4) that, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) that, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the Registrant will be a seller to the purchaser and will be considered to offer or

sell such securities to such purchaser:

(i) any preliminary prospectus or prospectus of the Registrant relating to the offering filed pursuant to Rule 424;

(ii) any free writing prospectus relating to the offering prepared by or on behalf of the Registrant or used or referred to by the Registrant;

(iii) the portion of any other free writing prospectus relating to the offering containing material information about the Registrant or its securities provided by or on behalf of the Registrant; and

(iv) any other communication that is an offer in the offering made by the Registrant to the purchaser.

(6) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(7) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

The undersigned registrant hereby further undertakes to provide to the placement agent at the closing specified in the placement agreement, certificates in such denominations and registered in such names as required by the placement agent to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

TABLE VI
ACQUISITIONS OF PROPERTIES BY PROGRAMS
(Unaudited)

The following table provides information with respect to properties acquired by programs sponsored by our sponsor and his affiliates during the most recent three years.

Name	Port Crossing Shopping Center	Liberty Storage (Liberty Property Associates)	Liberty Storage (Disney Associates)	Shops at Liberty Square	LaGrange Marketplace	Mandarin Crossing
Location	Harrisonburg, VA	Grove, OK	Tulsa, OK	Grove, OK	LaGrange, GA	Jacksonville, FL
Type of Property	Shopping Center	Storage Facility	Storage Facility	Shopping Center	Shopping Center	Shopping Center
Gross leasable space (sq. ft) or number of units and total square feet of units	66,365.00	104,000.00	—	1,350.00	76,594.00	20,375.00
Date of purchase Mortgage financing at date of purchase	2/13/2009	5/20/2009	1/15/2010	2/25/2010	3/1/2010	8/9/2010
Cash down payment Contract purchase price plus acquisition fee	7,500,000.00	3,550,000.00	540,000.00	21,292.00	3,000,000.00	3,445,000.00

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that the registrant meets all of the requirements for filing on Form S-11 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Virginia Beach, Commonwealth of Virginia, on this 16th day of March, 2012.

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By: /s/ JON S. WHEELER
Jon S. Wheeler
Chairman and President

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Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/S/ JON S. WHEELER **Jon S. Wheeler**	Chairman of the Board of Directors and President (Principal Executive Officer)	March 16, 2012
/S/ STEVEN M. BELOTE **Steven M. Belote**	Chief Financial Officer (Principal Financial and Accounting Officer)	March 16, 2012

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EXHIBIT INDEX

Exhibit	
1.1	Form of Placement Agreement(1)
3.1	Form of Articles of Amendment and Restatement of Wheeler Real Estate Investment Trust, Inc.(2)
3.2	Amended and Restated Bylaws of Wheeler Real Estate Investment Trust, Inc.(2)
4.1	Form of Certificate of Common Stock of Wheeler Real Estate Investment Trust, Inc.(3)
5.1	Opinion of Kaufman & Canoles, P.C.(3)
8.1	Opinion of Kaufman & Canoles, P.C. with respect to tax matters(3)
10.1	Form of Agreement of Limited Partnership of Wheeler Real Estate Investment Trust, L.P.(1)
10.2	Form of Indemnification Agreement between Wheeler Real Estate Investment Trust, Inc. and its officers and directors(2)
10.3	Wheeler Real Estate Investment Trust, Inc. 2012 Stock Incentive Plan(1)
10.4	Form of OP Contribution Agreement contributing the managing member interests of the Amscot Building, Monarch Bank and Riversedge North properties to Wheeler Real Estate Investment Trust, L.P.(2)
10.5	Form of Lock-Up Agreement(1)
10.6	Employment Agreement with Jon S. Wheeler(1)
10.7	Employment Agreement with Steven M. Belote(1)
10.8	Employment Agreement with Robin A. Hanisch(1)
10.9	Administrative Services Agreement by and between Wheeler Real Estate Investment Trust, Inc. and WHLR Management, LLC(1)
10.10	Form of OP Contribution Agreement contributing the managing member interests of Lumber River Village, Mandarin Crossing, Perimeter Square, Shoppes at TJ Maxx and Walnut Hill Plaza properties to Wheeler Real Estate Investment Trust, L.P.(2)
10.11	Form of OP Contribution Agreement contributing the non-managing member interests of the Amscot Building, Monarch Bank and Riversedge North properties to Wheeler Real Estate Investment Trust, L.P.(1)
10.12	Form of OP Contribution Agreement contributing the non-managing member interests of the Lumber River Village, Mandarin Crossing, Perimeter Square, Shoppes at TJ Maxx and Walnut Hill Plaza properties to Wheeler Real Estate Investment Trust, L.P.(2)
10.13	Form of Subordination Agreement(1)
10.14	Letter Agreement, dated March 13, 2012, by and between Jon S. Wheeler and Harrison J. Perrine(1)
10.15	Form of Warrant Agreement(1)
10.16	Form of Escrow Agreement(1)
21.1	List of Subsidiaries of the Registrant(2)
23.1	Consent of Cherry Bekaert & Holland, L.L.P.(1)
23.2	Consent of Kaufman & Canoles, P.C. (included in Exhibit 5.1)(3)
23.3	Consent of Kaufman & Canoles, P.C. (included in Exhibit 8.1)(3)
99.1	Code of Business Conduct and Ethics(2)
99.2	Consent of director nominees to serve on board of directors(2)

(1) Filed herewith.
(2) Previously filed.
(3) To be filed by amendment.

Exhibit 1.1

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

Public Offering of Shares of Common Stock

Maximum: 4,000,000 Shares

Minimum: 3,000,000 Shares

PLACEMENT AGREEMENT

, 2012

Wellington Shields & Co., LLC and
Capitol Securities Management, Inc. (the "Placement Agents")

c/o Wellington Shields & Co., LLC
140 Broadway
New York, NY 10005

Ladies and Gentlemen:

The undersigned, Wheeler Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), hereby confirms its agreement with you (unless otherwise defined herein, the term "you" shall collectively refer to the Placement Agents) as follows:

1. **Introduction**. This Agreement sets forth the understandings and agreements between the Company and you whereby, subject to the terms and conditions herein contained, you will offer to sell, on a "best efforts basis" on behalf of the Company (the "Offering"), a minimum of 3,000,000 shares and a maximum of 4,000,000 shares of the common stock of the Company, par value $0.01 (the "Shares"). The terms of the offering will be [ ]. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the prospectus prepared by the Company and dated [—] (the "Prospectus") (defined again in Section 2(a).

2. **Representations and Warranties of the Company**. The Company makes the following representations and warranties to you:

(a) Registration Statement and Prospectus. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-11 (File No. 333-177262) (as defined below, the "Registration Statement") conforming to the requirements of the Securities Act of 1933, as amended (the "1933 Act"), and the applicable rules and regulations (the "Rules and Regulations") of the Commission. Such amendments to such Registration Statement as may have been required prior to the date hereof have been filed with the Commission, and such amendments have been similarly prepared. Copies of the Registration Statement, any and all amendments thereto prepared and filed with the Commission, and the exhibits, financial statements and schedules, as finally amended and

revised, have been delivered to you for review. The term "Registration Statement" as used in this Agreement shall mean the Company's Registration Statement on Form S-11, including the Prospectus, any documents incorporated by reference therein, and all financial schedules and exhibits thereto, as amended on the date that the Registration Statement becomes effective, and any registration statement related to the Offering that is filed pursuant to Rule 462(b) of the 1933 Act. The term "Prospectus" (previously defined) as used in this Agreement shall mean the prospectus relating to the Shares in the form in which it was filed with the Commission pursuant to Rule 424(b) of the 1933 Act or, if no filing pursuant to Rule 424(b) of the 1933 Act is required, shall mean the form of the final prospectus included in the Registration Statement when the Registration Statement becomes effective. The terms "effective date" and "effective" refer to the date the Commission declares the Registration Statement effective pursuant to Section 8 of the 1933 Act.

(b) Adequacy of Disclosure. When the Registration Statement shall become effective, when the Prospectus is first filed pursuant to Rule 424(b) of the Rules and Regulations, when any amendment to the Registration Statement becomes effective, when any supplement to the Prospectus is filed with the Commission and on the Closing Date (as hereinafter defined), (i) the Registration Statement, the Prospectus and any amendments thereof and supplements thereto will conform in all material respects with the applicable requirements of the 1933 Act and the Rules and Regulations, and (ii) neither the Registration Statement, the Prospectus nor any amendment or supplement thereto will contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by you expressly for use in the Registration Statement.

(c) No Stop Order. The Commission has not issued any order preventing or suspending the use of the Prospectus with respect to the Shares, and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened by the Commission or the state securities or blue sky authority of any jurisdiction.

(d) Company; Organization and Qualification. The Company has been duly incorporated and is validly existing and of active status as a corporation under the laws of the State of Maryland with all requisite corporate power and authority to enter into this Agreement, to conduct its business as now conducted and as proposed to be conducted, and to own and operate its properties, investments and assets, as described in the Registration Statement and Prospectus. The Company is not in violation of any provision of its charter, bylaws, as amended, or other governing documents and is not in default under or in breach of, and does not know of the occurrence of any event that with the giving of notice or the lapse of time or both would constitute a default under or breach of, any term or condition of any material agreement or instrument to which it is a party or by which any of its properties, investments or assets is bound, except as disclosed in the Registration Statement and Prospectus or except as would not, individually or in the aggregate, result in any material adverse effect on the business, financial position, shareholders' equity or results of operations of the Company (a "Material Adverse Effect"). Except as noted in the Prospectus, the Company does not own or control, directly or indirectly, any other corporation, association, or other entity. The Company has furnished to you

copies of its charter, bylaws, as amended, and all other governing documents, and all such copies are true, correct and complete and contain all amendments thereto through the date of this Agreement.

(e) Validity of Shares. The Shares, including shares issuable upon exercise of warrants issued to the Placement Agents, have been duly and validly authorized by the Company and upon issuance against payment therefor as provided herein, will be validly issued, fully paid and non-assessable, and will conform to the description thereof contained in the Prospectus. No party has any preemptive rights with respect to any of the Shares or any right of participation or first refusal with respect to the sale of the Shares by the Company. No person or entity holds a right to require or participate in the registration under the 1933 Act of the Shares pursuant to the Registration Statement. Except as set forth in the Prospectus, no person holds a right to require registration under the 1933 Act of any security of the Company at any other time. The form of certificate evidencing the Shares complies with all applicable requirements of Maryland law.

(f) Capitalization. As of the date of this Agreement, the authorized capital stock of the Company consists of 15,000,000 shares of common stock, of which 0 shares are issued and outstanding and 500,000 shares of Series A Convertible preferred Stock, of which 183,500 are issued and outstanding. All shares of the issued and outstanding common and preferred stock of the Company have been duly authorized, validly issued, fully paid and non-assessable. Except as disclosed in the Registration Statement and Prospectus (including any public filing incorporated by reference into the Prospectus), there is no outstanding option, warrant or other right calling for the issuance of, and no commitment, plan or arrangement to issue, any shares of capital stock of the Company or any security convertible into or exchangeable for capital stock of the Company.

(g) Full Power; Company. The Company has full legal right, power, and authority to enter into this Agreement and the Escrow Agreement among the Company, SunTrust Bank, a Georgia banking corporation (the "Escrow Agent") and you (the "Escrow Agreement"), to issue and deliver the Shares as provided herein and in the Prospectus and to consummate the transactions contemplated herein and in the Prospectus. Each of this Agreement and the Escrow Agreement have been duly authorized, executed, and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except to the extent that enforceability may be limited by (i) bankruptcy, insolvency, moratorium, liquidation, reorganization, or similar laws affecting creditors' rights generally, regardless of whether such enforceability is considered in equity or at law, (ii) general equity principles, and (iii) limitations imposed by federal and state securities laws or the public policy underlying such laws regarding the enforceability of indemnification or contribution provisions.

(h) Disclosed Agreements. All agreements between or among the Company and third parties expressly referenced in the Prospectus are legal, valid, and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent enforceability may be limited by (i) bankruptcy, insolvency, moratorium, liquidation, reorganization, or similar laws affecting creditors' rights generally, regardless of whether such enforceability is considered in equity or at law, (ii) general equity principles and (iii) limitations imposed by federal or state securities laws or the public policy underlying such laws regarding the enforceability of indemnification or contribution provisions.

(i) Consents. Except as disclosed in the Registration Statement and Prospectus, each consent, approval, authorization, order, license, certificate, permit, registration, designation or filing by or with any governmental agency or body or any other third party necessary for the valid authorization, issuance, sale and delivery of the Shares, the execution, delivery and performance of this Agreement and the consummation by the Company of the transactions contemplated hereby and by the Registration Statement and Prospectus, except such as may be required under the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934 Act"), or under state securities laws has been made or obtained and is in full force and effect.

(j) Litigation. There is not pending or, to the knowledge of the Company, threatened or contemplated, any action, suit, proceeding, inquiry, or investigation before or by any court or any governmental authority or agency to which the Company may be a party, or to which any of the properties or rights of the Company may be subject, that is not described in the Registration Statement and Prospectus and (i) that may reasonably be expected to result in a Material Adverse Effect, (ii) that may reasonably be expected to materially adversely affect any of the material properties of the Company or (iii) that may reasonably be expected to adversely affect the consummation of the transactions contemplated by this Agreement.

(k) Financial Statements. The financial statements of the Company together with related schedules and notes included in the Registration Statement and Prospectus by incorporation by reference fairly present in all material respects the consolidated financial position of the Company as of the dates indicated and the results of operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("US GAAP") applied on a consistent basis during the periods involved. The financial statement schedules, if any, incorporated by reference into the Registration Statement fairly present in all material respects the information shown therein and have been compiled on a basis consistent with the financial statements, the Registration Statement and the Prospectus. The unaudited financial information (including the related notes) incorporated by reference into the Prospectus complies as to form in all material respects to the applicable accounting requirements of the 1933 Act and the Rules and Regulations, and management of the Company believes that the assumptions underlying any adjustments are reasonable. Such adjustments have been properly applied to the historical amounts in the compilation of the information and such information fairly presents in all material respects with respect to the Company the financial position, results of operations and other information purported to be shown therein at the respective dates and for the respective periods specified.

(l) Independent Accountants. Cherry, Bekaert & Holland, L.L.P., who have audited certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the 1933 Act and the Rules and Regulations.

(m) Disclosed Liabilities. The Company has not sustained, since January 1, 2011, any material loss or interference with its business from fire, explosion, flood, hurricane, accident, or other calamity, whether or not covered by insurance, or from any labor dispute or arbitrators' or court or governmental action, order, or decree, otherwise than as set forth or contemplated in the Registration Statement and Prospectus. Since the respective dates as of which information is given in the Registration Statement and Prospectus, and except as otherwise stated in the

Registration Statement and Prospectus, there has not been (i) any material change in the capital stock, long-term debt, obligations under capital leases, or short-term borrowings of the Company, (ii) any material adverse change, or any development that could reasonably be expected to result in a prospective material adverse change in the business, properties, assets, results of operations or condition (financial or other) of the Company, (iii) any liability or obligation, direct or contingent, incurred or undertaken by the Company that is material to the business or condition (financial or other) of the Company, except for liabilities or obligations incurred in the ordinary course of business, (iv) any declaration or payment of any dividend or distribution of any kind on or with respect to the capital stock of the Company, or (v) any transaction that is material to the Company, except transactions in the ordinary course of business or as otherwise disclosed in the Registration Statement and Prospectus.

(n) Required Licenses and Permits. Except as disclosed in the Prospectus, the Company owns, possesses, has obtained or in the ordinary course of business will obtain, and has made available for your review, all material permits, licenses, franchises, certificates, consents, orders, approvals, and other authorizations of governmental or regulatory authorities as are necessary to own or lease, as the case may be, and to operate its properties and to carry on its business as presently conducted, or as contemplated in the Prospectus to be conducted (the "Permits"), except for such permits, licenses, franchises, certificates, consents, orders, approvals, and other authorizations, the failure of which to have or maintain would not, individually or in the aggregate, have a Material Adverse Effect, and the Company has not received any notice of proceedings relating to revocation or modification of any such Permits, except where such revocation or modification would not have a Material Adverse Effect.

(o) Internal Accounting Measures. The Company maintains an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the 1934 Act) that complies with the requirements of the 1934 Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company has carried out evaluations of the effectiveness of its disclosure controls and procedures as required by Rule 13a-15 of the 1934 Act. The Company also maintains a system of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the 1934 Act) that complies with the requirements of the 1934 Act and has been designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with US GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Based on the Company's most recent evaluation of its internal controls over financial reporting pursuant to Rule 13a-15(c) of the 1934

Act, except as disclosed in the Registration Statement and the Prospectus, there are no material weaknesses in the Company's internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. Upon the effectiveness of the Registration Statement, the Company will be in compliance in all material respects with all provisions of the Sarbanes-Oxley Act of 2002 that are effective and applicable to the Company as of such date as an "issuer" as defined under the Sarbanes-Oxley Act of 2002.

(p) Taxes. The Company has properly filed all necessary federal, state, local, and foreign income tax returns required to be filed by it and has paid all taxes shown as due and payable thereon (or has obtained appropriate extensions), except for taxes that are being contested in good faith and for which adequate reserves have been established in the Company's financial statements. No tax deficiency has been asserted or, to the knowledge of the Company, threatened to be asserted against the Company. The Company has made appropriate provisions in the financial statements included in the Registration Statement and Prospectus by incorporation for all tax liabilities of the Company that have not been determined as of such date, except to the extent it would not have a Material Adverse Effect.

(q) Compliance with Instruments. The execution, delivery and performance of this Agreement and the Escrow Agreement, the compliance with the terms and provisions hereof and the consummation of the transactions contemplated herein, therein and in the Registration Statement and Prospectus by the Company, do not and will not violate or constitute a breach of, or default under: (i) the charter, bylaws, or other governing document of the Company, as amended; (ii) any of the terms, provisions, or conditions of any material instrument, agreement, or indenture to which the Company is a party or by which it is bound or by which its business, assets, investments or properties may be affected; or (iii) any order, statute, rule, or regulation applicable to the Company, or any of its business, investments, assets or properties, of any court or (to the knowledge of the Company) any governmental authority or agency having jurisdiction over the Company, or any of its business, investments, properties or assets; and to the knowledge of the Company do not and will not result in the creation or imposition of any lien, charge, claim, or encumbrance upon any property or asset of the Company.

(r) Insurance. The Company maintains insurance (issued by insurers of recognized financial responsibility) of the types and in the amounts generally deemed adequate for its business and, to the knowledge of the Company, consistent with insurance coverage maintained by similar companies and similar businesses, all of which insurance is in full force and effect.

(s) Work Force. To the knowledge of the Company, no general labor problem exists or is imminent with the employees of the Company.

(t) Securities Matters. The Company and its officers, directors, or affiliates have not taken and will not take, directly or indirectly, any action designed to, or that might

reasonably be expected to, cause or result in or constitute the stabilization or manipulation of any security of the Company or to facilitate the sale or resale of the Shares.

(u) Payment of Commissions and Fees. Except as stated in or contemplated by the Prospectus, neither the Company nor any affiliate of the Company has paid or awarded, nor will any such person pay or award, directly or indirectly, any commission or other compensation to any person engaged to render investment advice to a potential purchaser of Shares as an inducement to advise the purchase of Shares.

(v) Company Intellectual Property. Except as disclosed in the Registration Statement and Prospectus:

(i) the Company owns, possesses, licenses or has other rights to use the patents and patent applications, copyrights, trademarks, service marks, trade names, technology, know-how (including trade secrets and other unpatented and/or unpatentable proprietary rights) and other intellectual property (or could acquire such intellectual property upon commercially reasonable terms) necessary to conduct its business in the manner in which it is being conducted (collectively, the "Company Intellectual Property");

(ii) to the Company's knowledge, none of the patents owned or licensed by the Company, if any, is unenforceable or invalid, and, to the Company's knowledge, none of the patent applications owned or licensed by the Company would be unenforceable or invalid if issued as patents;

(iii) the Company is not obligated to pay a royalty, grant a license, or provide other consideration to any third party in connection with the Company Intellectual Property other than as disclosed in the Prospectus and other than for in-bound "shrink-wrap" end-user licenses and similar generally available commercial end-user licenses;

(iv) the Company has not received any notice of violation or conflict with rights of others with respect to the Company Intellectual Property;

(v) there are no pending or, to the Company's knowledge, threatened actions, suits, proceedings or claims by others that the Company is infringing any patent, trade secret, trade mark, service mark, copyright or other intellectual property or proprietary right; and

(vi) the products or processes of the Company referenced in the Prospectus do not, to the knowledge of the Company, violate or conflict with any intellectual property or proprietary right of any third person.

(w) Forward Looking Statement. No forward-looking statement (within the meaning of Section 27A of the 1933 Act and Section 21E of the 1934 Act) contained in or incorporated by reference into the Registration Statement or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(x) Industry and Market Statistics. The industry-related and market-related statistics obtained from independent industry publications and reports and included in the

Registration Statement and the Prospectus agree with the sources from which they are derived. The Company has provided copies of all such sources to you.

(y) Company/Director Relationships. No relationship exists between or among the Company and any director, officer, stockholder or affiliate of the Company which is required by the 1933 Act and the Rules and Regulations to be described in the Registration Statement or the Prospectus which is not so described and described as required in material compliance with such requirement. There are no outstanding loans, advances (except advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members.

(z) Subordination Agreement. On or before the effective date, the Company will enter into one or more Subordination Agreements with Jon Wheeler and any other individuals as the Placement Agent may require in such form as is filed with the effective Registration Statement.

(aa) Relationships with FINRA Members. The Company has not sold any securities to any person or entity nor is there any beneficial owner of the issuer's unregistered equity securities, that acquired said securities during the 180-day period immediately preceding the effective date, that has an association or affiliation with any member of the Financial Industry Regulatory Authority ("FINRA").

3. **Representations and Warranties of Placement Agent**. Each of you represents and warrants to the Company that:

(a) FINRA Membership. You are a member, in good standing, of the Financial Industry Regulatory Authority ("FINRA"), and are duly registered as a broker-dealer under the 1934 Act, and under the laws of each state in which you propose to offer the Shares, except where such registration would not be required by law.

(b) Full Power. This Agreement has been duly authorized, executed and delivered by you and is a valid and binding agreement of you, enforceable in accordance with its terms, except to the extent that enforceability may be limited by (i) bankruptcy, insolvency, moratorium, liquidation, reorganization, or similar laws affecting creditors' rights generally, regardless of whether such enforceability is considered in equity or at law, (ii) general equity principles, and (iii) limitations imposed by federal and state securities laws or the public policy underlying such laws regarding the enforceability of indemnification or contribution provisions.

(c) Compliance with Instruments. The consummation of the transactions contemplated by the Prospectus relating to the Offering will not violate or constitute a breach of, or default under, your articles of incorporation or bylaws, or any material instrument, agreement, or indenture to which you are a party, or violate any order, statute, rule or regulation applicable to you of any court, federal or state regulatory body or administrative agency having jurisdiction over you or your property.

(d) Offering. You will comply with all relevant provisions of the 1933 Act in connection with the Prospectus, you will conduct all offers and sales of the Shares in compliance with the relevant provisions of the Act and various state securities laws and regulations.

4. **Sale of Shares**.

(a) Exclusive Agency. Upon the basis of the representations and warranties of the Company and the Placement Agents set forth in this Agreement, the Company engages you and you agree to act as the Company's exclusive agents, on a best efforts basis, in connection with the offer and sale by the Company during the Offering Period (as defined in Section 4(c) below) of a minimum of 3,000,000 Shares and a maximum of 4,000,000 Shares. Subject to your commitment to sell the Shares on a "best efforts basis" as provided herein, nothing in this Agreement shall prevent you from entering into an agency agreement, underwriting agreement, or other similar agreement governing the offer and sale of securities with any other issuer of securities, and nothing contained herein shall be construed in any way as precluding or restricting your right to sell or offer for sale securities issued by any other person, including securities similar to, or competing with, the Shares. It is understood between the parties that there is no firm commitment by you to purchase any or all of the Shares and you shall have no authority to bind the Company in respect of the sale of any Shares. You may retain other brokers or dealers ("Selected Dealers") who are members in good standing of FINRA and registered in any states in which the Offering is conducted to assist you and to act as subagents on your behalf in connection with the offering and sale of the Shares and you may enter into agreements for the offer and sale of the Shares adopting such provisions of this Agreement for the benefit of the Selected Dealers as you deem appropriate; provided, however, that the Company will only be obligated to pay you for services rendered hereunder. Each Selected Dealer will indemnify the Company on terms and conditions similar to those set forth in Section 8(b) of this Agreement for any statements, acts, or omissions by such Selected Dealer in connection with the offer or sale of the Shares not expressly authorized by the Company or the Placement Agent and for any material misrepresentation or material breach of warranty or covenant or other breach by such Selected Dealer of its agreement with the Placement Agent, or any failure or alleged failure by such Selected Dealer to comply with applicable laws, rules, and regulations.

(b) Obligation to Offer Shares. Your obligation to offer the Shares is subject to receipt by you of written advice from the Commission that the Registration Statement is effective, is subject to the Shares being qualified for offering under applicable laws in the states as may be reasonably designated by you, is subject to the absence of any prohibitory action by any governmental body, agency, or official, and is subject to the terms and conditions contained in this Agreement and in the Registration Statement.

(c) Offering Termination Date. The "Offering Period" shall commence on the day that the Prospectus is first made available to prospective investors in connection with the offering for sale of the Shares and shall continue until the "Offering Termination Date," which shall be the earliest of (i) the date on which the maximum number of Shares (4,000,000) offered have been sold, (ii) the date on which the Company withdraws the Registration Statement, (iii) the date on which the Company files a post-effective amendment to the Registration Statement deregistering any unsold Shares, (iv) December 22, 2012, or (v) such other date mutually agreeable to the parties hereto.

(d) Escrow Agent. Proceeds from the sale of the Shares will be deposited into an escrow account (the "Escrow Account") with the Escrow Agent pursuant to the Escrow Agreement, until a minimum of 3,000,000 Shares have been sold. The Escrow Agreement includes the requirement, among other concepts, that all funds received from the sale of the Shares will be promptly deposited in the Escrow Account for the investors in the offering upon the receipt of funds by the Placement Agent's by or before noon of the next business day following the sale of the Shares, i.e. the date of closing. The form of the Escrow Agreement is attached as an exhibit to the Registration Statement. All payments of, from or on account of such funds shall be made pursuant to the Escrow Agreement. The Company and you each shall have the option to accept or reject any offer to purchase Shares from prospective purchasers, in whole or in part. The Company shall notify prospective purchasers as to whether their offers to purchase Shares have been accepted. Any funds relating to an offer to purchase Shares that is not accepted, in whole or in part, shall be promptly returned by the Escrow Agent. In the event the Company does not sell a minimum of 3,000,000 Shares by December 22, 2012, escrowed funds will be promptly returned to investors without interest or deduction. In the event that a minimum of 3,000,000 Shares are sold by December 22, 2012, the Company will close on those funds received and promptly issue the Shares, all according to the terms of the Escrow Agreement.

(e) Closing Date. As and when the closing of the Offering is effected, which shall be on or before the Offering Termination Date, and proceeds from the Shares sold are received and accepted, on such date (the "Closing Date") and at such time and place as determined by you (which determination shall be subject to the satisfaction on such date of the conditions contained herein), the funds received from purchasers will be delivered by the Escrow Agent to the Company, by wire transfer of immediately available funds, on the Closing Date.

(f) Selling Commissions. In consideration for your execution of this Agreement and for the performance of your obligations hereunder, the Company agrees to pay you, by wire transfer of immediately available funds on the Closing Date, if any, a selling commission computed at the rate of (i) seven percent (7%) of the public offering price of the Shares sold in the Offering to purchasers who were solicited by you and who were not referred to you by the Company officers, directors or affiliates, and (ii) a five-year warrant to purchase such number of shares of the Company's common stock as would equal 4% of the Shares sold in the Offering, such warrants to have an exercise price equal to 120% of the purchase price at which the Shares are sold in the Offering, a cashless exercise provision and other terms and conditions satisfactory to you. Wellington Shields & Co., LLC will allocate such fees among the Placement Agents in accordance with the terms of the agreements among the Placement Agents.

(g) Finder's Fees. Except as set forth in the Registration Statement or Prospectus, neither you nor the Company, directly or indirectly, shall pay or award any finder's fee, commission, or other compensation to any person engaged by a prospective purchaser for investment advice as an inducement to such advisor to advise the purchase of the Shares or for any other purpose.

(h) Delivery of Shares. Delivery of the Shares shall be made at your offices or at such other place as shall be agreed upon by the Company and you, on such date as you may request (each a "Date of Delivery"). Such securities shall be issued in such denominations and

registered in such names as you may request in writing at least three full business days before the Date of Delivery.

5. **Covenants**.

(a) Covenants of the Company. The Company covenants with you as follows:

(i) Notices. Until the Offering Termination Date, the Company immediately will notify you, and confirm such notice in writing, (A) of any fact that would make inaccurate any representation or warranty by the Company, and (B) of any change in facts on which your obligation to perform under this Agreement is dependent.

(ii) Effectiveness of Registration Statement. The Company will use its best efforts to cause the Registration Statement to become effective (if not yet effective at the date and time this Agreement is executed and delivered by the parties hereto). If the Company elects to rely upon Rule 430A of the Rules and Regulations or the filing of the Prospectus is otherwise required under Rule 424(b) of the Rules and Regulations, and subject to the provisions of Section 5(a)(iii) of this Agreement, the Company will comply with the requirements of Rule 430A and will file the Prospectus, properly completed, pursuant to the applicable provisions of Rule 424(b) within the time prescribed. The Company will notify you immediately, and confirm the notice in writing, (A) when the Registration Statement, or any post-effective amendment to the Registration Statement, shall have become effective, or any supplement to the Prospectus, or any amended Prospectus shall have been filed, (B) of the receipt of any comments from the Commission, (C) of any request by the Commission to amend the Registration Statement or amend or supplement the Prospectus or for additional information, and (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the institution or threatening of any proceeding for any such purposes. The Company will use all reasonable efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use and, if any such order is issued, to obtain the withdrawal thereof at the earliest possible moment.

(iii) Amendments to Registration Statement and Prospectus. The Company will not at any time file or make any amendment to the Registration Statement, or any amendment or supplement (A) to the Prospectus, if the Company has not elected to rely upon Rule 430A, or (B) if the Company has elected to rely upon Rule 430A, to either the Prospectus included in the Registration Statement at the time it becomes effective or to the Prospectus filed in accordance with Rule 424(b), in either case if you shall not have previously been advised and furnished a copy thereof a reasonable time prior to the proposed filing, or if you or your counsel shall reasonably object to such amendment or supplement; provided, however, that if you shall have objected to such amendment or supplement, you shall cease your efforts to sell the Shares until an amendment or supplement is filed.

(iv) Delivery of Registration Statement. The Company has delivered to you or will deliver to you, without expense to you, at such locations as you shall request, as soon as the Registration Statement or any amended Registration Statement is available, such number of signed copies of the Registration Statement as originally filed and of amended Registration

Statements, if any, copies of all exhibits and documents filed therewith, and signed copies of all consents and certificates of experts, as you may reasonably request.

(v) Delivery of Prospectus. The Company will deliver to you at its expense, as soon as the Registration Statement shall have become effective and thereafter from time to time as requested during the period when the Prospectus is required to be delivered under the 1933 Act, such number of copies of the Prospectus (as supplemented or amended) as you may reasonably request. Until the Offering Termination Date, the Company will comply to the best of its ability with the 1933 Act and the Rules and Regulations so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and in the prospectus. If the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any events shall have occurred as result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made when such Prospectus is delivered not misleading or, if for any reason it shall be necessary during the same period to amend or supplement the Prospectus in order to comply with the 1933 Act, the Company will notify you and upon your request prepare and furnish without charge to you and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus that will correct such statement or omission or effect such compliance, and in case you are required to deliver a prospectus in connection with sales of any of the Shares, upon your request but at your expense, the Company will prepare and deliver to you as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the 1933 Act.

(vi) Blue Sky Qualification. The Company, in good faith and in cooperation with you, will use its best efforts to qualify the Shares for offering and sale under (or obtain exemptions from the application of) the applicable "blue sky" or securities laws of such jurisdictions as you from time to time may reasonably designate and to maintain such qualifications in effect until the date on which the Company ceases to be obligated to maintain the effectiveness of the Registration Statement; provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to make any undertakings in respect of doing business in any jurisdiction in which it is not otherwise so subject or to take any action that would subject it to general service of process in any such jurisdiction where it is not currently qualified or where it would be subject to taxation as a foreign corporation where it is not now so subject. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Shares have been qualified as above provided.

(vii) Application of Net Proceeds. The Company will apply the net proceeds received from the sale of the Shares in all material respects as set forth in the Prospectus under the caption "Use of Proceeds."

(viii) Cooperation with Your Due Diligence. At all times prior to the Offering Termination Date, the Company will cooperate with you in such investigation as you may make or cause to be made of all the business and operations of the Company in connection with the sale of the Shares, and will make available to you in connection therewith such

information in its possession as you may reasonably request, all of which you agree to safeguard as the confidential information of the Company and to refrain from using for any purpose adverse to the interests of the Company.

(ix) Transfer Agent. The Company will act as or otherwise maintain a transfer agent and, if necessary under applicable jurisdictions, a registrar (which may be the same entity as the transfer agent) for the Shares.

(x) NASDAQ. The Company will use its reasonable best efforts to have the Shares listed on the NASDAQ Capital Market.

(xi) Actions of Company, Officers, Directors, and Affiliates. The Company will not, and will use its best efforts to cause its officers, directors, and affiliates not to (i) take, directly or indirectly, prior to termination of the Offering contemplated by this Agreement, any action designed to stabilize or manipulate the price of any security of the Company, or that may cause or result in, or that might in the future reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Company, (ii) other than under this Agreement, sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of the Shares or (iii) pay or agree to pay to any person any compensation for soliciting any order to purchase any other securities of the Company.

(xii) Relationships with FINRA Members. Other than the warrants issued to one or more of the Placement Agents pursuant to the transaction described herein, the Company will not sell any securities to any person or entity nor will there be any beneficial owner of the issuer's unregistered equity securities, during the period within 90-days following the effectiveness of the Registration Statement, that has an association or affiliation with any member of the Financial Industry Regulatory Authority ("FINRA").

(xiii) Subordination Agreement. The Company will enforce the terms of the Subordination Agreement with Jon Wheeler and any other signatories to such agreement for three years (or until such time as the contract expires by its terms) in such form as is filed with the effective Registration Statement.

(b) Your Covenants. You covenant with the Company as follows:

(i) Information Provided. You have not provided and will not provide to the purchasers of Shares any written or oral information regarding the business of the Company, including any representations regarding the Company's financial condition or financial prospects, other than such information as is contained in the Prospectus. You further covenant that you will use your best efforts to comply in the offering of the Shares with such purchaser suitability requirements as may be imposed by state securities or blue sky requirements.

(ii) Prospectus Supplements. Until the termination of this Agreement, if any event affecting the Prospectus, the Company or you shall occur which, in the opinion of counsel to the Company, should be set forth in a supplement to the Prospectus, you agree to distribute each supplement of the Prospectus to each person who has previously received a copy of the Prospectus from you and you further agree to include such supplement in all future deliveries of the Prospectus. You agree that following notice from the Company that a

supplement to the Prospectus is necessary, you will cease further efforts to sell the Shares until such a supplement is prepared and delivered to you.

(iii) Compliance with Laws, Etc. In connection with or in contemplation of your sale of the Shares, you will comply in all material respects with applicable federal and state laws, rules and regulations and the rules and regulations of applicable self- regulatory organizations (provided, however, that you shall be deemed not to have breached this covenant if your failure to so comply is based on a breach by the Company of any of its representations, warranties or covenants contained in this Agreement and you shall have complied with Section 5(b)(ii) above).

6. **Payment of Expenses**. Except as is expressly provided to the contrary in Section 10 of this Agreement, the Company hereby agrees that it will pay all fees and expenses incident to the performance of its obligations under this Agreement (excluding fees and expenses of counsel for you, except as specifically set forth below), including (a) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits), as originally filed and as amended, the Prospectus and any amendments or supplements thereto, and the cost of furnishing copies thereof to you, (b) the preparation, printing, and distribution of this Agreement, the certificates representing the Shares, any Blue Sky Memoranda, and any instruments relating to any of the foregoing, (c) the issuance and delivery of the Shares, including any transfer taxes payable thereon, (d) the fees and disbursements of the Company's counsel and accountants, (e) the qualification of the Shares under applicable securities laws in accordance with Section 5(a)(vi) of this Agreement and any filing fee paid in connection with the review of the Offering by FINRA, including filing fees and fees and disbursements made in connection therewith and in connection with any Blue Sky Memoranda supplied to you by counsel for the Company, (f) all costs, fees, and expenses in connection with the application for qualifying the Shares for quotation on the NASDAQ Capital Market, (g) the transfer agent's and registrar's fees, if any, and all miscellaneous expenses referred to in the Registration Statement, (h) costs related to travel and lodging incurred by the Company and its representatives relating to meetings with and presentations to prospective purchasers of the Shares reasonably determined by you to be necessary or desirable to effect the sale of the Shares to the public, (i) any escrow arrangements in connection with the transactions described herein, including any compensation or reimbursement to the Escrow Agent for its services as such, and (j) all other costs and expenses incident to the performance of the Company's obligations hereunder that are not otherwise specifically provided for in this Section 6. In addition, on the Closing Date, the Company will pay you a non-accountable expense allowance not to exceed two percent (2%) of the public offering price of the Shares sold in the Offering (such expense allowance not to include any items prohibited by FINRA Rule 5110(f)(2)(`A)). Except as otherwise set forth in Section 10 of this Agreement, no placement fees will be paid to you and none of your expenses will be reimbursed in the event that the Offering does not close.

7. **Conditions of Your Obligations**. Your obligations hereunder shall be subject to, in your discretion, the following terms and conditions:

(a) Effectiveness of Registration Statement. The Registration Statement shall have become effective not later than 5:30 p.m. on the date of this Agreement or, at such later time or on such later date as you may agree to in writing; and as of the Closing Date no stop

order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act and no proceedings for that purpose shall have been instituted or shall be pending or, to your knowledge or the knowledge of the Company, shall be contemplated by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the satisfaction of your counsel.

(b) Closing Date Matters. On the Closing Date, (i) the Registration Statement and the Prospectus, as they may then be amended or supplemented, in all material respects shall conform to the requirements of the 1933 Act and the Rules and Regulations; the Company shall have complied in all material respects with Rule 430A (if it shall have elected to rely thereon) and neither the Registration Statement nor the Prospectus, as they may then be amended or supplemented, shall contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) there shall not have been, since the respective dates as of which information is given in the Registration Statement, any material adverse change in the business, prospects, properties, assets, results of operations or condition (financial or otherwise) of the Company whether or not arising in the ordinary course of business, (iii) no action, suit or proceeding at law or in equity shall be pending or, to the Company's knowledge, threatened against the Company that would be required to be set forth in the Prospectus other than as set forth therein and no proceedings shall be pending or, to the knowledge of the Company, threatened against the Company before or by any federal, state or other commission, board or administrative agency wherein an unfavorable decision, ruling or finding could materially adversely affect the business, prospects, assets, results of operations or condition (financial or otherwise) of the Company other than as set forth in the Prospectus, (iv) the Company shall have complied with all agreements and satisfied all conditions on its part to be performed or satisfied on or prior to the Closing Date, and (v) the representations and warranties of the Company set forth in Section 2 of this Agreement shall be accurate in all material respects as though expressly made at and as of the Closing Date. On the Closing Date, you shall have received a certificate executed by the President of the Company, dated as of the Closing Date, to such effect and with respect to the following additional matters: (A) the Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus has been issued, and no proceedings for that purpose have been instituted or are pending or, to his knowledge, threatened under the 1933 Act; and (B) he has reviewed the Registration Statement and the Prospectus and, when the Registration Statement became effective and at all times subsequent thereto up to the delivery of such certificate, the Registration Statement and the Prospectus and any amendments or supplements thereto contained no untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) Opinion of Kaufman & Canoles, P.C.. At the Closing Date, you shall receive the opinion of Kaufman & Canoles, P.C., counsel for the Company, in form and substance reasonably satisfactory to you, to the effect of Exhibit A.

(d) Opinion of Your Counsel. At the Closing Date, you shall receive the favorable opinion of McCarter & English, LLP, your counsel, with respect to such matters as you may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass on such matters.

(e) Comfort Letter. At the time that this Agreement is executed by the Company, you shall have received from Cherry, Bekeart & Holland, L.L.P., a letter, dated the date hereof and in form and substance satisfactory to you, together with signed or reproduced copies of such letter for each other Selected Dealer, containing statements and information of the type ordinarily included in accountants' "comfort letters" with respect to the financial statements and certain financial information of the Company contained in the Registration Statement or the Prospectus.

(f) Updated Comfort Letter. At the Closing Date, you shall have received from Cherry, Bekeart & Holland, L.L.P., a letter, in form and substance satisfactory to you and dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to Section 7(e) above, except that the specified date referred to shall be a date not more than five (5) days prior to the Closing Date.

(g) Post-Financial Developments. In the event that either of the letters to be delivered pursuant to Sections 7(e) and 7(f) above sets forth any changes, decreases or increases, it shall be a further condition to your obligations that you shall have reasonably determined, after discussions with officers of the Company responsible for financial and accounting matters and with Cherry, Bekeart & Holland, L.L.P., that such changes, decreases or increases as are set forth in such letter do not reflect a material adverse change in the capital stock, long-term debt, obligations under capital leases, total assets, net current assets, or shareholders' equity of the Company as compared with the amounts shown in the latest consolidated pro forma balance sheet of the Company, or a material adverse change in the revenues or operating income before interest, depreciation and amortization for the Company in each case as compared with the corresponding period of the prior year.

(h) Additional Information. On the Closing Date, you shall have been furnished with all such documents, certificates and opinions as you may reasonably request for the purpose of enabling your counsel to pass upon the issuance and sale of the Shares as contemplated in this Agreement and the matters referred to in Section 7.(b), and in order to evidence the accuracy and completeness of, any of the representations, warranties or statements of the Company, the performance of any of the covenants of the Company, or the fulfillment of any of the conditions herein contained; and all proceedings taken by the Company at or prior to the Closing Date in connection with the authorization, issuance and sale of the Shares as contemplated in this Agreement, shall be satisfactory in form and substance to you and to your counsel. The Company will furnish you with such number of conformed copies of such opinions, certificates, letters and documents as you shall reasonably request. Any certificate signed by any officer, partner, or other official of the Company and delivered to you or your counsel shall be deemed a representation and warranty by the Company to you as to the statements made therein.

(i) Adverse Events. Subsequent to the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the NASDAQ Capital Market, (ii) a general moratorium on commercial banking activities in Virginia, (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event specified in this clause (iii) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Prospectus, or (iv) such a material adverse change in general economic,

political, financial or international conditions affecting financial markets in the United States having a material adverse impact on trading prices of securities in general, as, in your reasonable judgment, makes it impracticable or inadvisable to proceed with the public offering of the Shares or the delivery of the Shares on the terms and in the manner contemplated in the Prospectus.

(j) FINRA Review. FINRA, upon review of the terms of the Offering, shall not have objected to the Offering, the terms of the Offering or your participation in the Offering.

(k) NASDAQ Quotation. The Shares shall be approved for quotation on the NASDAQ Capital Market.

If any of the conditions specified in this Section 7 shall not have been fulfilled when and as required by this Agreement to be fulfilled, this Agreement may be terminated by you on notice to the Company at any time at or prior to the Closing Date, and such termination shall be without liability of any party to any other party, except as provided in Sections 6 and 10. Notwithstanding any such termination, the provisions of Section 8 shall remain in effect. If the sale of the Shares, as contemplated by this Agreement, is consummated, then the Company shall no longer be under any obligation or liability under the December 22, 2011 letter agreement, as amended, between you and the Company and such letter agreement shall be terminated.

8. Indemnification and Contribution.

(a) Indemnification by the Company. Subject to the limitations set forth in this Section 8.(a), the Company will indemnify and hold you harmless against any losses, claims, damages, or liabilities, joint or several, to which you may become subject under the 1933 Act, the 1934 Act or otherwise, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any breach of any representation, warranty or covenant of the Company herein contained or any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse you for any legal or other expenses reasonably incurred by you in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or the Prospectus, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by you expressly for use therein; provided further, that the indemnity agreement contained in this Section 8.(a) with respect to the Prospectus shall not inure to your benefit if you failed to send or give a copy of the Prospectus to such person at or prior to the written confirmation of the sale of such Shares to such person in any case where such delivery is required by the 1933 Act or the Rules and Regulations and if the Prospectus would have cured any untrue statement or alleged untrue statement or omission or alleged omission giving rise to such loss, claim, damage, or liability. In addition to its other obligations under this Section 8.(a), the Company agrees that, as an interim measure during the pendency of any such claim, action, investigation, inquiry, or other proceeding arising out of or based upon any statement or omission, or any alleged statement or omission, described in this

Section 8.(a), it will reimburse you on a monthly basis for all reasonable legal and other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry, or other proceeding (to the extent documented by reasonably itemized invoices therefor), notwithstanding the absence of a judicial determination as to the propriety and enforceability of the Company's obligation to reimburse you for such expenses and the possibility that such payments might later be held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement payment is so held to have been improper, you shall promptly return it to the person(s) from whom it was received. Any such interim reimbursement payments that are not made to you within thirty (30) days of a request for reimbursement shall bear interest at the prime rate (or reference rate or other commercial lending rate for borrowers of the highest credit standing) published from time to time by The Wall Street Journal (the "Prime Rate") from the date of such request. This indemnity agreement shall be in addition to any liabilities that the Company may otherwise have. For purposes of this Section 8, the information set forth in the second paragraph on the front cover page (insofar as such information relates to you), and under the caption "Plan of Distribution," and in the Prospectus constitutes the only information furnished by you to the Company for inclusion in the Prospectus or the Registration Statement. The Company will not, without your prior written consent, settle or compromise or consent to the entry of any judgment in any pending or threatened action or claim or related cause of action or portion of such cause of action in respect of which indemnification may be sought hereunder (whether or not you are a party to such action or claim), unless such settlement, compromise, or consent includes an unconditional release of you from all liability arising out of such action or claim (or related cause of action or portion thereof). The indemnity agreement in this Section 8.(a) shall extend upon the same terms and conditions to, and shall inure to the benefit of, each person, if any, who controls you within the meaning of the 1933 Act or the 1934 Act to the same extent as such agreement applies to you.

(b) Indemnification by You. Subject to the limitations in this paragraph below, each of you, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages, or liabilities to which the Company may become subject, under the 1933 Act, the 1934 Act, or otherwise, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any breach of any warranty or covenant by you herein contained or any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that (i) such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement or the Prospectus or any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by you expressly for use therein, or (ii) you failed to deliver an amendment or supplement to the Prospectus that the Company made available to you prior to the Closing Date and that corrected any statement or omission in the Registration Statement or the Prospectus which forms the basis for a claim against the Company, and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability, or action. In addition to its other obligations under this Section 8.(b), you agree that, as an interim measure during the pendency of any such claim, action, investigation, inquiry, or other proceeding arising out of or based upon any statement or omission, or any alleged

statement or omission, described in this Section 8.(b), you will reimburse the Company on a monthly basis for all reasonable legal and other expenses incurred in connection with investigating or defending any such claim, action, investigation, inquiry, or other proceeding (to the extent documented by reasonably itemized invoices therefor), notwithstanding the absence of a judicial determination as to the propriety and enforceability of your obligation to reimburse the Company for such expenses and the possibility that such payments might later been held to have been improper by a court of competent jurisdiction. To the extent that any such interim reimbursement arrangement is so held to have been improper, the Company shall promptly return it to the person(s) from whom it was received. Any such interim reimbursement payments that are not made to the Company within thirty (30) days of a request for reimbursement shall bear interest at the Prime Rate from the date of such request. This indemnity agreement shall be in addition to any liabilities that you may otherwise have. You will not, without the Company's prior written consent, settle or compromise or consent to the entry of any judgment in any pending or threatened action or claim or related cause of action or portion of such cause of action in respect of which indemnification may be sought hereunder (whether or not the Company is a party to such action or claim), unless such settlement, compromise, or consent includes an unconditional release of the Company from all liability arising out of such action or claim (or related cause of action or portion thereof). The indemnity agreement in this Section 8.(b) shall extend upon the same terms and conditions to, and shall inure to the benefit of, each officer and director of the Company and each person, if any, who controls the Company within the meaning of the 1933 Act or the 1934 Act to the same extent as such agreement applies to the Company.

(c) Notices of Claims; Employment of Counsel. Any party that proposes to assert the right to be indemnified under this Section 8 promptly shall notify in writing each party against which a claim is to be made under this Section 8 of the institution of such action but the omission so to notify such indemnifying party of any such action shall not relieve it from any liability it may have to any indemnified party except (i) to the extent that the omission to notify shall have caused or increased the indemnifying party's liability or resulted in the forfeiture by the indemnifying party of substantial rights or defenses, and (ii) that the indemnifying party shall be relieved of its indemnity obligation for expenses of the indemnified party incurred before the indemnifying party is notified. Such indemnifying party or parties shall assume the defense of such action, including the employment of counsel (reasonably satisfactory to the indemnified party) and payment of fees and expenses. An indemnified party shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel shall have been authorized in writing by the indemnifying party or parties in connection with the defense of such action or the indemnifying party or parties shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have been advised by counsel that there may be defenses available to it or them that are different from or additional to those available to such indemnifying party or parties (in which case such indemnifying party or parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by such indemnifying party or parties; provided that the indemnifying party shall not be liable for the expenses of more than one separate counsel. Anything in this paragraph to the contrary notwithstanding, an indemnifying party shall not be liable for any settlement of any such claim or action effected without its written consent.

(d) Arbitration. It is agreed that any controversy arising out of the operation of the interim reimbursement arrangements set forth in Sections 8.(a) and 8.(b) hereof, including the amounts of any requested reimbursement payments, the method of determining such amounts and the basis on which such amounts shall be apportioned among the indemnifying parties, shall be settled by arbitration conducted pursuant to the Code of Arbitration Procedure of FINRA. Any such arbitration must be commenced by service of a written demand for arbitration or a written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the party demanding arbitration does not make such designation of an arbitration tribunal in such demand or notice, then the party responding to said demand or notice is authorized to do so. Any such arbitration will be limited to the operation of the interim reimbursement provisions contained in Sections 8.(a) and 8.(b) hereof and will not resolve the ultimate propriety or enforceability of the obligation to indemnify for expenses that is created by the provisions of Sections 8.(a) and 8.(b).

(e) Contribution. If the indemnification provided for in Section 8.(a) or 8.(b) is unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, or liabilities (or actions in respect thereof) referred to therein, then the Company on the one hand and you on the other shall contribute to the amount paid or payable as a result of such losses, claims, damages, or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and you on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company and you shall contribute to such amount paid or payable in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and you on the other in connection with the statements or omissions that resulted in such losses, claims, damages, or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and you on the other shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting expenses) received by the Company bear to the total selling commissions received by you in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or to information with respect to you and furnished by you respectively, in writing specifically for inclusion in the Prospectus on the other and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. The Company and you agree that it would not be just and equitable if contribution pursuant to this Section 8.(e) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 8.(e). The amount paid or payable as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 8.(e) shall be deemed to include any legal or other expenses reasonably incurred by any such party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) with respect to the transactions giving rise to the right of contribution provided in this Section 8.(e) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations in this Section 8.(e) for you to contribute are several in proportion to your respective underwriting obligations and not joint. For purposes of

this Section 8.(e), each person, if any, who controls you within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as you, and each director of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act, shall have the same rights to contribution as the Company.

9. **Representations and Agreements to Survive**. Except as the context otherwise requires, all representations, warranties, covenants and agreements contained in this Agreement shall remain operative and in full force and effect regardless of any investigation made by you, or on your behalf, or by any controlling person, or by or on behalf of the Company, and shall survive until the fifth anniversary of the Offering Termination Date and the termination of this Agreement pursuant to Section 10 hereof.

10. **Termination of Agreement**.

(a) Termination of Agreement. You shall have the right to terminate this Agreement at any time prior to the Closing Date if any of the factors referenced in Section 7(b) hereof proves to be incorrect or if any of the factors referenced in Section 7(i) hereof occurs. If you elect to terminate this Agreement as provided in this Section 10, you shall notify the Company promptly in writing. You shall have no liability to the Company pursuant to this Agreement or otherwise as a result of any such termination.

(b) Result of Termination.

(i) If:

(A) you should terminate this Agreement upon the breach by the Company of any material term of this Agreement;

(B) the Offering fails to close by December 22, 2012, for reasons within the control of the Company (it being understood that to the extent the Company used reasonable good faith efforts to respond to comments on the Registration Statement from the Commission and any other applicable regulatory body, then the Offering shall not be deemed in accordance with this Agreement to have failed for reasons within the control of the Company);

(C) the Offering fails to close by December 22, 2012 due to reasons beyond the control of the Company or you (other than your inability to sell the Shares due to adverse market conditions or as a result of any factor referenced in Section 7.(i) of this Agreement); or

(D) the Company abandons the Offering

then in addition to its obligations with respect to expenses as set forth in Section 6, the Company will reimburse you on demand for all your reasonable out-of-pocket expenses and disbursements (including the fees and expenses of your counsel) actually incurred by you in reviewing the Registration Statement and the Prospectus, and in investigating and making preparations for the marketing of the Shares. Notwithstanding any other provision of this Agreement, the amount

reimbursable shall not exceed the amount of out-of-pocket accountable expenses actually incurred by you in compliance with applicable FINRA rules.

(ii) if the sale of the Shares provided for herein is not consummated for any other reason, the Company shall pay expenses as required by Section 6, and neither party shall have any additional liability to the other except for such liabilities, if any, as may exist or thereafter arise under Section 8.

(iii) For purposes of clarification, if the closing of the Offering is not completed by February 28, 2012, this Agreement will expire and the Company will have no further obligation or liability hereunder except as set forth in Sections 6, 8, and 10 hereof and the Placement Agent will have no further obligation or liability hereunder except as set forth in Section 8 hereto.

11. **Notices**.

(a) Method and Location of Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be sent by overnight courier, hand-delivered or telecopied and confirmed as follows:

To the Company:

Wheeler Real Estate Investment Trust, Inc.
Riveredge North
2529 Virginia Beach Blvd.
Virginia Beach, VA 23452
Attention: President
Facsimile: (757) 627-9088

with a copy to (which shall not constitute notice):
Kaufman & Canoles, P.C.
Two James Center
1021 East Cary Street, Suite 1400
Richmond, VA 23219
Attention: Bradley A. Haneberg, Esq.
Facsimile: (804) 771-5777

To the Placement Agents:
Wellington Shields & Co, Inc. and Capitol Securities Management, Inc.

c/o Wellington Shields & Co., Inc.
140 Broadway, 44th Floor
New York, NY 10005
Attention: Ed Cabrera
Telecopier No.: (212) 320-3056

with a copy to (which shall not constitute notice):

McCarter & English, LLP
265 Franklin Street
Boston, MA 02110
Attention: Theodore M. Grannatt, Esquire
Telecopier No.: (617) 449-6500

(b) Time of Notices. Notice shall be deemed to be given by you to the Company or by the Company to you when it is sent by overnight courier, hand-delivered or telecopied as provided in Section 11(a).

12. **Parties**. This Agreement shall inure solely to the benefit of and shall be binding upon you, the Company and the controlling persons referred to in Section 8, and their respective successors, legal representatives and assigns. No other person shall have or be construed to have a legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained.

13. **Governing Law, Construction, and Time**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Specified time of day refers to United States Eastern Time. Time shall be of the essence of this Agreement.

14. **Description Headings**. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

15. **Counterparts**. This Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

[Remainder of page intentionally left blank; signature page follow]

If the foregoing correctly sets forth the understanding between you and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

Wheeler Real Estate Investment Trust, Inc.

By: _____
Name: Jon S. Wheeler
Title: President and Chairman

Date: _____

Confirmed and accepted as of the date first above written:

On behalf of the Placement Agents:

Wellington Shields & Co., Inc.

By: _____
Name: Edward Cabrera
Title: Head of Investment Banking

Date: _____

Capital Securities Management, Inc.

By: _____
Name: L. McCarthy Downs, III
Title: Managing Director – Investment Banking

Date: _____

EXHIBIT A

Form of Kaufman & Canoles, P. C. Opinion

See attached.

Exhibit 10.1

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

a Virginia limited partnership

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS IN THE OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

dated as of [ ], 2012

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Exhibits List

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF WHEELER REAL ESTATE INVESTMENT TRUST, L.P., dated as of [ ], 2012, is made and entered into by and among WHEELER REAL ESTATE INVESTMENT TRUST, INC., a Maryland corporation, as the General Partner, and the Persons whose names are set forth on Exhibit A attached hereto, as limited partners, and any Additional Limited Partner that is admitted from time to time to the Partnership and listed on Exhibit A attached hereto.

WHEREAS, a Certificate of Limited Partnership of the Partnership was filed with the State Corporation Commission of Virginia on March , 2012 (the "*Formation Date*"), and the initial general partner and limited partners of the Partnership entered into an original agreement of limited partnership of the Partnership effective as of the Formation Date (the "*Original Partnership Agreement*"); and

WHEREAS, the Partners (as hereinafter defined) now desire to amend and restate the Original Partnership Agreement and admit the Persons whose names are set forth on Exhibit A attached hereto as limited partners of the Partnership by entering into this Agreement (as hereinafter defined);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement:

"*Act*" means the Virginia Revised Uniform Limited Partnership Act, Title 50 of the Code of Virginia, as it may be amended from time to time, and any successor to such statute.

"*Actions*" has the meaning set forth in Section 7.7 hereof.

"*Additional Funds*" has the meaning set forth in Section 4.3.A hereof.

"*Additional Limited Partner*" means a Person who is admitted to the Partnership as a limited partner pursuant to the Act and Section 4.2 and Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"*Adjusted Capital Account*" means, with respect to any Partner, the balance in such Partner's Capital Account as of the end of the relevant Partnership Year or other applicable period, after giving effect to the following adjustments:

(i) increase such Capital Account by any amounts that such Partner is obligated to restore pursuant to this Agreement upon liquidation of such Partner's Partnership Interest or that such Person is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) decrease such Capital Account by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"*Adjusted Capital Account Deficit*" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year or other applicable period.

"*Adjustment Factor*" means 1.0; *provided*, *however*, that in the event that:

(i) the General Partner (a) declares or pays a dividend on its outstanding REIT Shares wholly or partly in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares wholly or partly in REIT Shares, (b) splits or subdivides its outstanding REIT Shares or (c) effects a reverse stock split or otherwise combines its outstanding REIT Shares into a smaller number of REIT Shares, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction, (i) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination (assuming for such purposes that such dividend, distribution, split, subdivision, reverse split or combination has occurred as of such time) and (ii) the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination;

(ii) the General Partner distributes any rights, options or warrants to all holders of its REIT Shares to subscribe for or to purchase or to otherwise acquire REIT Shares, or other securities or rights convertible into, exchangeable for or exercisable for REIT Shares (other than REIT Shares issuable pursuant to a Qualified DRIP/COPP), at a price per share less than the Value of a REIT Share on the record date for such distribution (each a "*Distributed Right*"), then, as of the distribution date of such Distributed Rights or, if later, the time such Distributed Rights become exercisable, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction (a) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus the maximum number of REIT Shares purchasable under such Distributed Rights and (b) the denominator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus a fraction (1) the numerator of which is the maximum number of REIT Shares purchasable under such Distributed Rights times the minimum purchase price per REIT Share under such Distributed Rights and (2) the denominator of which is the Value of a REIT Share as of the record date (or, if later, the date such Distributed Rights become exercisable); *provided*, *however*, that, if any such Distributed Rights expire or become no longer exercisable, then the Adjustment Factor shall be adjusted, effective retroactive to the date of distribution of the Distributed Rights, to reflect a reduced maximum number of REIT Shares or any change in the minimum purchase price for the purposes of the above fraction; and

(iii) the General Partner shall, by dividend or otherwise, distribute to all holders of its REIT Shares evidences of its indebtedness or assets (including securities, but excluding any dividend or distribution referred to in subsection (i) or (ii) above), which evidences of indebtedness or assets relate to assets not received by the General Partner pursuant to a pro rata distribution by the Partnership, then the Adjustment Factor shall be adjusted to equal the amount determined by multiplying the Adjustment Factor in effect immediately prior to the close of business as of the record date by a fraction (a) the numerator of which shall be such Value of a REIT Share as of the record date and (b) the denominator of which shall be the Value of a REIT Share as of the record date less the then fair market value (as determined by the General Partner, whose determination shall be conclusive) of the portion of the evidences of indebtedness or assets so distributed applicable to one REIT Share.

Notwithstanding the foregoing, no adjustments to the Adjustment Factor will be made for any class or series of Partnership Interests to the extent that the Partnership makes or effects any correlative distribution or payment to all of the Partners holding Partnership Interests of such class or series, or effects any correlative split or reverse split in respect of the Partnership Interests of such class or series. Any adjustments to the Adjustment Factor shall become effective immediately after such event, retroactive to the record date, if any, for such event. For illustrative purposes, examples of adjustments to the Adjustment Factor are set forth on Exhibit B attached hereto.

"*Affiliate*" means, with respect to any Person, any Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreement*" means this Amended and Restated Limited Partnership Agreement of Wheeler Real Estate Investment Trust, L.P., as now or hereafter amended, restated, modified, supplemented or replaced.

"*Applicable Percentage*" has the meaning set forth in Section 15.1.B hereof.

"*Appraisal*" means, with respect to any assets, the written opinion of an independent third party experienced in the valuation of similar assets, selected by the General Partner. Such opinion may be in the form of an opinion by such independent third party that the value for such property or asset as set by the General Partner is fair, from a financial point of view, to the Partnership.

"*Assignee*" means a Person to whom a Partnership Interest has been Transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5 hereof.

"*Available Cash*" means, with respect to any period for which such calculation is being made,

(i) the sum, without duplication, of:

(1) the Partnership's Net Income or Net Loss (as the case may be) for such period,

(2) Depreciation and all other noncash charges to the extent deducted in determining Net Income or Net Loss for such period,

(3) the amount of any reduction in reserves of the Partnership referred to in clause (ii)(6) below (including, without limitation, reductions resulting because the General Partner determines such amounts are no longer necessary),

(4) the excess, if any, of the net cash proceeds from the sale, exchange, disposition, financing or refinancing of Partnership property for such period over the gain (or loss, as the case may be) recognized from such sale, exchange, disposition, financing or refinancing during such period (excluding Terminating Capital Transactions), and

(5) all other cash received (including amounts previously accrued as Net Income and amounts of deferred income) or any net amounts borrowed by the Partnership for such period that was not included in determining Net Income or Net Loss for such period;

(ii) less the sum, without duplication, of:

(1) all principal debt payments made during such period by the Partnership,

(2) capital expenditures made by the Partnership during such period,

(3) investments in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clause (ii)(1) or clause (ii)(2) above,

(4) all other expenditures and payments not deducted in determining Net Income or Net Loss for such period (including amounts paid in respect of expenses previously accrued),

(5) any amount included in determining Net Income or Net Loss for such period that was not received by the Partnership during such period,

(6) the amount of any increase in reserves (including, without limitation, working capital reserves) established during such period that the General Partner determines are necessary or appropriate in its sole and absolute discretion,

(7) any amount distributed or paid in redemption of any Limited Partner Interest or Partnership Units, including, without limitation, any Cash Amount paid, and

(8) the amount of any working capital accounts and other cash or similar balances which the General Partner determines to be necessary or appropriate in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include (a) any cash received or reductions in reserves, or take into account any disbursements made, or reserves established, after dissolution and the commencement of the liquidation and winding up of the Partnership or (b) any Capital Contributions, whenever received or any payments, expenditures or investments made with such Capital Contributions.

"*Business Day*" means any day except a Saturday, Sunday or other day on which commercial banks in Virginia Beach, Virginia are authorized by law to close.

"*Capital Account*" means, with respect to any Partner, the capital account maintained by the General Partner for such Partner on the Partnership's books and records in accordance with the following provisions:

(i) To each Partner's Capital Account, there shall be added such Partner's Capital Contributions, such Partner's distributive share of Net Income and any items in the nature of income or gain that are specially allocated pursuant to Section 6.3 or 6.4 hereof, and the amount of any Partnership liabilities assumed by such Partner or that are secured by any property distributed to such Partner.

(ii) From each Partner's Capital Account, there shall be subtracted the amount of cash and the Gross Asset Value of any Partnership property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Net Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Section 6.3 or 6.4 hereof, and the amount of any liabilities of such Partner assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership (except to the extent already reflected in the amount of such Partner's Capital Contribution).

(iii) In the event any interest in the Partnership is Transferred in accordance with the terms of this Agreement (which Transfer does not result in the termination of the Partnership for U.S. federal income tax purposes), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Transferred interest.

(iv) In determining the amount of any liability for purposes of subsections (i) and (ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(v) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations promulgated under Section 704 of the Code, and shall be interpreted and applied in a manner consistent with such Regulations. If the General Partner shall determine that it is necessary or prudent to modify the manner in which the Capital Accounts are maintained in order to comply with such Regulations, the General Partner may make such modification, provided that such modification is not likely to have any material effect on the amounts distributable to any Partner pursuant to Article 13 hereof upon the dissolution of the Partnership. The General Partner may, in its sole discretion, (a) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and (b) make any appropriate modifications in the event that unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b) or Section 1.704-2.

"*Capital Contribution*" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any Contributed Property that such Partner contributes or is deemed to contribute to the Partnership pursuant to Article 4 hereof.

"*Capital Share*" means a share of any class or series of stock of the General Partner now or hereafter authorized other than a REIT Share.

"*Cash Amount*" means an amount of cash equal to the product of (i) the Value of a REIT Share and (ii) the REIT Shares Amount determined as of the applicable Valuation Date.

"*Certificate*" means the Certificate of Limited Partnership of the Partnership filed with the SCC, as amended from time to time in accordance with the terms hereof and the Act.

"*Charity*" means an entity described in Section 501(c)(3) of the Code or any trust all the beneficiaries of which are such entities.

"*Charter*" means the charter of the General Partner, within the meaning of Section 1-101(e) of the Maryland General Corporation Law.

"*Closing Price*" has the meaning set forth in the definition of "*Value*."

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time or any successor statute thereto, as interpreted by the applicable Regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"*Consent*" means the consent to, approval of, or vote in favor of a proposed action by a Partner given in accordance with Article 14 hereof. The terms "*Consented*" and "*Consenting*" have correlative meanings.

"*Consent of the General Partner*" means the Consent of the sole General Partner, which Consent, except as otherwise specifically required by this Agreement, may be obtained prior to or after the taking of any action for which it is required by this Agreement and may be given or withheld by the General Partner in its sole and absolute discretion.

"*Consent of the Limited Partners*" means the Consent of a Majority in Interest of the Limited Partners, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and, except as otherwise provided in this Agreement, may be given or withheld by each Limited Partner in its sole and absolute discretion.

"*Consent of the Partners*" means the Consent of the General Partner and the Consent of a Majority in Interest of the Partners, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and, except as otherwise provided in this Agreement, may be given or withheld by the General Partner or the Limited Partners in their sole and absolute discretion; *provided*, *however*, that, if any such action affects only certain classes or series of Partnership Interests, "Consent of the Partners" means the Consent of the General Partner and the Consent of a Majority in Interest of the Partners of the affected classes or series of Partnership Interests.

"*Contributed Property*" means each Property or other asset, in such form as may be permitted by the Act, but excluding cash, contributed or deemed contributed to the Partnership (or deemed contributed by the Partnership to a "new" partnership pursuant to Code Section 708).

"*Controlled Entity*" means, as to any Partner, (a) any corporation more than fifty percent (50%) of the outstanding voting stock of which is owned by such Partner or such Partner's Family Members or Affiliates, (b) any trust, whether or not revocable, of which such Partner or such Partner's Family Members or Affiliates are the sole beneficiaries, (c) any partnership of which such Partner or its Affiliates are the managing partners and in which such Partner, such Partner's Family Members or Affiliates hold partnership interests representing at least twenty-five percent (25%) of such partnership's capital and profits and (d) any limited liability company of which such Partner or its Affiliates are the managers and in which such Partner, such Partner's Family Members or Affiliates hold membership interests representing at least twenty-five percent (25%) of such limited liability company's capital and profits.

"*Cut-Off Date*" means the fifth (5th) Business Day after the General Partner's receipt of a Notice of Redemption.

"*Debt*" means, as to any Person, as of any date of determination: (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (ii) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (iii) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (iv) lease obligations of such Person that, in accordance with generally accepted accounting principles, should be capitalized.

"*Depreciation*" means, for each Partnership Year or other applicable period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; *provided*, *however*, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"*Disregarded Entity*" means, with respect to any Person, (i) any "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)) of such Person, (ii) any entity treated as a disregarded entity for Federal income tax purposes with respect to such Person, or (iii) any grantor trust if the sole owner of the assets of such trust for Federal income tax purposes is such Person.

"*Distributed Right*" has the meaning set forth in the definition of "*Adjustment Factor*."

"*Equity Plan*" means any stock or equity purchase plan, restricted stock or equity plan or other similar equity compensation plan now or hereafter adopted by the Partnership or the General Partner, including the Plan.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Family Members*" means, as to a Person that is an individual, such Person's spouse, ancestors, descendants (whether by blood or by adoption or step-descendants by marriage), brothers and sisters, nieces and nephews and *inter vivos* or testamentary trusts (whether revocable or irrevocable) of which only such Person and his or her spouse, ancestors, descendants (whether by blood or by adoption or step-descendants by marriage), brothers and sisters and nieces and nephews are beneficiaries.

"*Final Adjustment*" has the meaning set forth in Section 10.3.B(2) hereof.

"*Flow-Through Partners*" has the meaning set forth in Section 3.4.C hereof.

"*Flow-Through Entity*" has the meaning set forth in Section 3.4.C hereof.

"*Funding Debt*" means any Debt incurred by or on behalf of the General Partner for the purpose of providing funds to the Partnership.

"*General Partner*" means Wheeler Real Estate Investment Trust, Inc. and its successors and assigns as a general partner of the Partnership, in each case, that is admitted from time to time to the Partnership as a general partner pursuant to the Act and this Agreement and is listed as a general partner on Exhibit A, as such Exhibit A may be amended from time to time, in such Person's capacity as a general partner of the Partnership.

"*General Partner Interest*" means the entire Partnership Interest held by a General Partner hereof, which Partnership Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or any other Partnership Units.

"*General Partner Interest Transfer*" has the meaning set forth in Section 11.2.D hereof.

"*Gross Asset Value*" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset on the date of contribution, as determined by the General Partner and agreed to by the contributing Person.

(b) The Gross Asset Values of all Partnership assets immediately prior to the occurrence of any event described in clauses (i) through (v) below shall be adjusted to equal their respective gross fair market values, as determined by the General Partner using such reasonable method of valuation as it may adopt, as of the following times:

(i) the acquisition of an additional interest in the Partnership (other than in connection with the execution of this Agreement but including, without limitation, acquisitions pursuant to Section 4.2 hereof or contributions or deemed contributions by the General Partner pursuant to Section 4.2 hereof) by a new or existing Partner in exchange for more than a *de minimis* Capital Contribution, if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(ii) the distribution by the Partnership to a Partner of more than a *de minimis* amount of Partnership property as consideration for an interest in the Partnership if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(iv) the grant of an interest in the Partnership (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner acting in a

partner capacity, or by a new Partner acting in a partner capacity or in anticipation of becoming a Partner of the Partnership, if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership; and

(v) at such other times as the General Partner shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

(c) The Gross Asset Value of any Partnership asset distributed to a Partner shall be the gross fair market value of such asset on the date of distribution, as determined by the distributee and the General Partner; *provided*, *however*, that if the distributee is the General Partner or if the distributee and the General Partner cannot agree on such a determination, such gross fair market value shall be determined by Appraisal.

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided*, *however*, that Gross Asset Values shall not be adjusted pursuant to this subsection (d) to the extent that the General Partner reasonably determines that an adjustment pursuant to subsection (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d).

(e) If the Gross Asset Value of a Partnership asset has been determined or adjusted pursuant to subsection (a), subsection (b) or subsection (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses.

"*Hart-Scott-Rodino Act*" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"*Holder*" means either (a) a Partner or (b) an Assignee owning a Partnership Interest.

"*Incapacity*" or "*Incapacitated*" means: (i) as to any Partner who is an individual, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her person or his or her estate; (ii) as to any Partner that is a corporation or limited liability company, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (iii) as to any Partner that is a partnership, the dissolution and commencement of winding up of the partnership; (iv) as to any Partner that is an estate, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust that is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the Partner is adjudged as bankrupt or insolvent, or a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above, (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or Liquidator for the Partner or for all or any substantial part of the Partner's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof, (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver or Liquidator has not been vacated or stayed within ninety (90) days of such appointment, or (h) an appointment referred to in clause (g) above is not vacated within ninety (90) days after the expiration of any such stay.

"*Indemnitee*" means (i) any Person made, or threatened to be made, a party to a proceeding by reason of its status as (a) the General Partner or (b) a director of the General Partner or an officer of the Partnership or the General Partner and (ii) such other Persons (including Affiliates or employees of the General Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"*IRS*" means the United States Internal Revenue Service.

"*Limited Partner*" means any Person that is admitted from time to time to the Partnership as a limited partner pursuant to the Act and this Agreement and is listed as a limited partner on Exhibit A attached hereto, as such

Exhibit A may be amended from time to time, including any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a limited partner of the Partnership.

"*Limited Partner Interest*" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partner Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or other Partnership Units.

"*Liquidating Event*" has the meaning set forth in Section 13.1 hereof.

"*Liquidating Gains*" means any net gain realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership (including upon the occurrence of any Liquidating Event or Terminating Capital Transaction), including but not limited to net gain realized in connection with an adjustment to the Gross Asset Value of Partnership assets under the definition of Gross Asset Value in Section 1 of this Agreement.

"*Liquidator*" has the meaning set forth in Section 13.2.A hereof.

"*Majority in Interest of the Limited Partners*" means Limited Partners (other than any Limited Partner fifty percent (50%) or more of whose equity is owned, directly or indirectly, by the General Partner) holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all such Limited Partners entitled to Consent to or withhold Consent from a proposed action.

"*Majority in Interest of the Partners*" means Partners holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all Partners entitled to Consent to or withhold Consent from a proposed action.

"*Market Price*" has the meaning set forth in the definition of "*Value*."

"*Net Income*" or "*Net Loss*" means, for each Partnership Year or other applicable period, an amount equal to the Partnership's taxable income or loss for such year or other applicable period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss" shall be added to (or subtracted from, as the case may be) such taxable income (or loss);

(b) Any expenditure of the Partnership described in Code Section 705(a)(2)(B) or treated as a Code Section 705(a)(2)(B) expenditure pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss," shall be subtracted from (or added to, as the case may be) such taxable income (or loss);

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (b) or subsection (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions that would otherwise be taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Partnership Year or other applicable period;

(f) To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest in the Partnership, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the

disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(g) Notwithstanding any other provision of this definition of "Net Income" or "Net Loss," any item that is specially allocated pursuant to Article 6 hereof shall not be taken into account in computing Net Income or Net Loss. The amounts of the items of Partnership income, gain, loss or deduction available to be specially allocated pursuant to Section 6.3 or 6.4 hereof shall be determined by applying rules analogous to those set forth in this definition of "Net Income" or "Net Loss."

"*New Securities*" means (i) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase REIT Shares or Preferred Shares, excluding grants under the Stock Option Plans, or (ii) any Debt issued by the General Partner that provides any of the rights described in clause (i).

"*Nonrecourse Deductions*" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"*Nonrecourse Liability*" has the meaning set forth in Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"*Notice of Redemption*" means the Notice of Redemption substantially in the form of Exhibit C attached to this Agreement.

"*Optionee*" means a Person to whom a stock option is granted under any Stock Option Plan.

"*Original Limited Partner*" means any Person that is a Limited Partner as of the close of business on the date of the closing of the issuance of REIT Shares pursuant to the initial public offering of REIT Shares, and does not include any Assignee or other transferee, including, without limitation, any Substituted Limited Partner succeeding to all or any part of the Partnership Interest of any such Person.

"*Ownership Limit*" means the restriction or restrictions on the ownership and transfer of stock of the General Partner imposed under the Charter.

"*Partner*" means the General Partner or a Limited Partner, and "*Partners*" means the General Partner and the Limited Partners.

"*Partner Minimum Gain*" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"*Partner Nonrecourse Debt*" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"*Partner Nonrecourse Deductions*" has the meaning set forth in Regulations Section 1.704-2(i)(1), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"*Partnership*" means the limited partnership formed and continued under the Act and pursuant to this Agreement, and any successor thereto.

"*Partnership Common Unit*" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1 and 4.2 hereof, but does not include any Partnership Preferred Unit or any other Partnership Unit specified in a Partnership Unit Designation as being other than a Partnership Common Unit.

"*Partnership Approval*" exists, with respect to any General Partner Interest Transfer, when the sum of (i) the Percentage Interest of Limited Partners holding Partnership Common Units Consenting to the General Partner Interest Transfer, plus (ii) the product of (a) the Percentage Interest of Partnership Common Units held by the General Partner multiplied by (b) the percentage of the votes that were cast in favor of the event constituting such General Partner Interest Transfer by the General Partner's common stockholders out of the total votes entitled to be cast by the General Partner's common stockholders, equals or exceeds the percentage required for the common stockholders of the General Partner to approve the event constituting such General Partner Interest Transfer. In the event that Partnership Approval has not been established by the date that is five (5) Business Days after the date upon which the vote of the stockholders of the General Partner was certified, or the consent of the stockholders of

the General Partner was obtained, with respect to the event constituting such General Partner Interest Transfer, then Partnership Approval shall be deemed not to exist with respect to such event.

"*Partnership Employee*" means an employee or other service provider of the Partnership or of a Subsidiary of the Partnership, if any, acting in such capacity.

"*Partnership Equivalent Units*" has the meaning set forth in Section 4.7.A hereof.

"*Partnership Interest*" means an ownership interest in the Partnership held by either a Limited Partner or a General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. There may be one or more classes or series of Partnership Interests. A Partnership Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or other Partnership Units.

"*Partnership Minimum Gain*" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"*Partnership Preferred Unit*" means a fractional, undivided share of the Partnership Interests that the General Partner has authorized pursuant to Section 4.2 hereof that has distribution rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the Partnership Common Units.

"*Partnership Record Date*" means the record date established by the General Partner for a distribution pursuant to Section 5.1 hereof, which record date shall generally be the same as the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution.

"*Partnership Unit*" means a Partnership Common Unit, a Partnership Preferred Unit or any other unit of the fractional, undivided share of the Partnership Interests that the General Partner has authorized pursuant to Section 4.1, Section 4.2 or Section 4.3 hereof; *provided*, *however*, that Partnership Units comprising a General Partner Interest or a Limited Partner Interest shall have the differences in rights and privileges as specified in this Agreement.

"*Partnership Unit Designation*" shall have the meaning set forth in Section 4.2.A hereof.

"*Partnership Year*" means the fiscal year of the Partnership, which shall be the calendar year.

"*Percentage Interest*" means, with respect to each Partner, the fraction, expressed as a percentage, the numerator of which is the aggregate number of Partnership Units of all classes and series held by such Partner and the denominator of which is the total number of Partnership Units of all classes and series held by all Partners; *provided, however*, that, to the extent applicable in context, the term "Percentage Interest" means, with respect to a Partner, the fraction, expressed as a percentage, the numerator of which is the aggregate number of Partnership Units of a specified class or series (or specified group of classes and/or series) held by such Partner and the denominator of which is the total number of Partnership Units of such specified class or series (or specified group of classes and/or series) held by all Partners.

"*Permitted Transfer*" has the meaning set forth in Section 11.3.A hereof.

"*Person*" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

"*Plan*" means the Wheeler Real Estate Investment Trust, Inc. 2012 Stock Incentive Plan.

"*Pledge*" has the meaning set forth in Section 11.3.A hereof.

"*Preferred Share*" means a share of stock of the General Partner of any class or series now or hereafter authorized or reclassified that has dividend rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the REIT Shares.

"*Properties*" means any assets and property of the Partnership such as, but not limited to, interests in real property and personal property, including, without limitation, fee interests, interests in ground leases, easements and rights of way, interests in limited liability companies, joint ventures or partnerships, interests in mortgages, and Debt instruments as the Partnership may hold from time to time and "Property" means any one such asset or property.

"*Qualified DRIP/COPP*" means a dividend reinvestment plan or a cash option purchase plan of the General Partner that permits participants to acquire REIT Shares using the proceeds of dividends paid by the General Partner or cash of the participant, respectively; *provided*, *however*, that if such shares are offered at a discount, such discount must (i) be designed to pass along to the stockholders of the General Partner the savings enjoyed by the General Partner in connection with the avoidance of stock issuance costs, and (ii) not exceed 5% of the value of a REIT Share as computed under the terms of such plan.

"*Qualified Transferee*" means an "accredited investor" as defined in Rule 501 promulgated under the Securities Act.

"*Qualifying Party*" means (a) a Limited Partner, (b) an Assignee or (c) a Person, including a lending institution as the pledgee of a Pledge, who is the transferee of a Limited Partner Interest in a Permitted Transfer; *provided*, *however*, that a Qualifying Party shall not include the General Partner.

"*Redemption*" has the meaning set forth in Section 15.1.A hereof.

"*Regulations*" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"*Regulatory Allocations*" has the meaning set forth in Section 6.4.A(viii) hereof.

"*REIT*" means a real estate investment trust qualifying under Code Section 856.

"*REIT Partner*" means (a) the General Partner or any Affiliate of the General Partner to the extent such Person has in place an election to qualify as a REIT and, (b) any Disregarded Entity with respect to any such Person.

"*REIT Payment*" has the meaning set forth in Section 15.12 hereof.

"*REIT Requirements*" has the meaning set forth in Section 5.1 hereof.

"*REIT Share*" means a share of common stock of the General Partner, $0.01 par value per share, but shall not include any class or series of the General Partner's common stock classified after the date of this Agreement.

"*REIT Shares Amount*" means a number of REIT Shares equal to the product of (a) the number of Tendered Units and (b) the Adjustment Factor; *provided*, *however*, that, in the event that the General Partner issues to all holders of REIT Shares as of a certain record date rights, options, warrants or convertible or exchangeable securities entitling the General Partner's stockholders to subscribe for or purchase REIT Shares, or any other securities or property (collectively, the "*Rights*"), with the record date for such Rights issuance falling within the period starting on the date of the Notice of Redemption and ending on the day immediately preceding the Specified Redemption Date, which Rights will not be distributed before the relevant Specified Redemption Date, then the REIT Shares Amount shall also include such Rights that a holder of that number of REIT Shares would be entitled to receive, expressed, where relevant hereunder, in a number of REIT Shares determined by the General Partner.

"*Related Party*" means, with respect to any Person, any other Person to whom ownership of shares of the General Partner's stock by the first such Person would be attributed under Code Section 544 (as modified by Code Section 856(h)(1)(B)) or Code Section 318(a) (as modified by Code Section 856(d)(5)).

"*Rights*" has the meaning set forth in the definition of "*REIT Shares Amount*."

"*Safe Harbors*" has the meaning set forth in Section 11.3.C hereof.

"SCC" means the State Corporation Commission of Virginia.

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Special Redemption*" has the meaning set forth in Section 15.1.A hereof.

"*Specified Redemption Date*" means the tenth (10th) Business Day after the receipt by the General Partner of a Notice of Redemption; *provided*, *however*, that no Specified Redemption Date shall occur during the first Twelve-Month Period (except pursuant to a Special Redemption).

"*Stock Option Plans*" means any stock option plan now or hereafter adopted by the Partnership or the General Partner.

"*Subsidiary*" means, with respect to any Person, any corporation or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person; *provided*, *however*, that, with respect to the Partnership, "Subsidiary" means solely a partnership or limited liability company (taxed, for federal income tax purposes, as a partnership or as a Disregarded Entity and not as an association or publicly traded partnership taxable as a corporation) of which the Partnership is a member or any "taxable REIT subsidiary" of the General Partner in which the Partnership owns shares of stock, unless the ownership of shares of stock of a corporation or other entity (other than a "taxable REIT subsidiary") will not jeopardize the General Partner's status as a REIT or any General Partner Affiliate's status as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), in which event the term "Subsidiary" shall include such corporation or other entity.

"*Substituted Limited Partner*" means a Person who is admitted as a Limited Partner to the Partnership pursuant to the Act and (i) Section 11.4 hereof or (ii) pursuant to any Partnership Unit Designation.

"*Surviving Partnership*" has the meaning set forth in Section 11.2.B(ii) hereof.

"*Tax Items*" has the meaning set forth in Section 6.5.A hereof.

"*Tendered Units*" has the meaning set forth in Section 15.1.A hereof.

"*Tendering Party*" has the meaning set forth in Section 15.1.A hereof.

"*Termination Transaction*" has the meaning set forth in Section 11.2.B hereof.

"*Terminating Capital Transaction*" means any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership, in any case, not in the ordinary course of the Partnership's business.

"*Transfer*" means any sale, assignment, bequest, conveyance, devise, gift (outright or in trust), Pledge, encumbrance, hypothecation, mortgage, exchange, transfer or other disposition or act of alienation, whether voluntary, involuntary or by operation of law; *provided*, *however*, that when the term is used in Article 11 hereof, except as otherwise expressly provided, "Transfer" does not include (a) any Redemption of Partnership Common Units by the Partnership, or acquisition of Tendered Units by the General Partner, pursuant to Section 15.1 hereof or (b) any redemption of Partnership Units pursuant to any Partnership Unit Designation. The terms "Transferred" and "Transferring" have correlative meanings.

"*Twelve-Month Period*" means (a) as to an Original Limited Partner or any Assignee of an Original Limited Partner that is a Qualifying Party, a twelve-month period ending on the day before the first twelve-month anniversary of the date of this Agreement and (b) as to any other Qualifying Party, a twelve-month period ending on the day before the first twelve-month anniversary of such Qualifying Party's first becoming a Holder of Partnership Common Units; *provided*, *however*, that the General Partner may, in its sole and absolute discretion, by written agreement with a Qualifying Party, shorten or lengthen the first Twelve-Month Period to a period of shorter or longer than twelve (12) months with respect to a Qualifying Party other than an Original Limited Partner or an Assignee of an Original Limited Partner.

"*Valuation Date*" means the date of receipt by the General Partner of a Notice of Redemption pursuant to Section 15.1 herein, or such other date as specified herein, or, if such date is not a Business Day, the immediately preceding Business Day.

"*Value*" means, on any Valuation Date with respect to a REIT Share, the average of the daily Market Prices for ten (10) consecutive trading days immediately preceding the Valuation Date (except that the Market Price for the trading day immediately preceding the date of exercise of a stock option under any Stock Option Plans shall be substituted for such average of daily market prices for purposes of Section 4.4 hereof). The term "*Market Price*" on

any date means, with respect to any class or series of outstanding REIT Shares, the Closing Price for such REIT Shares on such date. The "*Closing Price*" on any date means the last sale price for such REIT Shares, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such REIT Shares, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if such REIT Shares are not listed or admitted to trading on the New York Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such REIT Shares are listed or admitted to trading or, if such REIT Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system on which REIT Shares are quoted or, if such REIT Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such REIT Shares selected by the board of directors of the General Partner or, in the event that no trading price is available for such REIT Shares, the fair market value of the REIT Shares, as determined by the board of directors of the General Partner.

In the event that the REIT Shares Amount includes Rights that a holder of REIT Shares would be entitled to receive, then the Value of such Rights shall be determined by the General Partner on the basis of such quotations and other information as it considers appropriate.

"*Vesting Date*" has the meaning set forth in Section 4.4.C.2 hereof.

"*Virginia Courts*" has the meaning set forth in Section 15.9.B hereof.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 *Formation*. The Partnership is a limited partnership heretofore formed and continued pursuant to the provisions of the Act and upon the terms and subject to the conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 *Name*. The name of the Partnership is "Wheeler Real Estate Investment Trust, L.P." The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners.

Section 2.3 *Principal Office and Resident Agent; Principal Executive Office.* The address of the principal office of the Partnership in the Commonwealth of Virginia is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452, or such other place within the Commonwealth of Virginia as the General Partner may from time to time designate, and the resident agent of the Partnership in the Commonwealth of Virginia is Charles E. Land, Kaufman & Canoles, P.C., 150 West Main Street, Suite 2100, Norfolk, Virginia 23514, or such other resident of the Commonwealth of Virginia as the General Partner may from time to time designate. The principal office of the Partnership is located at Riversedge North, 2529 Virginia Beach Boulevard, Suite 200, Virginia Beach, Virginia 23452, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the Commonwealth of Virginia as the General Partner deems advisable.

Section 2.4 *Power of Attorney*.

A. Each Limited Partner and Assignee hereby irrevocably constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(1) execute, swear to, seal, acknowledge, deliver, file and record in the appropriate public offices: (a) all

certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments, supplements or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the Commonwealth of Virginia and in all other jurisdictions in which the Partnership may conduct business or own property; (b) all instruments that the General Partner or any Liquidator deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the distribution or exchange of assets of the Partnership pursuant to the terms of this Agreement; (e) all instruments relating to the admission, acceptance, withdrawal, removal or substitution of any Partner pursuant to the terms of this Agreement or the Capital Contribution of any Partner; and (f) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges relating to Partnership Interests; and

(2) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement.

(3) Nothing contained herein shall be construed as authorizing the General Partner or any Liquidator to amend this Agreement except in accordance with Section 14.2 hereof or as may be otherwise expressly provided for in this Agreement.

B. The foregoing power of attorney is hereby declared to be irrevocable and a special power coupled with an interest, in recognition of the fact that each of the Limited Partners and Assignees will be relying upon the power of the General Partner or the Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the Transfer of all or any portion of such Person's Partnership Interest and shall extend to such Person's heirs, successors, assigns and personal representatives. Each such Limited Partner and Assignee hereby agrees to be bound by any representation made by the General Partner or the Liquidator, acting in good faith pursuant to such power of attorney; and each such Limited Partner and Assignee hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator, taken in good faith under such power of attorney. Each Limited Partner and Assignee shall execute and deliver to the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator (as the case may be) deems necessary to effectuate this Agreement and the purposes of the Partnership. Notwithstanding anything else set forth in this Section 2.4.B, no Limited Partner shall incur any personal liability for any action of the General Partner or the Liquidator taken under such power of attorney.

Section 2.5 *Term*. The term of the Partnership commenced on March , 2012, the date that the original Certificate was filed with the SCC in accordance with the Act, and shall continue indefinitely unless the Partnership is dissolved sooner pursuant to the provisions of Article 13 hereof or as otherwise provided by law.

Section 2.6 *Partnership Interests Are Securities*. All Partnership Interests shall be securities within the meaning of, and governed by, (i) Title 8.8A of the Virginia Uniform Commercial Code and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction.

ARTICLE 3
PURPOSE

Section 3.1 *Purpose and Business*. The purpose and nature of the Partnership is to conduct any business, enterprise or activity permitted by or under the Act, including, without limitation, (i) to conduct the business of

acquisition, ownership, construction, reconstruction, development, redevelopment, alteration, improvement, maintenance, operation, sale, leasing, transfer, encumbrance, conveyance and exchange of the Properties, (ii) to acquire and invest in any securities and/or loans relating to the Properties, (iii) to enter into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement to engage in any business permitted by or under the Act, or to own interests in any entity engaged in any business permitted by or under the Act, (iv) to conduct the business of providing property and asset management and brokerage services, whether directly or through one or more partnerships, joint ventures, Subsidiaries, business trusts, limited liability companies or similar arrangements, and (v) to do anything necessary or incidental to the foregoing.

Section 3.2 *Powers*.

A. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership including, without limitation, full power and authority, directly or through its ownership interest in other entities, to enter into, perform and carry out contracts of any kind, to borrow and lend money and to issue evidence of indebtedness, whether or not secured by mortgage, deed of trust, pledge or other lien, to acquire, own, manage, improve and develop real property and lease, sell, transfer and dispose of real property.

B. Notwithstanding any other provision in this Agreement, the Partnership shall not take, or refrain from taking, any action that, in the judgment of the General Partner, in its sole and absolute discretion, (i) could adversely affect the ability of the General Partner to continue to qualify as a REIT, (ii) could subject the General Partner to any taxes under Code Section 857 or Code Section 4981 or any other related or successor provision under the Code, or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner, its securities or the Partnership, unless, in any such case, such action (or inaction) under clause (i), clause (ii), or clause (iii) above shall have been specifically Consented to by the General Partner.

Section 3.3 *Partnership Only for Purposes Specified*. The Partnership is a limited partnership formed pursuant to the Act, and this Agreement shall not be deemed to create a company, venture or partnership between or among the Partners or any other Persons with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in Section 3.1 hereof. Except as otherwise provided in this Agreement, no Partner shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Partnership, its properties or any other Partner. No Partner, in its capacity as a Partner under this Agreement, shall be responsible or liable for any indebtedness or obligation of another Partner, nor shall the Partnership be responsible or liable for any indebtedness or obligation of any Partner, incurred either before or after the execution and delivery of this Agreement by such Partner, except as to those responsibilities, liabilities, indebtedness or obligations incurred by such Partner pursuant to and as limited by the terms of this Agreement and the Act.

Section 3.4 *Representations and Warranties by the Partners*.

A. Each Partner that is an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that (i) the consummation of the transactions contemplated by this Agreement to be performed by such Partner will not result in a breach or violation of, or a default under, any material agreement by which such Partner or any of such Partner's property is bound, or any statute, regulation, order or other law to which such Partner is subject, (ii) if nine point eight percent (9.8%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly, (a) stock of any corporation that is a tenant of (I) the General Partner, or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company of which the General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member or (b) an interest in the assets or net profits of any non-corporate tenant of (I) the General Partner or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture, or limited liability company of which the General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member, (iii) such Partner has the legal capacity to enter into this Agreement and perform such Partner's obligations hereunder, and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms. Notwithstanding the foregoing, a Partner that is an individual shall not be subject to the ownership restrictions set forth in clause (ii) of the immediately preceding sentence to the extent such

Partner obtains the written Consent of the General Partner prior to violating any such restrictions. Each Partner that is an individual shall also represent and warrant to the Partnership that such Partner is neither a "foreign person" within the meaning of Code Section 1445(f) nor a foreign partner within the meaning of Code Section 1446(e).

B. Each Partner that is not an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that (i) all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action, including, without limitation, that of its general partner(s), manager(s), committee(s), trustee(s), beneficiaries, directors and/or stockholder(s) (as the case may be) as required, (ii) the consummation of such transactions shall not result in a breach or violation of, or a default under, its partnership or operating agreement, trust agreement, charter or bylaws (as the case may be) any material agreement by which such Partner or any of such Partner's properties or any of its partners, members, beneficiaries, trustees or stockholders (as the case may be) is or are bound, or any statute, regulation, order or other law to which such Partner or any of its partners, members, trustees, beneficiaries or stockholders (as the case may be) is or are subject, (iii) if nine point eight percent (9.8%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly, (a) stock of any corporation that is a tenant of (I) the General Partner or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company of which the General Partner, any General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member or (b) an interest in the assets or net profits of any non-corporate tenant of (I) the General Partner, or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company for which the General Partner, any General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member, and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms. Notwithstanding the foregoing, a Partner that is not an individual shall not be subject to the ownership restrictions set forth in clause (iii) of the immediately preceding sentence to the extent such Partner obtains the written Consent of the General Partner prior to violating any such restrictions. Each Partner that is not an individual shall also represent and warrant to the Partnership that such Partner is neither a "foreign person" within the meaning of Code Section 1445(f) nor a foreign partner within the meaning of Code Section 1446(e).

C. Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) represents, warrants and agrees that (i) it has acquired and continues to hold its interest in the Partnership for its own account for investment purposes only and not for the purpose of, or with a view toward, the resale or distribution of all or any part thereof in violation of applicable laws, and not with a view toward selling or otherwise distributing such interest or any part thereof at any particular time or under any predetermined circumstances in violation of applicable laws; (ii) it is a sophisticated investor, able and accustomed to handling sophisticated financial matters for itself, particularly real estate investments, and that it has a sufficiently high net worth that it does not anticipate a need for the funds that it has invested in the Partnership in what it understands to be a highly speculative and illiquid investment; and (iii) without the Consent of the General Partner, it shall not take any action that would cause (a) the Partnership at any time to have more than 100 partners, including as partners those Persons ("*Flow-Through Partners*") indirectly owning an interest in the Partnership through an entity treated as a partnership, Disregarded Entity, S corporation or grantor trust (each such entity, a "*Flow-Through Entity*"), but only if substantially all of the value of such Person's interest in the Flow-Through Entity is attributable to the Flow-Through Entity's interest (direct or indirect) in the Partnership; or (b) the Partnership Interest initially issued to such Partner or its predecessors to be held by more than two partners, including as partners any Flow-Through Partners.

D. The representations and warranties contained in Sections 3.4.A, 3.4.B and 3.4.C hereof shall survive the execution and delivery of this Agreement by each Partner (and, in the case of an Additional Limited Partner or a Substituted Limited Partner, the admission of such Additional Limited Partner or Substituted Limited Partner as a Limited Partner in the Partnership) and the dissolution, liquidation and termination of the Partnership.

E. Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) hereby acknowledges that no representations as to potential profit, cash flows, funds from operations or yield, if any, in respect of the Partnership or the General Partner have been made by any Partner or any employee or representative or Affiliate of

any Partner, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, that may have been in any manner submitted to such Partner shall not constitute any representation or warranty of any kind or nature, express or implied.

F. Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, permit the modification of any of the representations and warranties contained in Sections 3.4.A, 3.4.B and 3.4.C above as applicable to any Partner (including, without limitation any Additional Limited Partner or Substituted Limited Partner or any transferee of either), provided that such representations and warranties, as modified, shall be set forth in either (i) a Partnership Unit Designation applicable to the Partnership Units held by such Partner or (ii) a separate writing addressed to the Partnership and the General Partner.

ARTICLE 4
CAPITAL CONTRIBUTIONS

Section 4.1 *Capital Contributions of the Partners*. The Partners have heretofore made Capital Contributions to the Partnership. Each Partner owns Partnership Units in the amount set forth for such Partner on Exhibit A, as the same may be amended from time to time by the General Partner to the extent necessary to reflect accurately sales, exchanges or other Transfers, redemptions, Capital Contributions, the issuance of additional Partnership Units, or similar events having an effect on a Partner's ownership of Partnership Units. Except as provided by law or in Section 4.2, 4.3, or 10.4 hereof, the Partners shall have no obligation or, except with the prior Consent of the General Partner, right to make any additional Capital Contributions or loans to the Partnership.

Section 4.2 *Issuances of Additional Partnership Interests*. Subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation:

A. *General*. The General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests, in the form of Partnership Units, for any Partnership purpose, at any time or from time to time, to the Partners (including the General Partner) or to other Persons, and to admit such Persons as Additional Limited Partners, for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partner or any other Person. Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units (i) upon the conversion, redemption or exchange of any Debt, Partnership Units, or other securities issued by the Partnership, (ii) for less than fair market value and (iii) in connection with any merger of any other Person into the Partnership. Any additional Partnership Interests may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over existing Partnership Units) as shall be determined by the General Partner, in its sole and absolute discretion without the approval of any Limited Partner or any other Person, and set forth in a written document thereafter attached to and made an exhibit to this Agreement, which exhibit shall be an amendment to this Agreement and shall be incorporated herein by this reference (each, a "*Partnership Unit Designation*"). Without limiting the generality of the foregoing, the General Partner shall have authority to specify: (a) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (b) the right of each such class or series of Partnership Interests to share (on a *pari passu*, junior or preferred basis) in Partnership distributions; (c) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; (d) the voting rights, if any, of each such class or series of Partnership Interests; and (e) the conversion, redemption or exchange rights applicable to each such class or series of Partnership Interests. Upon the issuance of any additional Partnership Interest, the General Partner shall amend Exhibit A and the books and records of the Partnership as appropriate to reflect such issuance.

B. *Issuances to the General Partner*. No additional Partnership Units shall be issued to the General Partner unless (i) the additional Partnership Units are issued to all Partners in proportion to their respective Percentage Interests, (ii) (a) the additional Partnership Units are (x) Partnership Common Units issued in connection with an issuance of REIT Shares, or (y) Partnership Equivalent Units (other than Partnership Common Units) issued in connection with an issuance of Preferred Shares, New Securities or other interests in the General Partner (other than REIT Shares), and (b) the General Partner contributes to the Partnership the cash proceeds or other consideration received in connection with the issuance of such REIT Shares, Preferred Shares, New Securities or other interests in the General Partner, (iii) the additional Partnership Units are issued upon the conversion, redemption or exchange of

Debt, Partnership Units or other securities issued by the Partnership or (iv) the additional Partnership Units are issued pursuant to Section 4.3.B, Section 4.3.E, Section 4.4 or Section 4.5.

C. *No Preemptive Rights*. Except as specified in Section 4.2.B(i) hereof, no Person, including, without limitation, any Partner or Assignee, shall have any preemptive, preferential, participation or similar right or rights to subscribe for or acquire any Partnership Interest.

Section 4.3 *Additional Funds and Capital Contributions*.

A. *General*. The General Partner may, at any time and from time to time, determine that the Partnership requires additional funds ("*Additional Funds*") for the acquisition or development of additional Properties, for the redemption of Partnership Units or for such other purposes as the General Partner may determine, in its sole and absolute discretion. Additional Funds may be obtained by the Partnership, at the election of the General Partner, in any manner provided in, and in accordance with, the terms of this Section 4.3 without the approval of any Limited Partner or any other Person.

B. *Additional Capital Contributions*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by accepting Capital Contributions from any Partners or other Persons. In connection with any such Capital Contribution (of cash or property), the General Partner is hereby authorized to cause the Partnership from time to time to issue additional Partnership Units (as set forth in Section 4.2 above) in consideration therefor and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect the issuance of such additional Partnership Units.

C. *Loans by Third Parties*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt to any Person (other than the General Partner (but, for this purpose, disregarding any Debt that may be deemed incurred to the General Partner by virtue of clause (iii) of the definition of Debt)) upon such terms as the General Partner determines appropriate, including making such Debt convertible, redeemable or exchangeable for Partnership Units or REIT Shares; *provided*, *however*, that the Partnership shall not incur any such Debt if any Partner would be personally liable for the repayment of such Debt (unless such Partner otherwise agrees).

D. *General Partner Loans*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt to the General Partner if (i) such Debt is, to the extent permitted by law, on substantially the same terms and conditions (including interest rate, repayment schedule, and conversion, redemption, repurchase and exchange rights) as Funding Debt incurred by the General Partner, the net proceeds of which are loaned to the Partnership to provide such Additional Funds, or (ii) such Debt is on terms and conditions no less favorable to the Partnership than would be available to the Partnership from any third party; *provided*, *however*, that the Partnership shall not incur any such Debt if any Partner would be personally liable for the repayment of such Debt (unless such Partner otherwise agrees).

E. *Issuance of Securities by the General Partner*. The General Partner shall not issue any additional REIT Shares, Capital Shares or New Securities unless the General Partner contributes the cash proceeds or other consideration received from the issuance of such additional REIT Shares, Capital Shares or New Securities (as the case may be) and from the exercise of the rights contained in any such additional Capital Shares or New Securities to the Partnership in exchange for (x) in the case of an issuance of REIT Shares, Partnership Common Units, or (y) in the case of an issuance of Capital Shares or New Securities, Partnership Equivalent Units; *provided*, *however*, that notwithstanding the foregoing, the General Partner may issue REIT Shares, Capital Shares or New Securities (a) pursuant to Section 4.4 or Section 15.1.B hereof, (b) pursuant to a dividend or distribution (including any stock split) of REIT Shares, Capital Shares or New Securities to all of the holders of REIT Shares, Capital Shares or New Securities (as the case may be), (c) upon a conversion, redemption or exchange of Capital Shares, (d) upon a conversion, redemption, exchange or exercise of New Securities, or (e) in connection with an acquisition of Partnership Units or a property or other asset to be owned, directly or indirectly, by the General Partner. In the event of any issuance of additional REIT Shares, Capital Shares or New Securities by the General Partner, and the contribution to the Partnership, by the General Partner, of the cash proceeds or other consideration received from such issuance (or property acquired with such proceeds), if any, if the cash proceeds actually received by the General Partner are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the General Partner shall be deemed to have made a Capital Contribution to the Partnership in the amount equal to the sum of the cash proceeds of such issuance plus

the amount of such underwriter's discount and other expenses paid by the General Partner (which discount and expense shall be treated as an expense for the benefit of the Partnership for purposes of Section 7.4). In the event that the General Partner issues any additional REIT Shares, Capital Shares or New Securities and contributes the cash proceeds or other consideration received from the issuance thereof to the Partnership, the Partnership is expressly authorized to issue a number of Partnership Common Units or Partnership Equivalent Units to the General Partner equal to the number of REIT Shares, Capital Shares or New Securities so issued, divided by the Adjustment Factor then in effect, in accordance with this Section 4.3.E without any further act, approval or vote of any Partner or any other Persons.

Section 4.4 *Stock Option Plans and Equity Plans*.

A. *Options Granted to Persons other than Partnership Employees*. If at any time or from time to time, in connection with any Stock Option Plan, a stock option granted for REIT Shares to a Person other than a Partnership Employee is duly exercised:

(1) The General Partner, shall, as soon as practicable after such exercise, make a Capital Contribution to the Partnership in an amount equal to the exercise price paid to the General Partner by such exercising party in connection with the exercise of such stock option.

(2) Notwithstanding the amount of the Capital Contribution actually made pursuant to Section 4.4.A(1) hereof, the General Partner shall be deemed to have contributed to the Partnership as a Capital Contribution, in lieu of the Capital Contribution actually made and in consideration of an additional Limited Partner Interest (expressed in and as additional Partnership Common Units), an amount equal to the Value of a REIT Share as of the date of exercise multiplied by the number of REIT Shares then being issued in connection with the exercise of such stock option.

(3) An equitable Percentage Interest adjustment shall be made in which the General Partner shall be treated as having made a cash contribution equal to the amount described in Section 4.4.A(2) hereof.

B. *Options Granted to Partnership Employees*. If at any time or from time to time, in connection with any Stock Option Plan, a stock option granted for REIT Shares to a Partnership Employee is duly exercised:

(1) The General Partner shall sell to the Optionee, and the Optionee shall purchase from the General Partner, for a cash price per share equal to the Value of a REIT Share at the time of the exercise, the number of REIT Shares equal to (a) the exercise price payable by the Optionee in connection with the exercise of such stock option divided by (b) the Value of a REIT Share at the time of such exercise.

(2) The General Partner shall sell to the Partnership (or if the Optionee is an employee or other service provider of a Subsidiary of the Partnership, the General Partner shall sell to such Subsidiary of the Partnership), and the Partnership (or such subsidiary, as applicable) shall purchase from the General Partner, a number of REIT Shares equal to (a) the number of REIT Shares as to which such stock option is being exercised less (b) the number of REIT Shares sold pursuant to Section 4.4.B(1) hereof. The purchase price per REIT Share for such sale of REIT Shares to the Partnership (or such subsidiary) shall be the Value of a REIT Share as of the date of exercise of such stock option.

(3) The Partnership shall transfer to the Optionee (or if the Optionee is an employee or other service provider of a Subsidiary of the Partnership, such Subsidiary shall transfer to the Optionee) at no additional cost, as additional compensation, the number of REIT Shares described in Section 4.4.B(2) hereof.

(4) The General Partner shall, as soon as practicable after such exercise, make a Capital Contribution to the Partnership of an amount equal to all proceeds received (from whatever source, but excluding any payment in respect of payroll taxes or other withholdings) by the General Partner in connection with the exercise of such stock option. An equitable Percentage Interest adjustment shall be made as a result of such contribution.

C. *Restricted Stock Granted to Persons other than Partnership Employees*. If at any time or from time to time, in connection with any Equity Plan (other than a Stock Option Plan), any REIT Shares are issued to a Person other than a Partnership Employee in consideration for services performed for the General Partner:

(1) The General Partner shall issue such number of REIT Shares as are to be issued to such Person in accordance with the Equity Plan; and

(2) On the date (such date, the "*Vesting Date*") that the Value of such shares is includible in taxable income of such Person, the following events will be deemed to have occurred: (a) the General Partner shall be deemed to have contributed the Value of such REIT Shares to the Partnership as a Capital Contribution, and (b) the Partnership shall issue to the General Partner on the Vesting Date a number of Common Units equal to the number of newly issued REIT Shares divided by the Adjustment Factor then in effect.

D. *Restricted Stock Granted to Partnership Employees*. If at any time or from time to time, in connection with any Equity Plan (other than a Stock Option Plan), any REIT Shares are issued to a Partnership Employee (including any REIT Shares that are subject to forfeiture in the event such Partnership Employee terminates his employment by the Partnership or the Partnership Subsidiaries) in consideration for services performed for the Partnership or the Partnership Subsidiaries:

(1) The General Partner shall issue such number of REIT Shares as are to be issued to the Partnership Employee in accordance with the Equity Plan;

(2) On the Vesting Date, the following events will be deemed to have occurred: (a) the General Partner shall be deemed to have sold such shares to the Partnership (or if the Partnership Employee is an employee or other service provider of a Subsidiary of the Partnership, to such Subsidiary) for a purchase price equal to the Value of such shares, (b) the Partnership (or such Subsidiary) shall be deemed to have delivered the shares to the Partnership Employee, (c) the General Partner shall be deemed to have contributed the purchase price to the Partnership as a Capital Contribution, and (d) in the case where the Partnership Employee is an employee of a Subsidiary of the Partnership, the Partnership shall be deemed to have contributed such amount to the capital of such Subsidiary; and

(3) The Partnership shall issue to the General Partner on the Vesting Date a number of Common Units equal to the number of newly issued REIT Shares divided by the Adjustment Factor then in effect in consideration for the Capital Contribution described in Section 4.4.D(2)(c) above.

E. *Future Stock Incentive Plans*. Nothing in this Agreement shall be construed or applied to preclude or restrain the General Partner from adopting, modifying or terminating stock incentive plans for the benefit of employees, directors or other business associates of the General Partner, the Partnership or any of their Affiliates. The Partners acknowledge and agree that, in the event that any such plan is adopted, modified or terminated by the General Partner, amendments to this Section 4.4 may become necessary or advisable and that any approval or Consent to any such amendments requested by the General Partner shall be deemed granted by the Limited Partners.

F. *Issuance of Partnership Common Units*. The Partnership is expressly authorized to issue Partnership Common Units in accordance with any duly authorized Stock Option Plan or Equity Plan pursuant to this Section 4.4 without any further act, approval or vote of any Partner or any other Persons.

Section 4.5 *Dividend Reinvestment Plan, Cash Option Purchase Plan, Stock Incentive Plan or Other Plan*. Except as may otherwise be provided in this Article 4, all amounts received or deemed received by the General Partner in respect of any dividend reinvestment plan, cash option purchase plan, stock incentive or other stock or subscription plan or agreement, either (a) shall be utilized by the General Partner to effect open market purchases of REIT Shares, or (b) if the General Partner elects instead to issue new REIT Shares with respect to such amounts, shall be contributed by the General Partner to the Partnership in exchange for additional Partnership Common Units. Upon such contribution, the Partnership will issue to the General Partner a number of Partnership Common Units equal to the quotient of (i) the new REIT Shares so issued, divided by (ii) the Adjustment Factor then in effect.

Section 4.6 *No Interest; No Return*. No Partner shall be entitled to interest on its Capital Contribution or on such Partner's Capital Account. Except as provided herein or by law, no Partner shall have any right to demand or receive the return of its Capital Contribution from the Partnership.

Section 4.7 *Conversion or Redemption of Capital Shares*.

A. *Conversion of Capital Shares*. If, at any time, any of the Capital Shares are converted into REIT Shares, in whole or in part, then a number of Partnership Units with preferences, conversion and other rights, restrictions (other than restrictions on transfer), rights and limitations as to distributions and qualifications that are substantially the same as those of such Capital Shares ("*Partnership Equivalent Units*") (for the avoidance of doubt, Partnership Equivalent Units need not have voting rights, redemption rights or restrictions on transfer that are substantially

similar to such Capital Shares) equal to the number of Capital Shares so converted shall automatically be converted into a number of Partnership Common Units equal to the quotient of (i) the number of REIT Shares issued upon such conversion divided by (ii) the Adjustment Factor then in effect, and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect such conversion.

B. *Redemption of Capital Shares or REIT Shares*. Except as otherwise provided in Section 7.4.C., if, at any time, any Capital Shares are redeemed or otherwise repurchased (whether by exercise of a put or call, automatically or by means of another arrangement) by the General Partner for cash, the Partnership shall, immediately prior to such redemption or repurchase of Capital Shares, redeem or repurchase an equal number of Partnership Equivalent Units held by the General Partner upon the same terms and for the same price per Partnership Equivalent Unit as such Capital Shares are redeemed. If, at any time, any REIT Shares are redeemed or otherwise repurchased by the General Partner, the Partnership shall, immediately prior to such redemption or repurchase of REIT Shares, redeem or repurchase a number of Partnership Common Units held by the General Partner equal to the quotient of (i) the REIT Shares so redeemed or repurchased, divided by (ii) the Adjustment Factor then in effect, such redemption or repurchase to be upon the same terms and for the same price per Partnership Common Unit (after giving effect to application of the Adjustment Factor) as such REIT Shares are redeemed or repurchased.

Section 4.8 *Other Contribution Provisions*. In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such partner in cash and such Partner had contributed the cash that the Partner would have received to the capital of the Partnership. In addition, with the Consent of the General Partner, one or more Partners may enter into contribution agreements with the Partnership which have the effect of providing a guarantee of certain obligations of the Partnership (and/or a wholly-owned Subsidiary of the Partnership).

ARTICLE 5
DISTRIBUTIONS

Section 5.1 *Requirement and Characterization of Distributions*. Subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may cause the Partnership to distribute such amounts, at such times, as the General Partner may, in its sole and absolute discretion, determine, to the Holders as of any Partnership Record Date: (i) first, with respect to any Partnership Units that are entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Partnership Units (and, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date); and (ii) second, with respect to any Partnership Units that are not entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Partnership Units, as applicable (and, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date). Distributions payable with respect to any Partnership Units, other than any Partnership Units issued to the General Partner in connection with the issuance of REIT Shares by the General Partner, that were not outstanding during the entire quarterly period in respect of which any distribution is made shall be prorated based on the portion of the period that such Partnership Units were outstanding. The General Partner shall make such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the General Partner's qualification as a REIT, to cause the Partnership to distribute sufficient amounts to enable the General Partner, for so long as the General Partner has determined to qualify as a REIT, to pay stockholder dividends that will (a) satisfy the requirements for qualifying as a REIT under the Code and Regulations (the "*REIT Requirements*") and (b) except to the extent otherwise determined by the General Partner, eliminate any U.S. federal income or excise tax liability of the General Partner.

Section 5.2 *Distributions in Kind*. Except as expressly provided herein, no right is given to any Holder to demand and receive property other than cash as provided in this Agreement. The General Partner may determine, in its sole and absolute discretion, to make a distribution in kind of Partnership assets to the Holders, and such assets shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with Articles 5, 6 and 13 hereof; *provided*, *however*, that the General Partner shall not make a distribution in kind to any Holder unless the Holder has been given 90 days prior written notice of such distribution.

Section 5.3 *Amounts Withheld*. All amounts withheld pursuant to the Code or any provisions of any state, local or non-United States tax law and Section 10.4 hereof with respect to any allocation, payment or distribution to any

Holder shall be treated as amounts paid or distributed to such Holder pursuant to Section 5.1 hereof for all purposes under this Agreement.

Section 5.4 *Distributions upon Liquidation*. Notwithstanding the other provisions of this Article 5, net proceeds from a Terminating Capital Transaction, and any other amounts distributed after the occurrence of a Liquidating Event, shall be distributed to the Holders in accordance with Section 13.2 hereof.

Section 5.5 *Distributions to Reflect Additional Partnership Units*. In the event that the Partnership issues additional Partnership Units pursuant to the provisions of Article 4 hereof, subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner is hereby authorized to make such revisions to this Article 5 and to Articles 6, 11 and 12 hereof as it determines are necessary or desirable to reflect the issuance of such additional Partnership Units, including, without limitation, making preferential distributions to Holders of certain classes of Partnership Units.

Section 5.6 *Restricted Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, neither the Partnership nor the General Partner, on behalf of the Partnership, shall make a distribution to any Holder if such distribution would violate the Act or other applicable law.

ARTICLE 6
ALLOCATIONS

Section 6.1 *Timing and Amount of Allocations of Net Income and Net Loss*. Net Income and Net Loss of the Partnership shall be determined and allocated with respect to each Partnership Year as of the end of each such year, provided that the General Partner may in its discretion allocate Net Income and Net Loss for a shorter period as of the end of such period (and, for purposes of this Article 6, references to the term "Partnership Year" may include such shorter periods). Except as otherwise provided in this Article 6, and subject to Section 11.6.C hereof, an allocation to a Holder of a share of Net Income or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss.

Section 6.2 *General Allocations*. Except as otherwise provided in this Article 6, and Section 11.6.C hereof, Net Income and Net Loss for any Partnership Year shall be allocated to each of the Holders as follows:

A. *Net Income*.

(i) First, 100% to the General Partner in an amount equal to the remainder, if any, of the cumulative Net Losses allocated to the General Partner pursuant to clause (iii) in Section 6.2.B for all prior Partnership Years minus the cumulative Net Income allocated to the General Partner pursuant to this clause (i) for all prior Partnership Years;

(ii) Second, 100% to each Holder in an amount equal to the remainder, if any, of the cumulative Net Losses allocated to each such Holder pursuant to clause (ii) in Section 6.2.B for all prior Partnership Years minus the cumulative Net Income allocated to such Holder pursuant to this clause (ii) for all prior Partnership Years; and

(iii) Third, 100% to the Holders of Partnership Common Units in accordance with their respective Percentage Interests in the Partnership Common Units.

To the extent the allocations of Net Income set forth above in any paragraph of this Section 6.2.A are not sufficient to entirely satisfy the allocation set forth in such paragraph, such allocation shall be made in proportion to the total amount that would have been allocated pursuant to such paragraph without regard to such shortfall.

B. *Net Losses*.

(i) First, 100% to the Holders of Partnership Common Units in accordance with their respective Percentage Interests in the Partnership Common Units (to the extent consistent with this clause (i)) until the Adjusted Capital Account (ignoring for this purpose any amounts a Holder is obligated to contribute to the capital of the Partnership or is deemed obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c)(2)) of all such Holders is zero;

(ii) Second, 100% to the Holders (other than the General Partner) to the extent of, and in proportion to, the positive balance (if any) in their Adjusted Capital Accounts; and

(iii) Third, 100% to the General Partner.

C. *Allocations to Reflect Issuance of Additional Partnership Interests*. In the event that the Partnership issues additional Partnership Interests to the General Partner or any Additional Limited Partner pursuant to Section 4.2 or 4.3, the General Partner shall make such revisions to this Section 6.2 or to Section 12.2.C or 13.2.A as it determines are necessary to reflect the terms of the issuance of such additional Partnership Interests, including making preferential allocations to certain classes of Partnership Interests, subject to the terms of any Partnership Unit Designation with respect to Partnership Interests then outstanding.

Section 6.3 *Additional Allocation Provisions*. Notwithstanding the foregoing provisions of this Article 6:

A. *Special Allocations Upon Liquidation*. Notwithstanding any provision in this Article 6 to the contrary, in the event that the Partnership disposes of all or substantially all of its assets in a transaction that will lead to a liquidation of the Partnership pursuant to Article 13 hereof, then any Net Income or Net Loss realized in connection with such transaction and thereafter (and, if necessary, constituent items of income, gain, loss and deduction) shall be specially allocated for such Partnership Year (and to the extent permitted by Section 761(c) of the Code, for the immediately preceding Partnership Year) among the Holders as required so as to cause liquidating distributions pursuant to Section 13.2.A(4) hereof to be made in the same amounts and proportions as would have resulted had such distributions instead been made pursuant to Article 5 hereof. In addition, if there is an adjustment to the Gross Asset Value of the assets of the Partnership pursuant to paragraph (b) of the definition of Gross Asset Value, allocations of Net Income or Net Loss arising from such adjustment shall be allocated in the same manner as described in the prior sentence.

B. *Offsetting Allocations*. Notwithstanding the provisions of Sections 6.1, 6.2.A and 6.2.B, but subject to Sections 6.3 and 6.4, in the event Net Income or items thereof are being allocated to a Partner to offset prior Net Loss or items thereof which have been allocated to such Partner, the General Partner shall attempt to allocate such offsetting Net Income or items thereof which are of the same or similar character (including without limitation Section 704(b) book items versus tax items) to the original allocations with respect to such Partner.

C. *CODI Allocations*. Notwithstanding anything to the contrary contained herein, if any indebtedness of the Partnership encumbering the Properties contributed to the Partnership in connection with the General Partner's initial public offering is settled or paid off at a discount, any resulting COD Income of the Partnership shall be specially allocated proportionately (as determined by the General Partner) to those Holders that were partners in entities that contributed, or were deemed to contribute, the applicable Property to the Partnership in connection with such initial public offering to the extent the number of Partnership Units received by such Holders in exchange for their interests in such entities was determined, in part, by taking into account the anticipated discounted settlement or pay-off of such indebtedness. For purposes of the foregoing, "COD Income" shall mean income recognized by the Partnership pursuant to Code Section 61(a)(12).

Section 6.4 *Regulatory Allocation Provisions*. Notwithstanding the foregoing provisions of this Article 6:

A. *Regulatory Allocations*.

(i) *Minimum Gain Chargeback.* Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding the provisions of Section 6.2 hereof, or any other provision of this Article 6, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Holder shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.4.A(i) is intended to qualify as a "minimum gain chargeback" within the meaning of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) *Partner Minimum Gain Chargeback.* Except as otherwise provided in Regulations Section 1.704-2(i)(4) or in Section 6.4.A(i) hereof, if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Holder who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partner

Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 6.4.A(ii) is intended to qualify as a "chargeback of partner nonrecourse debt minimum gain" within the meaning of Regulations Section 1.704-2(i) and shall be interpreted consistently therewith.

(iii) *Nonrecourse Deductions and Partner Nonrecourse Deductions*. Any Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holders in accordance with their respective Percentage Interests. Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holder(s) who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable, in accordance with Regulations Section 1.704-2(i).

(iv) *Qualified Income Offset*. If any Holder unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated, in accordance with Regulations Section 1.704-1(b)(2)(ii)(d), to such Holder in an amount and manner sufficient to eliminate, to the extent required by such Regulations, the Adjusted Capital Account Deficit of such Holder as quickly as possible, provided that an allocation pursuant to this Section 6.4.A(iv) shall be made if and only to the extent that such Holder would have an Adjusted Capital Account Deficit after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.4.A(iv) were not in the Agreement. It is intended that this Section 6.4.A(iv) qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(v) *Gross Income Allocation*. In the event that any Holder has a deficit Capital Account at the end of any Partnership Year that is in excess of the sum of (1) the amount (if any) that such Holder is obligated to restore to the Partnership upon complete liquidation of such Holder's Partnership Interest (including, the Holder's interest in outstanding Partnership Preferred Units and other Partnership Units) and (2) the amount that such Holder is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Holder shall be specially allocated items of Partnership income and gain in the amount of such excess to eliminate such deficit as quickly as possible, provided that an allocation pursuant to this Section 6.4.A(v) shall be made if and only to the extent that such Holder would have a deficit Capital Account in excess of such sum after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.4.A(v) and Section 6.4.A(iv) hereof were not in the Agreement.

(vi) *Limitation on Allocation of Net Loss*. To the extent that any allocation of Net Loss would cause or increase an Adjusted Capital Account Deficit as to any Holder, such allocation of Net Loss shall be reallocated (x) first, among the other Holders of Partnership Common Units in accordance with their respective Percentage Interests with respect to Partnership Common Units and (y) thereafter, among the Holders of other classes of Partnership Units as determined by the General Partner, subject to the limitations of this Section 6.4.A(vi).

(vii) *Section 754 Adjustment*. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Holder in complete liquidation of its interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Holders in accordance with their respective Percentage Interests in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Holder(s) to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(viii) *Curative Allocations*. The allocations set forth in Sections 6.4.A(i), (ii), (iii), (iv), (v), (vi) and (vii) hereof (the "*Regulatory Allocations*") are intended to comply with certain regulatory requirements, including the requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the provisions of Sections 6.1 and 6.2 hereof, the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Holders so that to the extent possible without violating the requirements giving rise to the Regulatory Allocations, the net amount of such allocations of other items and

the Regulatory Allocations to each Holder shall be equal to the net amount that would have been allocated to each such Holder if the Regulatory Allocations had not occurred.

B. *Allocation of Excess Nonrecourse Liabilities*. For purposes of determining a Holder's proportional share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), each Holder's respective interest in Partnership profits shall be equal to such Holder's Percentage Interest with respect to Partnership Common Units, except as otherwise determined by the General Partner.

Section 6.5 *Tax Allocations*.

A. *In General*. Except as otherwise provided in this Section 6.5, for income tax purposes under the Code and the Regulations, each Partnership item of income, gain, loss and deduction (collectively, "*Tax Items*") shall be allocated among the Holders in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Sections 6.2 and 6.3 hereof.

B. *Section 704(c) Allocations*. Notwithstanding Section 6.5.A hereof, Tax Items with respect to Property that is contributed to the Partnership with an initial Gross Asset Value that varies from its basis in the hands of the contributing Partner immediately preceding the date of contribution shall be allocated among the Holders for income tax purposes pursuant to Regulations promulgated under Code Section 704(c) so as to take into account such variation. With respect to Partnership Property that is contributed to the Partnership in connection with the General Partner's initial public offering, such variation between basis and initial Gross Asset Value shall be taken into account under the "traditional method" as described in Regulations Section 1.704-3(b). With respect to other Properties, the Partnership shall account for such variation under any method approved under Code Section 704(c) and the applicable Regulations as chosen by the General Partner. In the event that the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (b) of the definition of "Gross Asset Value" (provided in Article 1 hereof), subsequent allocations of Tax Items with respect to such asset shall take account of the variation, if any, between the adjusted basis of such asset and its Gross Asset Value in the same manner as under Code Section 704(c) and the applicable Regulations and using the method chosen by the General Partner; *provided*, *however*, that the "traditional method" as described in Regulations Section 1.704-3(b) shall be used with respect to Partnership Property that is contributed to the Partnership in connection with the General Partner's initial public offering. Allocations pursuant to this Section 6.5.B are solely for purposes of Federal, state and local income taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Loss, or any other items or distributions pursuant to any provision of this Agreement.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 *Management.*

A. Except as otherwise expressly provided in this Agreement, including any Partnership Unit Designation, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. No General Partner may be removed by the Partners, with or without cause, except with the Consent of the General Partner. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to the other provisions hereof including, without limitation, Section 3.2 and Section 7.3, and the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, shall have full and exclusive power and authority, without the consent or approval of any Limited Partner, to do or authorize all things deemed necessary or desirable by it to conduct the business and affairs of the Partnership, to exercise or direct the exercise of all of the powers of the Partnership and the General Partner under the Act and this Agreement and to effectuate the purposes of the Partnership including, without limitation:

(1) the making of any expenditures, the lending or borrowing of money or selling of assets (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to the Holders in such amounts as will permit the General Partner to prevent the imposition of any federal income tax on the General Partner (including, for this purpose, any excise tax pursuant to Code Section 4981), to make distributions to its stockholders and payments to any taxing authority sufficient to permit the General

Partner to maintain REIT status or otherwise to satisfy the REIT Requirements), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by deed to secure debt, mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations that the General Partner deems necessary for the conduct of the activities of the Partnership;

(2) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(3) the taking of any and all acts necessary or prudent to ensure that the Partnership will not be classified as a "publicly traded partnership" under Code Section 7704;

(4) subject to Section 11.2 hereof, the acquisition, sale, transfer, exchange or other disposition of any, all or substantially all of the assets (including the goodwill) of the Partnership (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Partnership) or the merger, consolidation, reorganization or other combination of the Partnership with or into another entity;

(5) the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, the assignment of any assets of the Partnership in trust for creditors or on the promise of the assignee to pay the debts of the Partnership, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms that the General Partner sees fit, including, without limitation, the financing of the operations and activities of the General Partner, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the General Partner and/or the Partnership's Subsidiaries) and the repayment of obligations of the Partnership, its Subsidiaries and any other Person in which the Partnership has an equity investment, and the making of capital contributions to and equity investments in the Partnership's Subsidiaries;

(6) the management, operation, leasing, landscaping, repair, alteration, demolition, replacement or improvement of any Property;

(7) the negotiation, execution and performance of any contracts, including leases (including ground leases), easements, management agreements, rights of way and other property-related agreements, conveyances or other instruments that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, governmental authorities, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation, as applicable, out of the Partnership's assets;

(8) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement, the holding, management, investment and reinvestment of cash and other assets of the Partnership, and the collection and receipt of revenues, rents and income of the Partnership;

(9) the selection and dismissal of employees of the Partnership (if any) or the General Partner (including, without limitation, employees having titles or offices such as "president," "vice president," "secretary" and "treasurer"), and agents, outside attorneys, accountants, consultants and contractors of the Partnership or the General Partner and the determination of their compensation and other terms of employment or hiring;

(10) the maintenance of such insurance (including, without limitation, directors and officers insurance) for the benefit of the Partnership and the Partners (including, without limitation, the General Partner) as the General Partner deems necessary or appropriate;

(11) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, limited liability companies, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to, any Subsidiary and any other Person in which the General Partner has an equity investment from time to time); *provided*, *however*, that, as long as the General Partner has determined to continue to qualify as a REIT, the Partnership will not engage in any such formation, acquisition or contribution that would cause the General Partner to fail to qualify as a REIT;

(12) the control of any matters affecting the rights and obligations of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment, of any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership, the commencement or

defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, and the representation of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(13) the undertaking of any action in connection with the Partnership's direct or indirect investment in any Subsidiary or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(14) the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as the General Partner may adopt; *provided*, *however*, that such methods are otherwise consistent with the requirements of this Agreement;

(15) the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(16) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership;

(17) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, or jointly with any such Subsidiary or other Person;

(18) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest, pursuant to contractual or other arrangements with such Person;

(19) the making, execution and delivery of any and all deeds, leases, notes, deeds to secure debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases, confessions of judgment or any other legal instruments or agreements in writing necessary or appropriate in the judgment of the General Partner for the accomplishment of any of the powers of the General Partner enumerated in this Agreement;

(20) the issuance of additional Partnership Units in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to Article 4 hereof;

(21) an election to dissolve the Partnership pursuant to Section 13.1.B hereof;

(22) the distribution of cash to acquire Partnership Common Units held by a Limited Partner in connection with a Redemption under Section 15.1 hereof;

(23) an election to acquire Tendered Units in exchange for REIT Shares;

(24) the amendment and restatement of Exhibit A hereto to reflect accurately at all times the Capital Contributions and Percentage Interests of the Partners as the same are adjusted from time to time to the extent necessary to reflect redemptions, Capital Contributions, the issuance of Partnership Units, the admission of any Additional Limited Partner or any Substituted Limited Partner or otherwise, which amendment and restatement, notwithstanding anything in this Agreement to the contrary, shall not be deemed an amendment to this Agreement, as long as the matter or event being reflected in Exhibit A hereto otherwise is authorized by this Agreement; and

(25) the registration of any class of securities of the Partnership under the Securities Act or the Exchange Act, and the listing of any debt securities of the Partnership on any exchange.

B. Each of the Limited Partners agrees that, except as provided in Section 7.3 hereof and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner is authorized to execute and deliver any affidavit, agreement, certificate, consent, instrument, notice, power of attorney, waiver or other writing or document in the name and on behalf of the Partnership and to otherwise exercise any power of the General Partner under this Agreement and the Act on behalf of the Partnership without any further act, approval or vote of the Partners or any other Persons, notwithstanding any other provision of the Act or any applicable law, rule or regulation and, in the absence of any specific corporate action on the part of the General Partner to the contrary, the taking of any action or the execution of any such document or writing by an officer of the General Partner, in the name and on behalf of the General Partner, in its capacity as the general partner of the Partnership, shall conclusively evidence (1) the approval thereof by the General Partner, in its capacity as the

general partner of the Partnership, (2) the General Partner's determination that such action, document or writing is necessary or desirable to conduct the business and affairs of the Partnership, exercise the powers of the Partnership under this Agreement and the Act or effectuate the purposes of the Partnership, or any other determination by the General Partner required by this Agreement in connection with the taking of such action or execution of such document or writing, and (3) the authority of such officer with respect thereto.

C. At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain (i) casualty, liability and other insurance on the Properties and (ii) liability insurance for the Indemnitees hereunder.

D. At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital and other reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time.

E. In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken (or not taken) by it. The General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

F. The determination as to any of the following matters, made by or at the direction of the General Partner consistent with the this Agreement and the Act, shall be final and conclusive and shall be binding upon the Partnership and every Limited Partner: the amount of assets at any time available for distribution or the redemption of Partnership Common Units; the amount and timing of any distribution; any determination to redeem Tendered Units; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the amount of any Partner's Capital Account, Adjusted Capital Account or Adjusted Capital Account Deficit; the amount of Net Income, Net Loss or Depreciation for any period; the Gross Asset Value of any Partnership asset; the Value of any REIT Share; any interpretation of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or distributions, qualifications or terms or conditions of redemption of any class or series of Partnership Interest; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Partnership or of any Partnership Interest; the number of authorized or outstanding Units of any class or series; any matter relating to the acquisition, holding and disposition of any assets by the Partnership; or any other matter relating to the business and affairs of the Partnership or required or permitted by applicable law, this Agreement or otherwise to be determined by the General Partner.

Section 7.2 *Certificate of Limited Partnership*. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the Commonwealth of Virginia and each other state, the District of Columbia or any other jurisdiction, in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5.A hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the Commonwealth of Virginia and any other state, or the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property.

Section 7.3 *Restrictions on General Partner's Authority*.

A. The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the Consent of the Limited Partners, and may not, without limitation:

(1) take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(2) perform any act that would subject a Limited Partner to liability as a general partner in any jurisdiction or any other liability except as provided herein or under the Act; or

(3) enter into any contract, mortgage, loan or other agreement that expressly prohibits or restricts (a) the General Partner or the Partnership from performing its specific obligations under Section 15.1 hereof in full or (b) a Limited Partner from exercising its rights under Section 15.1 hereof to effect a Redemption in full, except, in either case, with the Consent of each Limited Partner affected by the prohibition or restriction.

B. Except as provided in Section 7.3.C hereof, the General Partner shall not, without the prior Consent of the Partners, amend, modify or terminate this Agreement. Further, no amendment may alter the restrictions on the General Partner's authority set forth elsewhere in this Agreement (including, without limitation, this Section 7.3) without the Consent specified therein and no amendment may alter Section 11.2 hereof without the Consent of the Limited Partners.

C. Notwithstanding Section 7.3.B and 14.2 hereof but subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner shall have the power, without the Consent of the Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(1) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(2) to reflect the admission, substitution or withdrawal of Partners, the Transfer of any Partnership Interest, the termination of the Partnership in accordance with this Agreement;

(3) to reflect a change that is of an inconsequential nature or does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement;

(4) to set forth or amend the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption of the Holders of any additional Partnership Interests issued pursuant to Article 4;

(5) to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a Federal or state agency or contained in Federal or state law;

(6) (a) to reflect such changes as are reasonably necessary for the General Partner to maintain its status as a REIT or to satisfy the REIT Requirements, or (b) to reflect the Transfer of all or any part of a Partnership Interest among the General Partner and any Disregarded Entity with respect to the General Partner;

(7) to modify either or both of the manner in which items of Net Income or Net Loss are allocated pursuant to Article 6 or the manner in which Capital Accounts are adjusted, computed, or maintained (but in each case only to the extent otherwise provided in this Agreement and as may be permitted under applicable law);

(8) to reflect the issuance of additional Partnership Interests in accordance with Section 4.2; or

(9) to reflect any other modification to this Agreement as is reasonably necessary for the business or operations of the Partnership or the General Partner and which does not violate Section 7.3.D.

D. Notwithstanding Sections 7.3.B, 7.3.C and 14.2 hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected thereby, if such amendment or action would (i) convert a Limited Partner Interest in the Partnership into a General Partner Interest (except as a result of the General Partner acquiring such Partnership Interest), (ii) modify the limited liability of a Limited Partner, (iii) alter the rights of any Partner to receive the distributions to which such Partner is entitled pursuant to Article 5 or Section 13.2.A(4) hereof, or alter the allocations specified in Article 6 hereof (except, in any case, as permitted pursuant to Sections 4.2, 5.5, 7.3.C and Article 6 hereof), (iv) alter or modify the Redemption rights, Cash Amount or REIT Shares Amount as set forth in Section 15.1 hereof, or amend or modify any related definitions, (v) subject to Section 7.9.D, remove, alter or amend the powers and restrictions related to REIT Requirements or permitting the General Partner to avoid paying tax under Code Sections 857 or 4981 contained in Sections 7.1 and 7.3, or (vi) amend this Section 7.3.D. Any such amendment or action consented to by any Partner shall be effective as to that Partner, notwithstanding the absence of such consent by any other Partner.

Section 7.4 *Reimbursement of the General Partner*.

A. The General Partner shall not be compensated for its services as General Partner of the Partnership except as provided in this Agreement (including the provisions of Articles 5 and 6 hereof regarding distributions, payments and allocations to which the General Partner may be entitled in its capacity as the General Partner).

B. Subject to Sections 7.4.D and 15.12 hereof, the Partnership shall be responsible for and shall pay all expenses relating to the Partnership's and the General Partner's organization and the ownership of each of their assets and operations. The General Partner is hereby authorized to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. The Partnership shall be liable for, and shall reimburse the General Partner, on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all sums expended in connection with the Partnership's business, including, without limitation, (i) expenses relating to the ownership of interests in and management and operation of the Partnership, (ii) compensation of officers and employees, including, without limitation, payments under future compensation plans, of the General Partner, or the Partnership that may provide for stock units, or phantom stock, pursuant to which employees of the General Partner, or the Partnership will receive payments based upon dividends on or the value of REIT Shares, (iii) director fees and expenses of the General Partner or its Affiliates, (iv) any expenses (other than the purchase price) incurred by the General Partner in connection with the redemption or other repurchase of REIT Shares or Capital Shares, and (v) all costs and expenses of the General Partner being a public company, including, without limitation, costs of filings with the SEC, reports and other distributions to its stockholders; *provided*, *however*, that the amount of any reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership as permitted pursuant to Section 7.5 hereof. The Partners acknowledge that all such expenses of the General Partner are deemed to be for the benefit of the Partnership. Such reimbursements shall be in addition to any reimbursement of the General Partner as a result of indemnification pursuant to Section 7.7 hereof.

C. If the General Partner shall elect to purchase from its stockholders REIT Shares for the purpose of delivering such REIT Shares to satisfy an obligation under any dividend reinvestment program adopted by the General Partner, any employee stock purchase plan adopted by the General Partner or any similar obligation or arrangement undertaken by the General Partner in the future, in lieu of the treatment specified in Section 4.7.B., the purchase price paid by the General Partner for such REIT Shares shall be considered expenses of the Partnership and shall be advanced to the General Partner or reimbursed to the General Partner, subject to the condition that: (1) if such REIT Shares subsequently are sold by the General Partner, the General Partner shall pay or cause to be paid to the Partnership any proceeds received by the General Partner for such REIT Shares (which sales proceeds shall include the amount of dividends reinvested under any dividend reinvestment or similar program; *provided*, that a transfer of REIT Shares for Partnership Common Units pursuant to Section 15.1 would not be considered a sale for such purposes); and (2) if such REIT Shares are not retransferred by the General Partner within 30 days after the purchase thereof, or the General Partner otherwise determines not to retransfer such REIT Shares, the Partnership shall redeem a number of Partnership Common Units determined in accordance with Section 4.7.B, as adjusted, to the extent the General Partner determines is necessary or advisable in its sole and absolute discretion, (x) pursuant to Section 7.5 (in the event the General Partner acquires material assets, other than on behalf of the Partnership) and (y) for stock dividends and distributions, stock splits and subdivisions, reverse stock splits and combinations, distributions of rights, warrants or options, and distributions of evidences of indebtedness or assets relating to assets not received by the General Partner pursuant to a pro rata distribution by the Partnership (in which case such advancement or reimbursement of expenses shall be treated as having been made as a distribution in redemption of such number of Partnership Units held by the General Partner).

D. To the extent practicable, Partnership expenses shall be billed directly to and paid by the Partnership and, subject to Section 15.12 hereof, if and to the extent any reimbursements to the General Partner or any of its Affiliates by the Partnership pursuant to this Section 7.4 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Partnership), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.5 *Outside Activities of the General Partner*. The General Partner shall not directly or indirectly enter into or conduct any business, other than in connection with, (a) the ownership, acquisition and disposition of Partnership Interests, (b) the management of the business and affairs of the Partnership, (c) the operation of the General Partner as a reporting company with a class (or classes) of securities registered under the Exchange Act, (d) its operations as a REIT, (e) the offering, sale, syndication, private placement or public offering of stock, bonds,

securities or other interests, (f) financing or refinancing of any type related to the Partnership or its assets or activities, and (g) such activities as are incidental thereto; *provided*, *however*, that, except as otherwise provided herein, any funds raised by the General Partner pursuant to the preceding clauses (e) and (f) shall be made available to the Partnership, whether as Capital Contributions, loans or otherwise, as appropriate, and, *provided*, *further* that the General Partner may, in its sole and absolute discretion, from time to time hold or acquire assets in its own name or otherwise other than through the Partnership so long as the General Partner takes commercially reasonable measures to ensure that the economic benefits and burdens of such Property are otherwise vested in the Partnership, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in the Partnership, the Partners shall negotiate in good faith to amend this Agreement, including, without limitation, the definition of "Adjustment Factor," to reflect such activities and the direct ownership of assets by the General Partner. Nothing contained herein shall be deemed to prohibit the General Partner from executing guarantees of Partnership debt. The General Partner and all Disregarded Entities with respect to the General Partner, taken as a group, shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to the Partnership) other than (i) interests in Disregarded Entities with respect to the General Partner, (ii) Partnership Interests as the General Partner, (iii) an interest (not to exceed 1% of capital and profits) in any Subsidiary of the Partnership that the General Partner holds to maintain such Subsidiary's status as a partnership for Federal income tax purposes or otherwise, and (iv) such cash and cash equivalents, bank accounts or similar instruments or accounts as such group deems reasonably necessary, taking into account Section 7.1.D hereof and the requirements necessary for the General Partner to qualify as a REIT and for the General Partner to carry out its responsibilities contemplated under this Agreement and the Charter. Any Limited Partner Interests acquired by the General Partner, whether pursuant to the exercise by a Limited Partner of its right to Redemption, or otherwise, shall be automatically converted into a General Partner Interest comprised of an identical number of Partnership Units with the same terms as the class or series so acquired. Any Affiliates of the General Partner may acquire Limited Partner Interests and shall, except as expressly provided in this Agreement, be entitled to exercise all rights of a Limited Partner relating to such Limited Partner Interests.

Section 7.6 *Transactions with Affiliates*.

A. The Partnership may lend or contribute funds to, and borrow funds from, Persons in which the Partnership has an equity investment, and such Persons may borrow funds from, and lend or contribute funds to, the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Person.

B. Except as provided in Section 7.5 hereof, the Partnership may transfer assets to joint ventures, limited liability companies, partnerships, corporations, business trusts or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law.

C. The General Partner and its Affiliates may sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, on terms and conditions established by the General Partner in its sole and absolute discretion.

D. The General Partner, in its sole and absolute discretion and without the approval of the Partners or any of them or any other Persons, may propose and adopt (on behalf of the Partnership) employee benefit plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the General Partner, the Partnership or any of the Partnership's Subsidiaries.

Section 7.7 *Indemnification*.

A. To the fullest extent permitted by applicable law, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorney's fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership ("*Actions*") as set forth in this Agreement in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise; *provided*, *however*, that the Partnership shall not indemnify an Indemnitee (i) if the act or omission of the Indemnitee was material to the matter giving rise to the Action and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of

any criminal proceeding, if the Indemnitee had reasonable cause to believe that the act or omission was unlawful; or (iii) for any transaction for which such Indemnitee actually received an improper personal benefit in violation or breach of any provision of this Agreement; and *provided*, *further*, that no payments pursuant to this Agreement shall be made by the Partnership to indemnify or advance funds to any Indemnitee (x) with respect to any Action initiated or brought voluntarily by such Indemnitee (and not by way of defense) unless (I) approved or authorized by the General Partner or (II) incurred to establish or enforce such Indemnitee's right to indemnification under this Agreement, and (y) in connection with one or more Actions or claims brought by the Partnership or involving such Indemnitee if such Indemnitee is found liable to the Partnership on any portion of any claim in any such Action.

Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. It is the intention of this Section 7.7.A that the Partnership indemnify each Indemnitee to the fullest extent permitted by law and this Agreement. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7.A. The termination of any proceeding by conviction of an Indemnitee or upon a plea of *nolo contendere* or its equivalent by an Indemnitee, or an entry of an order of probation against an Indemnitee prior to judgment, does not create a presumption that such Indemnitee acted in a manner contrary to that specified in this Section 7.7.A with respect to the subject matter of such proceeding. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, and neither the General Partner nor any other Holder shall have any obligation to contribute to the capital of the Partnership or otherwise provide funds to enable the Partnership to fund its obligations under this Section 7.7.

B. To the fullest extent permitted by law, expenses incurred by an Indemnitee who is a party to a proceeding or otherwise subject to or the focus of or is involved in any Action shall be paid or reimbursed by the Partnership as incurred by the Indemnitee in advance of the final disposition of the Action upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in Section 7.7.A has been met, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

C. The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee unless otherwise provided in a written agreement with such Indemnitee or in the writing pursuant to which such Indemnitee is indemnified.

D. The Partnership may, but shall not be obligated to, purchase and maintain insurance, on behalf of any of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

E. Any liabilities which an Indemnitee incurs as a result of acting on behalf of the Partnership or the General Partner (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the IRS, penalties assessed by the U.S. Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities or judgments or fines under this Section 7.7, unless such liabilities arise as a result of (i) an act or omission of such Indemnitee that was material to the matter giving rise to the Action and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission that such Indemnitee had reasonable cause to believe was unlawful, or (iii) any transaction in which such Indemnitee actually received an improper personal benefit in violation or breach of any provision of this Agreement.

F. In no event may an Indemnitee subject any of the Holders to personal liability by reason of the indemnification provisions set forth in this Agreement.

G. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

H. The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this Section 7.7 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Partnership's liability to any Indemnitee under this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

I. It is the intent of the parties that any amounts paid by the Partnership to the General Partner pursuant to this Section 7.7 shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.8 *Liability of the General Partner*.

A. The Limited Partners agree that: (i) the General Partner is acting for the benefit of the Partnership, the Limited Partners and the General Partner's stockholders collectively; (ii) in the event of a conflict between the interests of the Partnership or any Partner, on the one hand, and the separate interests of the General Partner or its stockholders, on the other hand, the General Partner is under no obligation not to give priority to the separate interests of the General Partner or the stockholders of the General Partner, and any action or failure to act on the part of the General Partner or its directors that gives priority to the separate interests of the General Partner or its stockholders that does not result in a violation of the contract rights of the Limited Partners under this Agreement does not violate the duty of loyalty owed by the General Partner to the Partnership and/or the Partners; and (iii) the General Partner shall not be liable to the Partnership or to any Partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Partnership or any Limited Partner in connection with such decisions, except for liability for the General Partner's intentional harm or gross negligence.

B. Subject to its obligations and duties as General Partner set forth in this Agreement and applicable law, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees or agents. The General Partner shall not be responsible to the Partnership or any Partner for any misconduct or negligence on the part of any such employee or agent appointed by it in good faith.

C. Any obligation or liability whatsoever of the General Partner which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partner or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partner's directors, stockholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise. Notwithstanding anything to the contrary set forth in this Agreement, none of the directors or officers of the General Partner shall be liable or accountable in damages or otherwise to the Partnership, any Partners, or any Assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission.

D. Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's and its officers' and directors' liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

E. Notwithstanding anything herein to the contrary, except for liability for intentional harm or gross negligence on the part of such Partner or pursuant to any express indemnities given to the Partnership by any Partner pursuant to any other written instrument, no Partner shall have any personal liability whatsoever, to the Partnership or to the other Partners, or for the debts or liabilities of the Partnership or the Partnership's obligations hereunder,

and the full recourse of the other Partner(s) shall be limited to the interest of that Partner in the Partnership. Without limitation of the foregoing, and except for liability for intentional harm or gross negligence on the part of any Partner, or pursuant to any such express indemnity, no property or assets of such Partner, other than its interest in the Partnership, shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) in favor of any other Partner(s) and arising out of, or in connection with, this Agreement. This Agreement is executed by the officers of the General Partner solely as officers of the same and not in their own individual capacities.

F. To the extent that, at law or in equity, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Limited Partners, the General Partner shall not be liable to the Partnership or to any other Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or modify the duties and liabilities of the General Partner under the Act or otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such General Partner.

G. Whenever in this Agreement the General Partner is permitted or required to make a decision (i) in its "sole and absolute discretion," "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest or factors affecting the Partnership or the Partners or any of them, or (ii) in its "good faith" or under another expressed standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein or by relevant provisions of law or in equity or otherwise. If any question should arise with respect to the operation of the Partnership, which is not otherwise specifically provided for in this Agreement or the Act, or with respect to the interpretation of this Agreement, the General Partner is hereby authorized to make a final determination with respect to any such question and to interpret this Agreement in such a manner as it shall deem, in its sole discretion, to be fair and equitable, and its determination and interpretations so made shall be final and binding on all parties. The General Partner's "sole and absolute discretion," "sole discretion" and "discretion" under this Agreement shall be exercised consistently with the General Partner's fiduciary duties and obligation of good faith and fair dealing under the Act.

Section 7.9 *Other Matters Concerning the General Partner*.

A. The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties.

B. The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, architects, engineers, environmental consultants and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

C. The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers or agents or a duly appointed attorney or attorneys-in-fact. Each such officer, agent or attorney shall, to the extent authorized by the General Partner, have full power and authority to do and perform all and every act and duty that is permitted or required to be done by the General Partner hereunder.

D. Notwithstanding any other provision of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the General Partner to continue to qualify as a REIT, (ii) for the General Partner otherwise to satisfy the REIT Requirements, (iii) for the General Partner to avoid incurring any taxes under Code Section 857 or Code Section 4981, or (iv) for any General Partner Affiliate to continue to qualify as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10 *Title to Partnership Assets*. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner,

individually or collectively with other Partners or Persons, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner or such nominee or Affiliate for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11 *Reliance by Third Parties*. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without the consent or approval of any other Partner, or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and take any and all actions on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expediency of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 *Limitation of Liability*. No Limited Partner shall have any liability under this Agreement except for intentional harm or gross negligence on the part of such Limited Partner or as expressly provided in this Agreement (including, without limitation, Section 10.4 hereof) or under the Act.

Section 8.2 *Management of Business*. Subject to the rights and powers of the General Partner hereunder, no Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, member, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operations, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, member, employee, partner, agent, representative, or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 *Outside Activities of Limited Partners*. Subject to any agreements entered into pursuant to Section 7.6 hereof and any other agreements entered into by a Limited Partner or any of its Affiliates with the General Partner, the Partnership or a Subsidiary (including, without limitation, any employment agreement), any Limited Partner and any Assignee, officer, director, employee, agent, trustee, Affiliate, member or stockholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partner shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner), and such Person shall have no obligation pursuant to this Agreement, subject to Section 7.6 hereof and any other agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership or a Subsidiary, to offer any interest in any such business ventures to the

Partnership, any Limited Partner, or any such other Person, even if such opportunity is of a character that, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person.

Section 8.4 *Return of Capital.* Except pursuant to the rights of Redemption set forth in Section 15.1 hereof or in any Partnership Unit Designation, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon termination of the Partnership as provided herein. Except to the extent provided in Article 5 and Article 6 hereof or otherwise expressly provided in this Agreement or in any Partnership Unit Designation, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 *Rights of Limited Partners Relating to the Partnership*.

A. In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5.C hereof, the General Partner shall deliver to each Limited Partner a copy of any information mailed or electronically delivered to all of the common stockholders of the General Partner as soon as practicable after such mailing.

B. The Partnership shall notify any Limited Partner that is a Qualifying Party, on request, of the then current Adjustment Factor and any change made to the Adjustment Factor shall be set forth in the quarterly report required by Section 9.3.B hereof immediately following the date such change becomes effective.

C. Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners (or any of them), for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or the General Partner or (ii) the Partnership or the General Partner is required by law or by agreement to keep confidential.

Section 8.6 *Partnership Right to Call Limited Partner Interests*. Notwithstanding any other provision of this Agreement, on and after the date on which the aggregate Percentage Interests of the Limited Partners are less than one percent (1%), the Partnership shall have the right, but not the obligation, from time to time and at any time to redeem any and all outstanding Limited Partner Interests by treating any Limited Partner as a Tendering Party who has delivered a Notice of Redemption pursuant to Section 15.1 hereof for the amount of Partnership Common Units to be specified by the General Partner, in its sole and absolute discretion, by notice to such Limited Partner that the Partnership has elected to exercise its rights under this Section 8.6. Such notice given by the General Partner to a Limited Partner pursuant to this Section 8.6 shall be treated as if it were a Notice of Redemption delivered to the General Partner by such Limited Partner. For purposes of this Section 8.6, (a) any Limited Partner (whether or not otherwise a Qualifying Party) may, in the General Partner's sole and absolute discretion, be treated as a Qualifying Party that is a Tendering Party and (b) the provisions of Sections 15.1.F(2) and 15.1.F(3) hereof shall not apply, but the remainder of Section 15.1 hereof shall apply, mutatis mutandis.

Section 8.7 *Rights as Objecting Partner*. No Limited Partner and no Holder of a Partnership Interest shall be entitled to exercise any of the rights of an objecting stockholder provided for under Article 8.1, Article 12 and Article 15 of the Virginia Stock Corporation Act or any successor statute in connection with a merger of the Partnership.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 *Records and Accounting*.

A. The General Partner shall keep or cause to be kept at the principal place of business of the Partnership those records and documents, if any, required to be maintained by the Act and any other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 8.5.A, Section 9.3 or Article 13 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on any information storage device, provided that the records so maintained are convertible into clearly legible written form within a reasonable period of time.

B. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or on such other basis as the General Partner determines to be necessary or appropriate. To the extent permitted by sound accounting practices and principles, the Partnership and the General Partner may operate with integrated or consolidated accounting records, operations and principles.

Section 9.2 *Partnership Year*. For purposes of this Agreement, "Partnership Year" means the fiscal year of the Partnership, which shall be the same as the tax year of the Partnership. The tax year shall be the calendar year unless otherwise required by the Code.

Section 9.3 *Reports*.

A. As soon as practicable, but in no event later than one hundred five (105) days after the close of each Partnership Year, the General Partner shall cause to be mailed to each Limited Partner of record as of the close of the Partnership Year, financial statements of the Partnership, or of the General Partner if such statements are prepared solely on a consolidated basis with the General Partner, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

B. As soon as practicable, but in no event later than sixty (60) days after the close of each calendar quarter (except the last calendar quarter of each year), the General Partner shall cause to be mailed to each Limited Partner of record as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership for such calendar quarter, or of the General Partner if such statements are prepared solely on a consolidated basis with the General Partner, and such other information as may be required by applicable law or regulation or as the General Partner determines to be appropriate.

C. The General Partner shall have satisfied its obligations under Section 9.3.A and Section 9.3.B by posting or making available the reports required by this Section 9.3 on the website maintained from time to time by the Partnership or the General Partner, provided that such reports are able to be printed or downloaded from such website.

D. At the request of any Limited Partner, the General Partner shall provide access to the books, records and work papers upon which the reports required by this Section 9.3 are based, to the extent required by the Act.

ARTICLE 10
TAX MATTERS

Section 10.1 *Preparation of Tax Returns*. The General Partner shall arrange for the preparation and timely filing of all returns with respect to Partnership income, gains, deductions, losses and other items required of the Partnership for Federal and state income tax purposes and shall use all reasonable efforts to furnish, within ninety (90) days of the close of each taxable year, the tax information reasonably required by Limited Partners for Federal and state income tax and any other tax reporting purposes. The Limited Partners shall promptly provide the General Partner with such information relating to the Contributed Properties as is readily available to the Limited Partners, including tax basis and other relevant information, as may be reasonably requested by the General Partner from time to time.

Section 10.2 *Tax Elections*. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including, but not limited to, the election under Code Section 754. The General Partner shall have the right to seek to revoke any such election (including, without limitation, any election under Code Section 754) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 *Tax Matters Partner*.

A. The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership in addition to any reimbursement pursuant to Section 7.4 hereof. Nothing herein shall be

construed to restrict the Partnership from engaging an accounting firm to assist the tax matters partner in discharging its duties hereunder.

B. The tax matters partner is authorized, but not required:

(1) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (i) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner (as the case may be) or (ii) who is a "notice partner" (as defined in Code Section 6231) or a member of a "notice group" (as defined in Code Section 6223(b)(2));

(2) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "*Final Adjustment*") is mailed to the tax matters partner, to seek judicial review of such Final Adjustment, including the filing of a petition for readjustment with the United States Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(3) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(4) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(5) to enter into an agreement with the IRS to extend the period for assessing any tax that is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(6) to take any other action on behalf of the Partners or any of them in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions relating to indemnification of the General Partner set forth in Section 7.7 hereof shall be fully applicable to the tax matters partner in its capacity as such.

Section 10.4 *Withholding*. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of Federal, state, local or foreign taxes that the General Partner determines the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Section 1441, Code Section 1442, Code Section 1445 or Code Section 1446. Any amount withheld with respect to a Limited Partner pursuant to this Section 10.4 shall be treated as paid or distributed, as applicable, to such Limited Partner for all purposes under this Agreement. Any amount paid on behalf of or with respect to a Limited Partner, in excess of any such withheld amount, shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within thirty (30) days after the affected Limited Partner receives written notice from the General Partner that such payment must be made, provided that the Limited Partner shall not be required to repay such deemed loan if either (i) the Partnership withholds such payment from a distribution that would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the Available Cash of the Partnership that would, but for such payment, be distributed to the Limited Partner. Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal (but not higher than the maximum lawful rate) from the date such amount is due (i.e., thirty (30) days after the Limited Partner receives written notice of such amount) until such amount is paid in full.

Section 10.5 *Organizational Expenses*. The General Partner may cause the Partnership to elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 180-month period as provided in Section 709 of the Code.

ARTICLE 11
PARTNER TRANSFERS AND WITHDRAWALS

Section 11.1 *Transfer*.

A. No part of the interest of a Partner shall be subject to the claims of any creditor, to any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

B. No Partnership Interest shall be Transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any Transfer or purported Transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void *ab initio*.

C. No Transfer of any Partnership Interest may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the Consent of the General Partner; *provided*, *however*, that, as a condition to such Consent, the lender may be required to enter into an arrangement with the Partnership and the General Partner to redeem or exchange for the REIT Shares Amount any Partnership Units in which a security interest is held by such lender simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code (provided that, for purpose of calculating the REIT Shares Amount in this Section 11.1.C, "*Tendered Units*" shall mean all such Partnership Units in which a security interest is held by such lender).

Section 11.2 *Transfer of General Partner's Partnership Interest.*

A. Except as provided in Section 11.2.B or Section 11.2.C, and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may not Transfer all or any portion of its Partnership Interest (whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise) without the Consent of the Limited Partners. It is a condition to any Transfer of a Partnership Interest of a General Partner otherwise permitted hereunder (including any Transfer permitted pursuant to Section 11.2.B or Section 11.2.C) that: (i) coincident with such Transfer, the transferee is admitted as a General Partner pursuant to Section 12.1 hereof; (ii) the transferee assumes, by operation of law or express agreement, all of the obligations of the transferor General Partner under this Agreement with respect to such Transferred Partnership Interest; and (iii) the transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Interest so acquired and the admission of such transferee as a General Partner.

B. *Certain Transactions of the General Partner*. Except as provided in Section 11.2.D and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may, without the Consent of the Limited Partners, Transfer all of its Partnership Interest in connection with (a) a merger, consolidation or other combination of its assets with another entity, (b) a sale of all or substantially all of its assets not in the ordinary course of the Partnership's business or (c) a reclassification, recapitalization or change of any outstanding shares of the General Partner's stock or other outstanding equity interests (each, a "*Termination Transaction*") if:

(i) in connection with such Termination Transaction, all of the Limited Partners will receive, or will have the right to elect to receive, for each Partnership Common Unit an amount of cash, securities or other property equal to the product of the Adjustment Factor and the greatest amount of cash, securities or other property paid to a holder of one REIT Share in consideration of one REIT Share pursuant to the terms of such Termination Transaction; *provided*, that if, in connection with such Termination Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of the outstanding REIT Shares, each holder of Partnership Common Units shall receive, or shall have the right to elect to receive, the greatest amount of cash, securities or other property which such holder of Partnership Common Units would have received had it exercised its right to Redemption pursuant to Article 15 hereof and received REIT Shares in exchange for its Partnership Common Units immediately prior to the expiration of such purchase, tender or exchange offer and had thereupon accepted such purchase, tender or exchange offer and then such Termination Transaction shall have been consummated; or

(ii) all of the following conditions are met: (w) substantially all of the assets directly or indirectly owned by the surviving entity are owned directly or indirectly by the Partnership or another limited partnership or

limited liability company which is the survivor of a merger, consolidation or combination of assets with the Partnership (in each case, the "*Surviving Partnership*"); (x) the Limited Partners that held Partnership Common Units immediately prior to the consummation of such Termination Transaction own a percentage interest of the Surviving Partnership based on the relative fair market value of the net assets of the Partnership and the other net assets of the Surviving Partnership immediately prior to the consummation of such transaction; (y) the rights, preferences and privileges in the Surviving Partnership of such Limited Partners are at least as favorable as those in effect with respect to Partnership Common Units immediately prior to the consummation of such transaction and as those applicable to any other limited partners or non-managing members of the Surviving Partnership; and (z) the rights of such Limited Partners include at least one of the following: (a) the right to redeem their interests in the Surviving Partnership for the consideration available to such Persons pursuant to Section 11.2.B(i) or (b) the right to redeem their interests in the Surviving Partnership for cash on terms substantially equivalent to those in effect with respect to their Partnership Common Units immediately prior to the consummation of such transaction, or, if the ultimate controlling Person of the Surviving Partnership has publicly traded common equity securities, such common equity securities, with an exchange ratio based on the determination of relative fair market value of such securities and the REIT Shares.

C. Notwithstanding the other provisions of this Article 11 (other than Section 11.6.D hereof), the General Partner may Transfer all of its Partnership Interests at any time to any Person that is, at the time of such Transfer, an Affiliate of the General Partner that is controlled by the General Partner, including any "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), without the Consent of any Limited Partners. The provisions of Section 11.2.B, 11.3, 11.4.A and 11.5 hereof shall not apply to any Transfer permitted by this Section 11.2.C.

D. Until the death of Jon Wheeler, the General Partner shall not, without prior Partnership Approval, consummate any transaction that would result in a direct or indirect transfer of all or any portion of the General Partner's Partnership Interest if such direct or indirect transfer would be effected through (a) a Termination Transaction or (b) the issuance of REIT Shares, in each case in connection with which the General Partner seeks to obtain or would be required to obtain approval of its common stockholders (each, a "*General Partner Interest Transfer*").

E. Except in connection with Transfers permitted in this Article 11 and as otherwise provided in Section 12.1 in connection with the Transfer of the General Partner's entire Partnership Interest, the General Partner may not voluntarily withdraw as a general partner of the Partnership without the Consent of the Limited Partners.

Section 11.3 *Limited Partners' Rights to Transfer*.

A. *General*. Prior to the end of the first Twelve-Month Period and except as provided in Section 11.1.C hereof, no Limited Partner shall Transfer all or any portion of its Partnership Interest to any transferee without the Consent of the General Partner; *provided*, *however*, that any Limited Partner may, at any time, without the consent or approval of the General Partner, (i) Transfer all or part of its Partnership Interest to any Family Member (including a Transfer by a Family Member that is an inter vivos or testamentary trust (whether revocable or irrevocable) to a Family Member that is a beneficiary of such trust), any Charity, any Controlled Entity or any Affiliate, or (ii) pledge (a "*Pledge*") all or any portion of its Partnership Interest to a lending institution as collateral or security for a bona fide loan or other extension of credit, and Transfer such pledged Partnership Interest to such lending institution in connection with the exercise of remedies under such loan or extension of credit (any Transfer or Pledge permitted by this proviso is hereinafter referred to as a "*Permitted Transfer*"). After such first Twelve-Month Period, each Limited Partner, and each transferee of Partnership Units or Assignee pursuant to a Permitted Transfer, shall have the right to Transfer all or any portion of its Partnership Interest to any Person, without the Consent of the General Partner but subject to the provisions of Section 11.4 hereof and to satisfaction of each of the following conditions:

(1) *General Partner Right of First Refusal*. The transferor Limited Partner (or the Partner's estate in the event of the Partner's death) shall give written notice of the proposed Transfer to the General Partner, which notice shall state (i) the identity and address of the proposed transferee and (ii) the amount and type of consideration proposed to be received for the Transferred Partnership Units. The General Partner shall have ten (10) Business Days upon which to give the transferor Limited Partner notice of its election to acquire the Partnership Units on the terms set forth in such notice. If it so elects, it shall purchase the Partnership Units on such terms within ten (10) Business Days after giving notice of such election; *provided*, *however*, that in the event that the proposed

terms involve a purchase for cash, the General Partner may at its election deliver in lieu of all or any portion of such cash a note from the General Partner payable to the transferor Limited Partner at a date as soon as reasonably practicable, but in no event later than one hundred eighty (180) days after such purchase, and bearing interest at an annual rate equal to the total dividends declared with respect to one (1) REIT Share for the four (4) preceding fiscal quarters of the General Partner, divided by the Value as of the closing of such purchase; and *provided*, *further*, that such closing may be deferred to the extent necessary to effect compliance with the Hart-Scott-Rodino Act, if applicable, and any other applicable requirements of law. If it does not so elect, the transferor Limited Partner may Transfer such Partnership Units to a third party, on terms no more favorable to the transferee than the proposed terms, subject to the other conditions of this Section 11.3.

(2) *Qualified Transferee*. Any Transfer of a Partnership Interest shall be made only to a single Qualified Transferee; *provided*, *however*, that, for such purposes, all Qualified Transferees that are Affiliates, or that comprise investment accounts or funds managed by a single Qualified Transferee and its Affiliates, shall be considered together to be a single Qualified Transferee; and *provided*, *further*, that each Transfer meeting the minimum Transfer restriction of Section 11.3.A(4) hereof may be to a separate Qualified Transferee.

(3) *Opinion of Counsel*. The transferor Limited Partner shall deliver or cause to be delivered to the General Partner an opinion of counsel reasonably satisfactory to it to the effect that the proposed Transfer may be effected without registration under the Securities Act and will not otherwise violate the registration provisions of the Securities Act and the regulations promulgated thereunder or violate any state securities laws or regulations applicable to the Partnership or the Partnership Interests Transferred; *provided*, *however*, that the General Partner may, in its sole discretion, waive this condition upon the request of the transferor Limited Partner. If, in the opinion of such counsel, such Transfer would require the filing of a registration statement under the Securities Act or would otherwise violate any Federal or state securities laws or regulations applicable to the Partnership or the Partnership Units, the General Partner may prohibit any Transfer otherwise permitted under this Section 11.3 by a Limited Partner of Partnership Interests.

(4) *Minimum Transfer Restriction*. Any Transferring Partner must Transfer not less than the lesser of (i) five hundred (500) Partnership Units or (ii) all of the remaining Partnership Units owned by such Transferring Partner, unless, in each case, otherwise agreed to by the General Partner; *provided*, *however*, that, for purposes of determining compliance with the foregoing restriction, all Partnership Units owned by Affiliates of a Limited Partner shall be considered to be owned by such Limited Partner.

(5) *Exception for Permitted Transfers*. The conditions of Sections 11.3.A(1) through 11.3.A(4) hereof shall not apply in the case of a Permitted Transfer.

It is a condition to any Transfer otherwise permitted hereunder (whether or not such Transfer is effected during or after the first Twelve-Month Period) that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred Partnership Interest, and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the Consent of the General Partner. Notwithstanding the foregoing, any transferee of any Transferred Partnership Interest shall be subject to any restrictions on ownership and transfer of stock of the General Partner contained in the Charter that may limit or restrict such transferee's ability to exercise its Redemption rights, including, without limitation, the Ownership Limit. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. Unless admitted as a Substituted Limited Partner, no transferee, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the rights of an Assignee as provided in Section 11.5 hereof.

B. *Incapacity*. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate, and such power as the Incapacitated Limited Partner possessed to Transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

C. *Adverse Tax Consequences*. Notwithstanding anything to the contrary in this Agreement, the General Partner shall have the authority (but shall not be required) to take any steps it determines are necessary or appropriate in its sole and absolute discretion to prevent the Partnership from being taxable as a corporation for Federal income tax purposes. In addition, except with the Consent of the General Partner, no Transfer by a Limited

Partner of its Partnership Interests (including any Redemption, any other acquisition of Partnership Units by the General Partner or any acquisition of Partnership Units by the Partnership) may be made to or by any Person if such Transfer could (i) result in the Partnership being treated as an association taxable as a corporation; (ii) result in a termination of the Partnership under Code Section 708; (iii) be treated as effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704 and the Regulations promulgated thereunder, (iv) result in the Partnership being unable to qualify for one or more of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code) (the "*Safe Harbors*") or (v) based on the advice of counsel to the Partnership or the General Partner, adversely affect the ability of the General Partner to continue to qualify as a REIT or subject the General Partner to any additional taxes under Code Section 857 or Code Section 4981.

Section 11.4 *Admission of Substituted Limited Partners*.

A. No Limited Partner shall have the right to substitute a transferee (including any transferees pursuant to Transfers permitted by Section 11.3 hereof) as a Limited Partner in its place. A transferee of a Limited Partner Interest may be admitted as a Substituted Limited Partner only with the Consent of the General Partner. The failure or refusal by the General Partner to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or the General Partner. Subject to the foregoing, an Assignee shall not be admitted as a Substituted Limited Partner until and unless it furnishes to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all the terms, conditions and applicable obligations of this Agreement, (ii) a counterpart signature page to this Agreement executed by such Assignee and (iii) such other documents and instruments as may be required or advisable, in the sole and absolute discretion of the General Partner, to effect such Assignee's admission as a Substituted Limited Partner.

B. Concurrently with, and as evidence of, the admission of a Substituted Limited Partner, the General Partner shall amend Exhibit A and the books and records of the Partnership to reflect the name, address and number and class and/or series of Partnership Units of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and number of Partnership Units of the predecessor of such Substituted Limited Partner.

C. A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

Section 11.5 *Assignees*. If the General Partner does not Consent to the admission of any permitted transferee under Section 11.3 hereof as a Substituted Limited Partner, as described in Section 11.4 hereof, or in the event that any Partnership Interest is deemed to have been Transferred notwithstanding the restrictions set forth in this Article 11, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Net Income, Net Losses and other items of income, gain, loss, deduction and credit of the Partnership attributable to the Partnership Interest assigned to such transferee and the rights to Transfer the Partnership Interest provided in this Article 11, but shall not be deemed to be a holder of a Partnership Interest for any other purpose under this Agreement (other than as expressly provided in Section 15.1 hereof with respect to a Qualifying Party that becomes a Tendering Party), and shall not be entitled to effect a Consent or vote with respect to such Partnership Interest on any matter presented to the Partners for approval (such right to Consent or vote, to the extent provided in this Agreement or under the Act, fully remaining with the transferor Limited Partner). In the event that any such transferee desires to make a further Transfer of any such Partnership Interest, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make a Transfer of a Limited Partner Interest.

Section 11.6 *General Provisions*.

A. No Limited Partner may withdraw from the Partnership other than as a result of: (i) a permitted Transfer of all of such Limited Partner's Partnership Units in accordance with this Article 11 with respect to which the transferee becomes a Substituted Limited Partner; (ii) pursuant to a redemption (or acquisition by the General Partner) of all of its Partnership Units pursuant to a Redemption under Section 15.1 hereof and/or pursuant to any

Partnership Unit Designation or (iii) the acquisition by the General Partner of all of such Limited Partner's Partnership Interest, whether or not pursuant to Section 15.1.B hereof.

B. Any Limited Partner who shall Transfer all of its Partnership Units in a Transfer (i) permitted pursuant to this Article 11 where such transferee was admitted as a Substituted Limited Partner, (ii) pursuant to the exercise of its rights to effect a redemption of all of its Partnership Units pursuant to a Redemption under Section 15.1 hereof and/or pursuant to any Partnership Unit Designation or (iii) to the General Partner, whether or not pursuant to Section 15.1.B hereof, shall cease to be a Limited Partner.

C. If any Partnership Unit is Transferred in compliance with the provisions of this Article 11, or is redeemed by the Partnership, or acquired by the General Partner pursuant to Section 15.1 hereof, on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit attributable to such Partnership Unit for such Partnership Year shall be allocated to the transferor Partner or the Tendering Party (as the case may be) and, in the case of a Transfer other than a Redemption, to the transferee Partner, by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d), using the "interim closing of the books" method or another permissible method selected by the General Partner in its sole and absolute discretion. Solely for purposes of making such allocations, unless the General Partner decides in its sole and absolute discretion to use another method permitted under the Code, each of such items for the calendar month in which a Transfer occurs shall be allocated to the transferee Partner and none of such items for the calendar month in which a Transfer or a Redemption occurs shall be allocated to the transferor Partner, or the Tendering Party (as the case may be) if such Transfer occurs on or before the fifteenth (15th) day of the month, otherwise such items shall be allocated to the transferor. All distributions of Available Cash attributable to such Partnership Unit with respect to which the Partnership Record Date is before the date of such Transfer, assignment or Redemption shall be made to the transferor Partner or the Tendering Party (as the case may be) and, in the case of a Transfer other than a Redemption, all distributions of Available Cash thereafter attributable to such Partnership Unit shall be made to the transferee Partner.

D. In addition to any other restrictions on Transfer herein contained, in no event may any Transfer of a Partnership Interest by any Partner (including any Redemption, any acquisition of Partnership Units by the General Partner or any other acquisition of Partnership Units by the Partnership) be made: (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) except with the Consent of the General Partner, of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event that such Transfer could cause either the General Partner or any General Partner Affiliate to cease to comply with the REIT Requirements or to cease to qualify as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)); (v) except with the Consent of the General Partner, if such Transfer could, based on the advice of counsel to the Partnership or the General Partner, cause a termination of the Partnership for Federal or state income tax purposes (except as a result of the Redemption (or acquisition by the General Partner) of all Partnership Common Units held by all Limited Partners); (vi) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause the Partnership to cease to be classified as a partnership for federal income tax purposes (except as a result of the Redemption (or acquisition by the General Partner) of all Partnership Common Units held by all Limited Partners); (vii) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (viii) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (ix) if such Transfer requires the registration of such Partnership Interest pursuant to any applicable Federal or state securities laws; (x) except with the Consent of the General Partner, if such Transfer (1) could be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Regulations promulgated thereunder, (2) could cause the Partnership to become a "publicly traded partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code, (3) could be in violation of Section 3.4.C(iii), or (4) could cause the Partnership to fail one or more of the Safe Harbors; (xi) if such Transfer causes the Partnership (as opposed to the General Partner) to become a reporting company under the Exchange Act; or (xii) if such Transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended. The General Partner shall, in its sole discretion, be permitted to take all action necessary to prevent the Partnership from being classified as a "publicly traded partnership" under Code Section 7704.

E. Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner otherwise Consents.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 *Admission of Successor General Partner*. A successor to all of the General Partner's General Partner Interest pursuant to a Transfer permitted by Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately upon such Transfer. Upon any such Transfer and the admission of any such transferee as a successor General Partner in accordance with this Section 12.1, the transferor General Partner shall be relieved of its obligations under this Agreement and shall cease to be a general partner of the Partnership without any separate Consent of the Limited Partners or the consent or approval of any other Partners. Any such successor General Partner shall carry on the business and affairs of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission of such Person as a General Partner. Upon any such Transfer, the transferee shall become the successor General Partner for all purposes herein, and shall be vested with the powers and rights of the transferor General Partner, and shall be liable for all obligations and responsible for all duties of the General Partner. Concurrently with, and as evidence of, the admission of a successor General Partner, the General Partner shall amend Exhibit A and the books and records of the Partnership to reflect the name, address and number and classes and/or series of Partnership Units of such successor General Partner.

Section 12.2 *Admission of Additional Limited Partners*.

A. After the admission to the Partnership of the Original Limited Partners, a Person (other than an existing Partner) who makes a Capital Contribution to the Partnership in exchange for Partnership Units and in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof, (ii) a counterpart signature page to this Agreement executed by such Person and (iii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner. Concurrently with, and as evidence of, the admission of an Additional Limited Partner, the General Partner shall amend Exhibit A and the books and records of the Partnership to reflect the name, address and number and classes and/or series of Partnership Units of such Additional Limited Partner.

B. Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the Consent of the General Partner. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the Consent of the General Partner to such admission and the satisfaction of all the conditions set forth in Section 12.2.A.

C. If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit allocable among Holders for such Partnership Year shall be allocated among such Additional Limited Partner and all other Holders by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d), using the "interim closing of the books" method or another permissible method selected by the General Partner. Solely for purposes of making such allocations, each of such items for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all the Holders including such Additional Limited Partner, in accordance with the principles described in Section 11.6.C hereof. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees other than the Additional Limited Partner, and all distributions of Available Cash thereafter shall be made to all the Partners and Assignees including such Additional Limited Partner.

D. Any Additional Limited Partner admitted to the Partnership that is an Affiliate of the General Partner shall be deemed to be a "General Partner Affiliate" hereunder and shall be reflected as such on Exhibit A and the books and records of the Partnership.

Section 12.3 *Amendment of Agreement and Certificate of Limited Partnership*. For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of Exhibit A) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 2.4 hereof.

Section 12.4 *Limit on Number of Partners*. Unless otherwise permitted by the General Partner in its sole and absolute discretion, no Person shall be admitted to the Partnership as an Additional Limited Partner if the effect of such admission would be to cause the Partnership to have a number of Partners that would cause the Partnership to become a reporting company under the Exchange Act.

Section 12.5 *Admission*. A Person shall be admitted to the Partnership as a limited partner of the Partnership or a general partner of the Partnership only upon strict compliance, and not upon substantial compliance, with the requirements set forth in this Agreement for admission to the Partnership as a Limited Partner or a General Partner.

ARTICLE 13
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 *Dissolution*. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business and affairs of the Partnership without dissolution. However, the Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each a "*Liquidating Event*"):

A. an event of withdrawal, as defined in Section 50-73.28 of the Act (including, without limitation, bankruptcy), or the withdrawal in violation of this Agreement, of the last remaining General Partner unless, within ninety (90) days after the withdrawal, a Majority in Interest of the Partners remaining agree in writing, in their sole and absolute discretion, to continue the Partnership and to the appointment, effective as of the date of such withdrawal, of a successor General Partner;

B. an election to dissolve the Partnership made by the General Partner in its sole and absolute discretion, with or without the Consent of the Partners;

C. entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

D. any sale or other disposition of (other than the attachment of a lien or security interest in) all or substantially all of the assets of the Partnership outside the ordinary course of the Partnership's business or a related series of transactions that, taken together, result in the sale or other disposition of (other than the attachment of a lien or security interest in) all or substantially all of the assets of the Partnership outside the ordinary course of the Partnership's business; or

E. the Redemption or other acquisition by the Partnership or the General Partner of all Partnership Units other than Partnership Units held by the General Partner.

Section 13.2 *Winding Up*.

A. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Holders. After the occurrence of a Liquidating Event, no Holder shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event that there is no remaining General Partner or the General Partner has dissolved, become bankrupt within the meaning of the Act or ceased to operate, any Person elected by a Majority in Interest of the Partners (the General Partner or such other Person being referred to herein as the "*Liquidator*")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property, and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and

the proceeds therefrom (which may, to the extent determined by the General Partner, include shares of stock in the General Partner) shall be applied and distributed in the following order:

(1) First, to the satisfaction of all of the Partnership's debts and liabilities to creditors other than the Holders (whether by payment or the making of reasonable provision for payment thereof);

(2) Second, to the satisfaction of all of the Partnership's debts and liabilities to the General Partner (whether by payment or the making of reasonable provision for payment thereof), including, but not limited to, amounts due as reimbursements under Section 7.4 hereof;

(3) Third, to the satisfaction of all of the Partnership's debts and liabilities to the other Holders (whether by payment or the making of reasonable provision for payment thereof); and

(4) Fourth, to the Partners in accordance with their positive Capital Account balances, determined after taking into account all Capital Account adjustments for all prior periods and the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 13.2.A(4)).

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13 other than reimbursement of its expenses as set forth in Section 7.4.

B. Notwithstanding the provisions of Section 13.2.A hereof that require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership, the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Holders, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Holders as creditors) and/or distribute to the Holders, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2.A hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Holders, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

C. If any Holder has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), except as otherwise agreed to by such Holder, such Holder shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

D. In the sole and absolute discretion of the General Partner or the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Holders pursuant to this Article 13 may be:

(1) distributed to a trust established for the benefit of the General Partner and the Holders for the purpose of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership and/or Partnership activities. The assets of any such trust shall be distributed to the Holders, from time to time, in the reasonable discretion of the General Partner, in the same proportions and amounts as would otherwise have been distributed to the Holders pursuant to this Agreement; or

(2) withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, provided that such withheld or escrowed amounts shall be distributed to the Holders in the manner and order of priority set forth in Section 13.2.A hereof as soon as practicable.

Section 13.3 *Deemed Contribution and Distribution*. Notwithstanding any other provision of this Article 13, in the event that the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but no Liquidating Event has occurred, the Partnership's Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes the Partnership shall be deemed to have contributed all of its assets and liabilities to a new partnership in exchange for an interest in the new partnership; and immediately thereafter, distributed Partnership Units to the

Partners in the new partnership in accordance with their respective Capital Accounts in liquidation of the Partnership, and the new partnership is deemed to continue the business of the Partnership. Nothing in this Section 13.3 shall be deemed to have constituted a Transfer to an Assignee as a Substituted Limited Partner without compliance with the provisions of Section 11.4 or Section 13.3 hereof.

Section 13.4 *Rights of Holders*. Except as otherwise provided in this Agreement and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, (a) each Holder shall look solely to the assets of the Partnership for the return of its Capital Contribution, (b) no Holder shall have the right or power to demand or receive property other than cash from the Partnership and (c) no Holder shall have priority over any other Holder as to the return of its Capital Contributions, distributions or allocations.

Section 13.5 *Notice of Dissolution*. In the event that a Liquidating Event occurs or an event occurs that would, but for an election or objection by one or more Partners pursuant to Section 13.1 hereof, result in a dissolution of the Partnership, the General Partner shall, within thirty (30) days thereafter, provide written notice thereof to each Holder and, in the General Partner's sole and absolute discretion or as required by the Act, to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner), and the General Partner may, or, if required by the Act, shall, publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.6 *Cancellation of Certificate of Limited Partnership*. Upon the completion of the liquidation of the Partnership cash and property as provided in Section 13.2 hereof, the Partnership shall be terminated, a certificate of cancellation shall be filed with the SCC, all qualifications of the Partnership as a foreign limited partnership or association in jurisdictions other than the Commonwealth of Virginia shall be cancelled, and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.7 *Reasonable Time for Winding-Up*. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between and among the Partners during the period of liquidation; *provided*, *however*, reasonable efforts shall be made to complete such winding-up within twenty-four (24) months after the adoption of a plan of liquidation of the General Partner, as provided in Section 562(b)(2)(B) of the Code, if necessary, in the sole and absolute discretion of the General Partner.

ARTICLE 14
PROCEDURES FOR ACTIONS AND CONSENTS OF PARTNERS; AMENDMENTS; MEETINGS

Section 14.1 *Procedures for Actions and Consents of Partners*. The actions requiring Consent of any Partner or Partners pursuant to this Agreement, including Section 7.3 hereof, or otherwise pursuant to applicable law, are subject to the procedures set forth in this Article 14.

Section 14.2 *Amendments*. Amendments to this Agreement may be proposed by the General Partner or by Limited Partners holding twenty-five percent (25%) or more of the Partnership Interests held by Limited Partners and, except as set forth in Section 7.3.B and Section 7.3.C and subject to Section 7.3.D and the rights of any Holder of Partnership Interest set forth in a Partnership Unit Designation, shall be approved by the Consent of the Partners. Following such proposal, the General Partner shall submit to the Partners entitled to vote thereon any proposed amendment that, pursuant to the terms of this Agreement, requires the consent, approval or vote of such Partners. The General Partner shall seek the consent, approval or vote of the Partners entitled to vote thereon on any such proposed amendment in accordance with Section 14.3 hereof.

Section 14.3 *Actions and Consents of the Partners*.

A. Meetings of the Partners may be called only by the General Partner to transact any business that the General Partner determines. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners entitled to act at the meeting not less than seven (7) days nor more than sixty (60) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Unless approval by a different number or proportion of the Partners is required by this Agreement (including without limitation Section 11.2.D), the affirmative vote of Partners holding a majority of the Percentage Interests held by the

Partners entitled to act on any proposal shall be sufficient to approve such proposal at a meeting of the Partners. Whenever the vote, consent or approval of Partners is permitted or required under this Agreement, such vote, consent or approval may be given at a meeting of Partners or may be given at a meeting of Partners or in accordance with the procedure prescribed in Section 14.3.B hereof.

B. Any action requiring the Consent of any Partner or group of Partners pursuant to this Agreement or that is required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a consent in writing or by electronic transmission setting forth the action so taken or consented to is given by Partners whose affirmative vote would be sufficient to approve such action or provide such Consent at a meeting of the Partners. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as the affirmative vote of such Partners at a meeting of the Partners. Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified. For purposes of obtaining a Consent in writing or by electronic transmission to any matter other than Partnership Approval of a General Partner Interest Transfer, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a Consent that is consistent with the General Partner's recommendation with respect to the proposal; *provided*, *however*, that an action shall become effective at such time as requisite Consents are received even if prior to such specified time.

C. Each Partner entitled to act at a meeting of the Partners may authorize any Person or Persons to act for it by proxy on all matters in which a Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Each proxy must be signed by the Partner or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy (or there is receipt of a proxy authorizing a later date). Every proxy shall be revocable at the pleasure of the Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Partner executing such proxy, unless such proxy states that it is irrevocable and is coupled with an interest.

D. The General Partner may set, in advance, a record date for the purpose of determining the Partners (i) entitled to Consent to any action (other than any General Partner Interest Transfer), (ii) entitled to receive notice of or vote at any meeting of the Partners or (iii) in order to make a determination of Partners for any other proper purpose. Such date, in any case, (x) shall not be prior to the close of business on the day the record date is fixed and shall be not more than ninety (90) days and, in the case of a meeting of the Partners, not less than five (5) days, before the date on which the meeting is to be held or Consent is to be given and (y) shall be, with respect to the determination of the existence of Partnership Approval, the record date established by the General Partner for the approval of its stockholders for the event constituting a General Partner Interest Transfer. If no record date is fixed, the record date for the determination of Partners entitled to notice of or to vote at a meeting of the Partners shall be at the close of business on the day on which the notice of the meeting is sent, and the record date for any other determination of Partners shall be the effective date of such Partner action, distribution or other event. When a determination of the Partners entitled to vote at any meeting of the Partners has been made as provided in this section, such determination shall apply to any adjournment thereof.

E. Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate in its sole and absolute discretion. Without limitation, meetings of Partners may be conducted in the same manner as meetings of the General Partner's stockholders and may be held at the same time as, and as part of, the meetings of the General Partner's stockholders.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 *Redemption Rights of Qualifying Parties*.

A. After the applicable Twelve-Month Period, a Qualifying Party shall have the right (subject to the terms and conditions set forth herein) to require the Partnership to redeem all or a portion of the Partnership Common Units held by such Tendering Party (Partnership Common Units that have in fact been tendered for redemption being hereafter referred to as "*Tendered Units")* in exchange (a "*Redemption*") for the Cash Amount payable on the Specified Redemption Date. The Partnership may, in the General Partner's sole and absolute discretion, redeem Tendered Units at the request of the Holder thereof prior to the end of the applicable Twelve-Month Period (subject to the terms and conditions set forth herein) (a "*Special Redemption*"); *provided*, *however*, that the General Partner

first receives a legal opinion to the same effect as the legal opinion described in Section 15.1.G of this Agreement. Any Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Qualifying Party when exercising the Redemption right (the "*Tendering Party*"). The Partnership's obligation to effect a Redemption, however, shall not arise or be binding against the Partnership until the earlier of (i) the date the General Partner notifies the Tendering Party that the General Partner declines to acquire some or all of the Tendered Units under Section 15.1.B hereof following receipt of a Notice of Redemption and (ii) the Business Day following the Cut-Off Date. In the event of a Redemption, the Cash Amount shall be delivered as a certified or bank check payable to the Tendering Party or, in the General Partner's sole and absolute discretion, in immediately available funds, in each case, on or before the tenth (10th) Business Day following the date on which the General Partner receives a Notice of Redemption from the Tendering Party.

B. Notwithstanding the provisions of Section 15.1.A hereof, on or before the close of business on the Cut-Off Date, the General Partner may, in the General Partner's sole and absolute discretion but subject to the Ownership Limit, elect to acquire some or all of the Tendered Units from the Tendering Party in exchange for REIT Shares (the percentage of such Tendered Units to be acquired by the General Partner in exchange for REIT Shares being referred to as the "*Applicable Percentage*"). If the General Partner elects to acquire some or all of the Tendered Units pursuant to this Section 15.1.B, the General Partner shall give written notice thereof to the Tendering Party on or before the close of business on the Cut-Off Date. If the General Partner elects to acquire any of the Tendered Units for REIT Shares, the General Partner shall issue and deliver such REIT Shares to the Tendering Party pursuant to the terms of this Section 15.1.B, in which case (1) the General Partner shall assume directly the obligation with respect thereto and shall satisfy the Tendering Party's exercise of its Redemption right with respect to such Tendered Units and (2) such transaction shall be treated, for federal income tax purposes, as a transfer by the Tendering Party of such Tendered Units to the General Partner in exchange for the REIT Shares Amount. If the General Partner so elects, on the Specified Redemption Date, the Tendering Party shall sell such number of the Tendered Units to the General Partner in exchange for a number of REIT Shares equal to the product of the REIT Shares Amount and the Applicable Percentage. The Tendering Party shall submit (i) such information, certification or affidavit as the General Partner may reasonably require in connection with the application of the Ownership Limit to any such acquisition and (ii) such written representations, investment letters, legal opinions or other instruments necessary, in the General Partner's view, to effect compliance with the Securities Act. In the event of a purchase of the Tendered Units by the General Partner pursuant to this Section 15.1.B, the Tendering Party shall no longer have the right to cause the Partnership to effect a Redemption of such Tendered Units and, upon notice to the Tendering Party by the General Partner given on or before the close of business on the Cut-Off Date that the General Partner has elected to acquire some or all of the Tendered Units pursuant to this Section 15.1.B, the obligation of the Partnership to effect a Redemption of the Tendered Units as to which the General Partner's notice relates shall not accrue or arise. A number of REIT Shares equal to the product of the Applicable Percentage and the REIT Shares Amount, if applicable, shall be delivered by the General Partner as duly authorized, validly issued, fully paid and non-assessable REIT Shares and, if applicable, Rights, free of any pledge, lien, encumbrance or restriction, other than the Ownership Limit, the Securities Act and relevant state securities or "blue sky" laws. Neither any Tendering Party whose Tendered Units are acquired by the General Partner pursuant to this Section 15.1.B, any Partner, any Assignee nor any other interested Person shall have any right to require or cause the General Partner to register, qualify or list any REIT Shares owned or held by such Person, whether or not such REIT Shares are issued pursuant to this Section 15.1.B, with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange; *provided*, *however*, that this limitation shall not be in derogation of any registration or similar rights granted pursuant to any other written agreement between the General Partner and any such Person. Notwithstanding any delay in such delivery, the Tendering Party shall be deemed the owner of such REIT Shares and Rights for all purposes, including, without limitation, rights to vote or consent, receive dividends, and exercise rights, as of the Specified Redemption Date. REIT Shares issued upon an acquisition of the Tendered Units by the General Partner pursuant to this Section 15.1.B may contain such legends regarding restrictions under the Securities Act and applicable state securities laws as the General Partner determines to be necessary or advisable in order to ensure compliance with such laws.

C. Notwithstanding the provisions of Section 15.1.A and 15.1.B hereof, the Tendering Parties shall have no rights under this Agreement that would otherwise be prohibited by the Charter. To the extent that any attempted Redemption or acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof would be in violation of this Section 15.1.C, it shall be null and void *ab initio*, and the Tendering Party shall not acquire any rights or economic interests in REIT Shares otherwise issuable by the General Partner under Section 15.1.B hereof or cash otherwise payable under Section 15.1.A hereof.

D. If the General Partner does not elect to acquire the Tendered Units pursuant to Section 15.1.B hereof:

(1) The Partnership may elect to raise funds for the payment of the Cash Amount either (a) by requiring that the General Partner contribute to the Partnership funds from the proceeds of a registered public offering by the General Partner of REIT Shares sufficient to purchase the Tendered Units or (b) from any other sources (including, but not limited to, the sale of any Property and the incurrence of additional Debt) available to the Partnership. The General Partner shall make a Capital Contribution of any such amounts to the Partnership for an additional General Partner Interest. Any such contribution shall entitle the General Partner to an equitable Percentage Interest adjustment.

(2) If the Cash Amount is not paid on or before the Specified Redemption Date, interest shall accrue with respect to the Cash Amount from the day after the Specified Redemption Date to and including the date on which the Cash Amount is paid at a rate equal to the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal (but not higher than the maximum lawful rate).

E. Notwithstanding the provisions of Section 15.1.B hereof, the General Partner shall not, under any circumstances, elect to acquire any Tendered Units in exchange for REIT Shares if such exchange would be prohibited under the Charter.

F. Notwithstanding anything herein to the contrary (but subject to Section 15.1.C hereof), with respect to any Redemption (or any tender of Partnership Common Units for Redemption if the Tendered Units are acquired by the General Partner pursuant to Section 15.1.B hereof) pursuant to this Section 15.1:

(1) All Partnership Common Units acquired by the General Partner pursuant to Section 15.1.B hereof shall automatically, and without further action required, be converted into and deemed to be a General Partner Interest comprised of the same number of Partnership Common Units.

(2) Subject to the Ownership Limit, no Tendering Party may effect a Redemption for less than one thousand (1,000) Partnership Common Units or, if such Tendering Party holds (as a Limited Partner or, economically, as an Assignee) less than one thousand (1,000) Partnership Common Units, all of the Partnership Common Units held by such Tendering Party, without, in each case, the Consent of the General Partner.

(3) If (i) a Tendering Party surrenders its Tendered Units during the period after the Partnership Record Date with respect to a distribution and before the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such Partnership distribution, and (ii) the General Partner elects to acquire any of such Tendered Units in exchange for REIT Shares pursuant to Section 15.1.B, such Tendering Party shall pay to the General Partner on the Specified Redemption Date an amount in cash equal to the portion of the Partnership distribution in respect of the Tendered Units exchanged for REIT Shares, insofar as such distribution relates to the same period for which such Tendering Party would receive a distribution in respect of such REIT Shares.

(4) The consummation of such Redemption (or an acquisition of Tendered Units by the General Partner pursuant to Section 15.1.B hereof, as the case may be) shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Act.

(5) The Tendering Party shall continue to own (subject, in the case of an Assignee, to the provisions of Section 11.5 hereof) all Partnership Common Units subject to any Redemption, and be treated as a Limited Partner or an Assignee, as applicable, with respect to such Partnership Common Units for all purposes of this Agreement, until such Partnership Common Units are either paid for by the Partnership pursuant to Section 15.1.A hereof or transferred to the General Partner and paid for, by the issuance of the REIT Shares, pursuant to Section 15.1.B hereof on the Specified Redemption Date. Until a Specified Redemption Date and an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof, the Tendering Party shall have no rights as a stockholder of the General Partner with respect to the REIT Shares issuable in connection with such acquisition.

G. In connection with an exercise of Redemption rights pursuant to this Section 15.1, except as otherwise Consented to by the General Partner, the Tendering Party shall submit the following to the General Partner, in addition to the Notice of Redemption:

(1) A written affidavit, dated the same date as the Notice of Redemption, (a) disclosing the actual and constructive ownership, as determined for purposes of Code Sections 856(a)(6) and 856(h), of REIT Shares by (i) such

Tendering Party and (ii) to the best of their knowledge any Related Party and (b) representing that, after giving effect to the Redemption or an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof, neither the Tendering Party nor to the best of their knowledge any Related Party will own REIT Shares in violation of the Ownership Limit;

(2) A written representation that neither the Tendering Party nor to the best of their knowledge any Related Party has any intention to acquire any additional REIT Shares prior to the closing of the Redemption or an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof on the Specified Redemption Date; and

(3) An undertaking to certify, at and as a condition to the closing of (i) the Redemption or (ii) the acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof on the Specified Redemption Date, that either (a) the actual and constructive ownership of REIT Shares by the Tendering Party and to the best of their knowledge any Related Party remain unchanged from that disclosed in the affidavit required by Section 15.1.G(1) or (b) after giving effect to the Redemption or an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1.B hereof, neither the Tendering Party nor to the best of their knowledge any Related Party shall own REIT Shares in violation of the Ownership Limit.

(4) In connection with any Special Redemption, the General Partner shall have the right to receive an opinion of counsel reasonably satisfactory to it to the effect that the proposed Special Redemption will not cause the Partnership or the General Partner to violate any Federal or state securities laws or regulations applicable to the Special Redemption, the issuance and sale of the Tendered Units to the Tendering Party or the issuance and sale of REIT Shares to the Tendering Party pursuant to Section 15.1.B of this Agreement.

Section 15.2 *Addresses and Notice*. Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written or electronic communication (including by telecopy, facsimile, electronic mail or commercial courier service) to the Partner, or Assignee at the address set forth in Exhibit A or Exhibit B (as applicable) or such other address of which the Partner shall notify the General Partner in accordance with this Section 15.2.

Section 15.3 *Titles and Captions*. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" or "Sections" are to Articles and Sections of this Agreement.

Section 15.4 *Pronouns and Plurals*. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.5 *Further Action*. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.6 *Binding Effect*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.7 *Waiver*.

A. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

B. The restrictions, conditions and other limitations on the rights and benefits of the Limited Partners contained in this Agreement, and the duties, covenants and other requirements of performance or notice by the Limited Partners, are for the benefit of the Partnership and, except for an obligation to pay money to the Partnership, may be waived or relinquished by the General Partner, in its sole and absolute discretion, on behalf of the Partnership in one or more instances from time to time and at any time; *provided*, *however*, that any such waiver or relinquishment may not be made if it would have the effect of (i) creating liability for any other Limited Partner, (ii) causing the Partnership to cease to qualify as a limited partnership, (iii) reducing the amount of cash otherwise distributable to the Limited Partners (other than any such reduction that affects all of the Limited Partners holding

the same class or series of Partnership Units on a uniform or pro rata basis, if approved by a Majority in Interest of the Partners holding such class or series of Partnership Units), (iv) resulting in the classification of the Partnership as an association or publicly traded partnership taxable as a corporation or (v) violating the Securities Act, the Exchange Act or any state "blue sky" or other securities laws; and *provided, further*, that any waiver relating to compliance with the Ownership Limit or other restrictions in the Charter shall be made and shall be effective only as provided in the Charter.

Section 15.8 *Counterparts*. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.9 *Applicable Law; Consent to Jurisdiction; Waiver of Jury Trial.*

A. This Agreement shall be construed and enforced in accordance with and governed by the laws of the Commonwealth of Virginia, without regard to the principles of conflicts of law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provisions of this Agreement shall control and take precedence.

B. Each Partner hereby (i) submits to the non-exclusive jurisdiction of any state or federal court sitting in the Commonwealth of Virginia (collectively, the "*Virginia Courts*"), with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute, (ii) irrevocably waives, and agrees not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of any of the Virginia Courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper, (iii) agrees that notice or the service of process in any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be properly served or delivered if delivered to such Partner at such Partner's last known address as set forth in the Partnership's books and records, and (iv) irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 15.10 *Entire Agreement.* This Agreement contains all of the understandings and agreements between and among the Partners with respect to the subject matter of this Agreement and the rights, interests and obligations of the Partners with respect to the Partnership. Notwithstanding the immediately preceding sentence, the Partners hereby acknowledge and agree that the General Partner, without the approval of any Limited Partner, may enter into side letters or similar written agreements with Limited Partners that are not Affiliates of the General Partner, executed contemporaneously with the admission of such Limited Partner to the Partnership, affecting the terms hereof, as negotiated with such Limited Partner and which the General Partner in its sole discretion deems necessary, desirable or appropriate. The parties hereto agree that any terms, conditions or provisions contained in such side letters or similar written agreements with a Limited Partner shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement.

Section 15.11 *Invalidity of Provisions*. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.12 *Limitation to Preserve REIT Status*. Notwithstanding anything else in this Agreement, to the extent that the amount to be paid, credited, distributed or reimbursed by the Partnership to any REIT Partner or its officers, directors, employees or agents, whether as a reimbursement, fee, expense or indemnity (a "*REIT Payment*"), would constitute gross income to the REIT Partner for purposes of Code Section 856(c)(2) or Code Section 856(c)(3), then, notwithstanding any other provision of this Agreement, the amount of such REIT Payments, as selected by the General Partner in its discretion from among items of potential distribution, reimbursement, fees, expenses and indemnities, shall be reduced for any Partnership Year so that the REIT Payments, as so reduced, for or with respect to such REIT Partner shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of (a) four and nine-tenths percent (4.9%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code) for the Partnership Year that is described in subsections (A) through (I) of Code Section 856(c)(2) over (b) the amount of gross income (within the

meaning of Code Section 856(c)(2)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(2) (but not including the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code); or

(ii) an amount equal to the excess, if any, of (a) twenty-four percent (24%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code) for the Partnership Year that is described in subsections (A) through (I) of Code Section 856(c)(3) over (b) the amount of gross income (within the meaning of Code Section 856(c)(3)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(3) (but not including the amount of any REIT Payments and amounts excluded from gross income pursuant to Section 856(c)(5)(G) of the Code);

provided, however, that REIT Payments in excess of the amounts set forth in clauses (i) and (ii) above may be made if the General Partner, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts should not adversely affect the REIT Partner's ability to qualify as a REIT. To the extent that REIT Payments may not be made in a Partnership Year as a consequence of the limitations set forth in this Section 15.12, such REIT Payments shall carry over and shall be treated as arising in the following Partnership Year if such carry over does not adversely affect the REIT Partner's ability to qualify as a REIT, provided, however, that any such REIT Payment shall not be carried over more than three Partnership Years, and any such remaining payments shall no longer be due and payable. The purpose of the limitations contained in this Section 15.12 is to prevent any REIT Partner from failing to qualify as a REIT under the Code by reason of such REIT Partner's share of items, including distributions, reimbursements, fees, expenses or indemnities, receivable directly or indirectly from the Partnership, and this Section 15.12 shall be interpreted and applied to effectuate such purpose.

Section 15.13 *No Partition*. No Partner nor any successor-in-interest to a Partner shall have the right while this Agreement remains in effect to have any property of the Partnership partitioned, or to file a complaint or institute any proceeding at law or in equity to have such property of the Partnership partitioned, and each Partner, on behalf of itself and its successors and assigns hereby waives any such right. It is the intention of the Partners that the rights of the parties hereto and their successors-in-interest to Partnership property, as among themselves, shall be governed by the terms of this Agreement, and that the rights of the Partners and their respective successors-in-interest shall be subject to the limitations and restrictions as set forth in this Agreement.

Section 15.14 *No Third-Party Rights Created Hereby*. The provisions of this Agreement are solely for the purpose of defining the interests of the Holders, inter se; and no other person, firm or entity (i.e., a party who is not a signatory hereto or a permitted successor to such signatory hereto) shall have any right, power, title or interest by way of subrogation or otherwise, in and to the rights, powers, title and provisions of this Agreement. No creditor or other third party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans to the Partnership or to pursue any other right or remedy hereunder or at law or in equity. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may any such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or any of the Partners.

Section 15.15 *No Rights as Stockholders*. Nothing contained in this Agreement shall be construed as conferring upon the Holders of Partnership Units any rights whatsoever as stockholders of the General Partner, including without limitation any right to receive dividends or other distributions made to stockholders of the General Partner or to vote or to consent or receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the General Partner or any other matter.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

GENERAL PARTNER:

WHEELER REAL ESTATE INVESTMENT TRUST, INC.,
a Maryland corporation,

By: _____
Name:
Its:

LIMITED PARTNER:

[,
a],

By: _____
Name:
Its:

LIMITED PARTNER:

_____
Name:

As of [ ], 20[ ]

EXHIBIT A

PARTNERS AND PARTNERSHIP UNITS

Name and Address of Partners	Partnership Units (Type and Amount)
General Partner:	
Wheeler Real Estate Investment Trust, Inc. Riversedge North 2529 Virginia Beach Boulevard Suite 200 Virginia Beach, Virginia 23452	[ ] Partnership Common Units
Limited Partners:	
TOTAL:	[ ] Partnership Common Units

EXHIBIT B

EXAMPLES REGARDING ADJUSTMENT FACTOR

For purposes of the following examples, it is assumed that (a) the Adjustment Factor in effect on [ ] is 1.0 and (b) on [ ] (the "*Partnership Record Date*" for purposes of these examples), prior to the events described in the examples, there are 100 REIT Shares issued and outstanding.

Example 1

On the Partnership Record Date, the General Partner declares a dividend on its outstanding REIT Shares in REIT Shares. The amount of the dividend is one REIT Share paid in respect of each REIT Share owned. Pursuant to Paragraph (i) of the definition of "Adjustment Factor," the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the stock dividend is declared, as follows:

1.0 * 200/100 = 2.0

Accordingly, the Adjustment Factor after the stock dividend is declared is 2.0.

Example 2

On the Partnership Record Date, the General Partner distributes options to purchase REIT Shares to all holders of its REIT Shares. The amount of the distribution is one option to acquire one REIT Share in respect of each REIT Share owned. The strike price is $4.00 a share. The Value of a REIT Share on the Partnership Record Date is $5.00 per share. Pursuant to Paragraph (ii) of the definition of "Adjustment Factor," the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the options are distributed, as follows:

1.0 * (100 + 100)/(100 + [100 * $4.00/$5.00]) = 1.1111

Accordingly, the Adjustment Factor after the options are distributed is 1.1111. If the options expire or become no longer exercisable, then the retroactive adjustment specified in Paragraph (ii) of the definition of "Adjustment Factor" shall apply.

Example 3

On the Partnership Record Date, the General Partner distributes assets to all holders of its REIT Shares. The amount of the distribution is one asset with a fair market value (as determined by the General Partner) of $1.00 in respect of each REIT Share owned. It is also assumed that the assets do not relate to assets received by the General Partner pursuant to a pro rata distribution by the Partnership. The Value of a REIT Share on the Partnership Record Date is $5.00 a share. Pursuant to Paragraph (iii) of the definition of "Adjustment Factor," the Adjustment Factor shall be adjusted on the Partnership Record Date, effective immediately after the assets are distributed, as follows:

1.0 * $5.00/($5.00 - $1.00) = 1.25

Accordingly, the Adjustment Factor after the assets are distributed is 1.25.

EXHIBIT C

NOTICE OF REDEMPTION

To: Wheeler Real Estate Investment Trust, Inc.

_____
_____
_____

The undersigned Limited Partner or Assignee hereby irrevocably tenders for Redemption Partnership Common Units in Wheeler Real Estate Investment Trust, L.P. in accordance with the terms of the Amended and Restated Agreement of Limited Partnership of Wheeler Real Estate Investment Trust, L.P., dated as of [ ], 20[ ] as amended (the "*Agreement*"), and the Redemption rights referred to therein. The undersigned Limited Partner or Assignee:

(a) undertakes (i) to surrender such Partnership Common Units and any certificate therefor at the closing of the Redemption and (ii) to furnish to the General Partner, prior to the Specified Redemption Date, the documentation, instruments and information required under Section 15.1.G of the Agreement;

(b) directs that the certified check representing the Cash Amount, or the REIT Shares Amount, as applicable, deliverable upon the closing of such Redemption be delivered to the address specified below;

(c) represents, warrants, certifies and agrees that:

(i) the undersigned Limited Partner or Assignee is a Qualifying Party,

(ii) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, good, marketable and unencumbered title to such Partnership Common Units, free and clear of the rights or interests of any other person or entity,

(iii) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, the full right, power and authority to tender and surrender such Partnership Common Units as provided herein, and

(iv) the undersigned Limited Partner or Assignee has obtained the consent or approval of all persons and entities, if any, having the right to consent to or approve such tender and surrender; and

(d) acknowledges that he will continue to own such Partnership Common Units until and unless either (1) such Partnership Common Units are acquired by the General Partner pursuant to Section 15.1.B of the Agreement or (2) such redemption transaction closes.

All capitalized terms used herein and not otherwise defined shall have the same meaning ascribed to them respectively in the Agreement.

Dated:

Name of Limited Partner or Assignee:

(Signature of Limited Partner or Assignee)

(Street Address)

(City) (State) (Zip Code)

Signature Medallion Guaranteed by:

Issue Check Payable to:

Please insert social security or identifying number:

Exhibit 10.3

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

2012 STOCK INCENTIVE PLAN

1. Purpose and Effective Date.

(a) The purpose of the Wheeler Real Estate Investment Trust, Inc. 2012 Stock Incentive Plan (the "Plan") is to further the long term stability and financial success of Wheeler Real Estate Investment Trust, Inc. (the "Company") by attracting and retaining personnel, including employees, non-employee directors, and consultants, through the use of stock incentives. It is believed that ownership of Company stock will stimulate the efforts of those employees upon whose judgment, interest and efforts the Company is and will be largely dependent for the successful conduct of its business.

(b) The Plan was adopted by the Board of Directors of the Company on [ ], 2012 (the "Effective Date").

2. Definitions.

(a) Act. The Securities Exchange Act of 1934, as amended.

(b) Affiliate. The meaning assigned to the term "affiliate" under Rule 12b-2 of the Act.

(c) Applicable Withholding Taxes. The aggregate amount of federal, state and local income and payroll taxes that the Company is required to withhold (based on the minimum applicable statutory withholding rates) in connection with any exercise of an Option or the award, lapse of restrictions or payment with respect to Restricted Stock.

(d) Award. The award of an Option or Restricted Stock under the Plan.

(e) Beneficiary. The person or persons entitled to receive a benefit pursuant to an Award upon the death of a Participant.

(f) Board. The Board of Directors of the Company.

(g) Cause. Dishonesty, fraud, misconduct, gross incompetence, gross negligence, breach of a material fiduciary duty, material breach of an agreement with the Company, unauthorized use or disclosure of confidential information or trade secrets, or conviction or confession of a crime punishable by law (except minor violations), in each case as determined by the Committee, which determination shall be binding. Notwithstanding the foregoing, if "Cause" is defined in an employment agreement between a Participant and the Company, "Cause" shall have the meaning assigned to it in such agreement.

(h) Change of Control.

(i) The acquisition by any unrelated person of beneficial ownership (as that term is used for purposes of the Act) of 50% or more of the then outstanding common stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors. The term "unrelated person" means any person other than (x) the Company and its subsidiaries, (y) an employee benefit plan or related trust sponsored by the Company or its subsidiaries, and (z) a person who acquires stock of the Company pursuant to an agreement with the Company that is approved by the Board in advance of the

acquisition. For purposes of this subsection, a "person" means an individual, entity or group, as that term is used for purposes of the Act;

(ii) Any tender or exchange offer, merger or other business combination, sale of assets or any combination of the foregoing transactions, and the Company is not the surviving corporation; and

(iii) A liquidation of the Company.

(i) Code. The Internal Revenue Code of 1986, as amended.

(j) Committee. The Compensation Committee of the Board.

(k) Company. Wheeler Real Estate Investment Trust, Inc.

(l) Company Stock. The common stock of the Company. In the event of a change in the capital structure of the Company (as provided in Section 12 below), the stock resulting from such a change shall be deemed to be Company Stock within the meaning of the Plan.

(m) Consultant. A person rendering services to the Company who is not an "employee" for purposes of employment tax withholding under the Code.

(n) Corporate Change. A consolidation, merger, dissolution or liquidation of the Company, or a sale or distribution of assets or stock (other than in the ordinary course of business) of the Company; provided that, unless the Committee determines otherwise, a Corporate Change shall only be considered to have occurred with respect to Participants whose business unit is affected by the Corporate Change.

(o) Date of Grant. The date as of which an Award is made by the Committee.

(p) Disability or Disabled. As to an Incentive Stock Option, a Disability within the meaning of Code Section 22(e)(3). As to all other Incentive Awards, the Committee shall determine whether a Disability exists and such determination shall be conclusive.

(q) Fair Market Value.

(i) If Company Stock is traded on a national securities exchange, the average of the highest and lowest registered sales prices of Company Stock on such exchange;

(ii) If Company Stock is traded in the over-the-counter market, the average between the closing bid and asked prices as reported by the NASDAQ Stock Market; or

(iii) If shares of Company Stock are not publicly traded, the Fair Market Value shall be determined by the Committee using any reasonable method in good faith.

Fair Market Value shall be determined as of the applicable date specified in the Plan or, if there are no trades on such date, the value shall be determined as of the last preceding day on which Company Stock is traded.

(r) Incentive Stock Option. An Option intended to meet the requirements of, and qualify for favorable Federal income tax treatment under, Code Section 422.

(s) Nonstatutory Stock Option. An Option that does not meet the requirements of Code Section 422, or that is otherwise not intended to be an Incentive Stock Option and is so designated.

(t) Option. A right to purchase Company Stock granted under the Plan, at a price determined in accordance with the Plan.

(u) Participant. Any individual who receives an Award under the Plan.

(v) Restricted Stock. Company Stock awarded upon the terms and subject to the restrictions set forth in Section 7 below.

(w) Rule 16b-3. Rule 16b-3 of the Act, including any corresponding subsequent rule or any amendments to Rule 16b-3 enacted after the effective date of the Plan.

(x) 10% Shareholder. A person who owns, directly or indirectly, stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate. Indirect ownership of stock shall be determined in accordance with Code Section 424(d).

3. General. Awards of Options and Restricted Stock may be granted under the Plan. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options.

4. Stock. Subject to Section 12 of the Plan, there shall be reserved for issuance under the Plan a total of [ ] unissued shares of Company Stock. Shares allocable to Options granted under the Plan that expire or otherwise terminate unexercised and shares that are forfeited pursuant to restrictions on Restricted Stock awarded under the Plan may again be subjected to an Award under this Plan. For purposes of determining the number of shares that are available for Awards under the Plan, such number shall, if permissible under Rule 16b-3, include the number of shares surrendered by a Participant or retained by the Company (a) in connection with the exercise of an Option or (b) in payment of Applicable Withholding Taxes.

5. Eligibility.

(a) Any employee of, non-employee director of, or Consultant to the Company or its affiliates, who, in the judgment of the Committee, has contributed or can be expected to contribute to the profits or growth of the Company is eligible to become a Participant. The Committee shall have the power and complete discretion, as provided in Section 14, to select eligible Participants and to determine for each Participant the terms, conditions and nature of the Award and the number of shares to be allocated as part of the Award; provided, however, that any award made to a member of the Committee must be approved by the Board. The Committee is expressly authorized to make an Award to a Participant conditioned on the surrender for cancellation of an existing Award.

(b) The grant of an Award shall not obligate the Company to pay an employee any particular amount of remuneration, to continue the employment of the employee after the grant or to make further grants to the employee at any time thereafter.

(c) Non-employee directors and Consultants shall not be eligible to receive the Award of an Incentive Stock Option.

6. Stock Options.

(a) Whenever the Committee deems it appropriate to grant Options, notice shall be given to the Participant stating the number of shares for which Options are granted, the Option price per share, whether the options are Incentive Stock Options or Nonstatutory Stock Options, and the conditions to which the grant and exercise of the Options are

subject. This notice, when duly accepted in writing by the Participant, shall become a stock option agreement between the Company and the Participant.

(b) The Committee shall establish the exercise price of Options. The exercise price of an Incentive Stock Option shall be not less than 100% of the Fair Market Value of such shares on the Date of Grant, provided that if the Participant is a 10% Shareholder, the exercise price of an Incentive Stock Option shall be not less than 110% of the Fair Market Value of such shares on the Date of Grant. The exercise price of a Nonstatutory Stock Option Award shall not be less than 100% of the Fair Market Value of the shares of Company Stock covered by the Option on the Date of Grant.

(c) Options may be exercised in whole or in part at such times as may be specified by the Committee in the Participant's stock option agreement. The Committee may impose such vesting conditions and other requirements as the Committee deems appropriate, and the Committee may include such provisions regarding a Change of Control or Corporate Change as the Committee deems appropriate.

(d) The Committee shall establish the term of each Option in the Participant's stock option agreement. The term of an Incentive Stock Option shall not be longer than ten years from the Date of Grant, except that an Incentive Stock Option granted to a 10% Shareholder may not have a term in excess of five years. No option may be exercised after the expiration of its term or, except as set forth in the Participant's stock option agreement, after the termination of the Participant's employment. The Committee shall set forth in the Participant's stock option agreement when, and under what circumstances, an Option may be exercised after termination of the Participant's employment or period of service; provided that no Incentive Stock Option may be exercised after (i) three months from the Participant's termination of employment with the Company for reasons other than Disability or death, or (ii) one year from the Participant's termination of employment on account of Disability or death. The Committee may, in its sole discretion, amend a previously granted Incentive Stock Option to provide for more liberal exercise provisions, provided however that if the Incentive Stock Option as amended no longer meets the requirements of Code Section 422, and, as a result the Option no longer qualifies for favorable federal income tax treatment under Code Section 422, the amendment shall not become effective without the written consent of the Participant.

(e) An Incentive Stock Option, by its terms, shall be exercisable in any calendar year only to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of Company Stock with respect to which Incentive Stock Options are exercisable by the Participant for the first time during the calendar year does not exceed $100,000 (the "Limitation Amount"). Incentive Stock Options granted under the Plan and all other plans of the Company and any parent or Subsidiary of the Company shall be aggregated for purposes of determining whether the Limitation Amount has been exceeded. The Board may impose such conditions as it deems appropriate on an Incentive Stock option to ensure that the foregoing requirement is met. If Incentive Stock Options that first become exercisable in a calendar year exceed the Limitation Amount, the excess Options will be treated as Nonstatutory Stock Options to the extent permitted by law.

(f) If a Participant dies and if the Participant's stock option agreement provides that part or all of the Option may be exercised after the Participant's death, then such portion

may be exercised by the personal representative of the Participant's estate during the time period specified in the stock option agreement.

(g) If a Participant's employment or services is terminated by the Company for Cause, the Participant's Options shall terminate as of the date of the misconduct.

7. Restricted Stock Awards.

(a) Whenever the Committee deems it appropriate to grant a Restricted Stock Award, notice shall be given to the Participant stating the number of shares of Restricted Stock for which the Award is granted and the terms and conditions to which the Award is subject. This notice, when accepted in writing by the Participant, shall become an Award agreement between the Company and the Participant. Certificates representing the shares shall be issued in the name of the Participant, subject to the restrictions imposed by the Plan and the Committee. A Restricted Stock Award may be made by the Committee in its discretion without cash consideration.

(b) The Committee may place such restrictions on the transferability and vesting of Restricted Stock as the Committee deems appropriate, including restrictions relating to continued employment and financial performance goals. Without limiting the foregoing, the Committee may provide performance or Change of Control or Corporate Change acceleration parameters under which all, or a portion, of the Restricted Stock will vest on the Company's achievement of established performance objectives. Restricted Stock may not be sold, assigned, transferred, disposed of, pledged, hypothecated or otherwise encumbered until the restrictions on such shares shall have lapsed or shall have been removed pursuant to subsection (c) below.

(c) The Committee may provide in a Restricted Stock Award, or subsequently, that the restrictions will lapse if a Change of Control or Corporate Change occurs. The Committee may at any time, in its sole discretion, accelerate the time at which any or all restrictions will lapse or may remove restrictions on Restricted Stock as it deems appropriate.

(d) A Participant shall hold shares of Restricted Stock subject to the restrictions set forth in the Award agreement and in the Plan. In other respects, the Participant shall have all the rights of a shareholder with respect to the shares of Restricted Stock, including, but not limited to, the right to vote such shares and the right to receive all cash dividends and other distributions paid thereon. Certificates representing Restricted Stock shall bear a legend referring to the restrictions set forth in the Plan and the Participant's Award agreement. If stock dividends are declared on Restricted Stock, such stock dividends or other distributions shall be subject to the same restrictions as the underlying shares of Restricted Stock.

8. Method of Exercise of Options.

(a) Options may be exercised by giving written notice of the exercise to the Company, stating the number of shares the Participant has elected to purchase under the Option. Such notice shall be effective only if accompanied by the exercise price in full in cash; provided that, if the terms of an Option so permit, the Participant may (i) deliver Company Stock that the Participant has owned for at least six months (valued at Fair Market Value on the date of exercise), or (ii) exercise any applicable net exercise provision contained therein. Unless otherwise specifically provided in the Option, any payment of the exercise price paid by

delivery of Company Stock acquired directly or indirectly from the Company shall be paid only with shares of Company Stock that have been held by the Participant for more than six months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes).

(b) Notwithstanding anything herein to the contrary, Awards shall always be granted and exercised in such a manner as to conform to the provisions of Rule 16b-3.

9. Applicable Withholding Taxes. Each Participant shall agree, as a condition of receiving an Award, to pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all Applicable Withholding Taxes with respect to the Award. Until the Applicable Withholding Taxes have been paid or arrangements satisfactory to the Company have been made, no stock certificates (or, in the case of Restricted Stock, no stock certificates free of a restrictive legend) shall be issued to the Participant. As an alternative to making a cash payment to the Company to satisfy Applicable Withholding Tax obligations, the Committee may establish procedures permitting the Participant to elect to (a) deliver shares of already owned Company Stock (subject to such restrictions as the Committee may establish, including a requirement that any shares of Company Stock so delivered shall have been held by the Participant for not less than six months) or (b) have the Company retain that number of shares of Company Stock that would satisfy all or a specified portion of the Applicable Withholding Taxes. Any such election shall be made only in accordance with procedures established by the Committee and in accordance with Rule 16b-3.

10. Nontransferability of Awards.

(a) In general, Awards, by their terms, shall not be transferable by the Participant except by will or by the laws of descent and distribution or except as described below. Options shall be exercisable, during the Participant's lifetime, only by the Participant or by his guardian or legal representative.

(b) Notwithstanding the provisions of (a) and subject to federal and state securities laws, the Committee may grant Nonstatutory Stock Options that permit a Participant to transfer the Options to one or more immediate family members, to a trust for the benefit of immediate family members, or to a partnership, limited liability company, or other entity the only partners, members, or interest-holders of which are among the Participant's immediate family members. Consideration may not be paid for the transfer of Options. The transferee of an Option shall be subject to all conditions applicable to the Option prior to its transfer. The agreement granting the Option shall set forth the transfer conditions and restrictions. The Committee may impose on any transferable Option and on stock issued upon the exercise of an Option such limitations and conditions as the Committee deems appropriate.

11. Termination, Modification, Change. If not sooner terminated by the Board, this Plan shall terminate at the close of business on the tenth anniversary of the Effective Date. No Awards shall be made under the Plan after its termination. The Board may terminate the Plan or may amend the Plan in such respects as it shall deem advisable; provided that, if and to the extent required by Rule 16b-3, no change shall be made that increases the total number of shares of Company Stock reserved for issuance pursuant to Awards granted under the Plan (except pursuant to Section 12), expands the class of persons eligible to receive Awards, or materially increases the benefits accruing to Participants under the Plan, unless such change is authorized

by the shareholders of the Company. Notwithstanding the foregoing, the Board may unilaterally amend the Plan and Awards as it deems appropriate to ensure compliance with Rule 16b-3 and to cause Incentive Stock Options to meet the requirements of the Code and regulations thereunder. Except as provided in the preceding sentence, a termination or amendment of the Plan shall not, without the consent of the Participant, adversely affect a Participant's rights under an Award previously granted to him.

12. Change in Capital Structure.

(a) In the event of a stock dividend, stock split or combination of shares, spin-off, reclassification, recapitalization, merger or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the number and kind of shares of stock or securities of the Company to be issued under the Plan (under outstanding Awards and Awards to be granted in the future), the exercise price of options, and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons. If the adjustment would produce fractional shares with respect to any Award, the Committee may adjust appropriately the number of shares covered by the Award so as to eliminate the fractional shares.

(b) In the event the Company distributes to its shareholders a dividend**,** or sells or causes to be sold to a person other than the Company or a Subsidiary shares of stock in any corporation (a "Spinoff Company") which, immediately before the distribution or sale, was a majority owned Subsidiary of the Company, the Committee shall have the power, in its sole discretion, to make such adjustments as the Committee deems appropriate. The Committee may make adjustments in the number and kind of shares or other securities to be issued under the Plan (under outstanding Awards and Awards to be granted in the future), the exercise price of Options, and other relevant provisions, and, without limiting the foregoing, may substitute securities of a Spinoff Company for securities of the Company. The Committee shall make such adjustments as it determines to be appropriate, considering the economic effect of the distribution or sale on the interests of the Company's shareholders and the Participants in the businesses operated by the Spinoff Company, and subject to the proviso that any such adjustments or new options shall not be made or granted, respectively, that would result in subjecting the Plan to variable plan accounting treatment. The Committee's determination shall be binding on all persons. If the adjustment would produce fractional shares with respect to any Award, the Committee may adjust appropriately the number of shares covered by the Award so as to eliminate the fractional shares.

(c) To the extent required to avoid a charge to earnings for financial accounting purposes, adjustments made by the Committee pursuant to this Section 12 to outstanding Awards shall be made so that both (i) the aggregate intrinsic value of an Award immediately after the adjustment is not greater than or less than the Award's aggregate intrinsic value before the adjustment and (ii) the ratio of the exercise price per share to the market value per share is not reduced.

(d) Notwithstanding anything in the Plan to the contrary, the Committee may take the foregoing actions without the consent of any Participant, and the Committee's determination shall be conclusive and binding on all persons for all purposes. The

Committee shall make its determinations consistent with Rule 16b-3 and the applicable provisions of the Code.

13. Change of Control. In the event of a Change of Control or Corporate Change, the Committee may take such actions with respect to Awards as the Committee deems appropriate. These actions may include, but shall not be limited to, the following:

(a) At the time the Award is made, provide for the acceleration of the vesting schedule relating to the exercise or realization of the Award so that the Award may be exercised or realized in full on or before a date initially fixed by the Committee;

(b) Provide for the purchase or settlement of any such Award by the Company for any amount of cash equal to the amount which could have been obtained upon the exercise of such Award or realization of a Participant's rights had such Award been currently exercisable or payable;

(c) Make adjustments to Awards then outstanding as the Committee deems appropriate to reflect such Change of Control or Corporate Change; provided, however, that to the extent required to avoid a charge to earnings for financial accounting purposes, such adjustments shall be made so that both (i) the aggregate intrinsic value of an Award immediately after the adjustment is not greater than or less than the Award's aggregate intrinsic value before the Award and (ii) the ratio of the exercise price per share to the market value per share is not reduced; or

(d) Cause any such Award then outstanding to be assumed, or new rights substituted therefore, by the acquiring or surviving legal entity in such Change of Control or Corporate Change.

14. Administration of the Plan.

(a) The Plan shall be administered by the Committee, who shall be appointed by the Board. The Board may designate the Compensation Committee of the Board, or a subcommittee of the Compensation Committee, to be the Committee for purposes of the Plan. If and to the extent required by Rule 16b-3, all members of the Committee shall be "Non-Employee Directors" as that term is defined in Rule 16b-3, and the Committee shall be comprised solely of two or more "outside directors" as that term is defined for purposes of Code section 162(m). If any member of the Committee fails to qualify as an "outside director" or (to the extent required by Rule 16b-3) a "Non-Employee Director," such person shall immediately cease to be a member of the Committee and shall not take part in future Committee deliberations. The Board of Directors may from time to time may appoint members of the Committee and fill vacancies, however caused, in the Committee.

(b) The Committee shall have the authority to impose such limitations or conditions upon an Award as the Committee deems appropriate to achieve the objectives of the Award and the Plan. Without limiting the foregoing and in addition to the powers set forth elsewhere in the Plan, the Committee shall have the power and complete discretion to determine (i) which eligible persons shall receive an Award and the nature of the Award, (ii) the number of shares of Company Stock to be covered by each Award, (iii) whether Options shall be Incentive Stock options or Nonstatutory Stock Options, (iv) the Fair Market Value of Company Stock, (v) the time or times when an Award shall be granted, (vi) whether an Award shall become vested over a period of time, according to a

performance-based vesting schedule or otherwise, and when it shall be fully vested, (vii) the terms and conditions under which restrictions imposed upon an Award shall lapse, (viii) whether a Change of Control or Corporate Change exists, (ix) the terms of incentive programs, performance criteria and other factors relevant to the issuance of Incentive Stock or the lapse of restrictions on Restricted Stock or Options, (x) when Options may be exercised, (xi) whether to approve a Participant's election with respect to Applicable Withholding Taxes, (xii) conditions relating to the length of time before disposition of Company Stock received in connection with an Award is permitted, (xiii) notice provisions relating to the sale of Company Stock acquired under the Plan, and (xiv) any additional requirements relating to Awards that the Committee deems appropriate. Notwithstanding the foregoing, no "tandem stock options" (where two stock options are issued together and the exercise of one option affects the right to exercise the other option) may be issued in connection with Incentive Stock Options.

(c) The Committee shall have the power to amend the terms of previously granted Awards so long as the terms as amended are consistent with the terms of the Plan and, where applicable, consistent with the qualification of an option as an Incentive Stock Option. The consent of the Participant must be obtained with respect to any amendment that would adversely affect the Participant's rights under the Award, except that such consent shall not be required if such amendment is for the purpose of complying with Rule 16b-3 or any requirement of the Code applicable to the Award.

(d) The Committee may adopt rules and regulations for carrying out the Plan. The Committee shall have the express discretionary authority to construe and interpret the Plan and the Award agreements, to resolve any ambiguities, to define any terms, and to make any other determinations required by the Plan or an Award agreement. The interpretation and construction of any provisions of the Plan or an Award agreement by the Committee shall be final and conclusive. The Committee may consult with counsel, who may be counsel to the Company, and shall not incur any liability for any action taken in good faith in reliance upon the advice of counsel.

(e) A majority of the members of the Committee shall constitute a quorum, and all actions of the Committee shall be taken by a majority of the members present. Any action may be taken by a written instrument signed by all of the members, and any action so taken shall be fully effective as if it had been taken at a meeting.

15. Issuance of Company Stock. The Company shall not be required to issue or deliver any certificate for shares of Company Stock before (i) the admission of such shares to listing on any stock exchange on which Company Stock may then be listed, (ii) receipt of any required registration or other qualification of such shares under any state or federal securities law or regulation that the Company's counsel shall determine is necessary or advisable, and (iii) the Company shall have been advised by counsel that all applicable legal requirements have been complied with. The Company may place on a certificate representing Company Stock any legend required to reflect restrictions pursuant to the Plan, and any legend deemed necessary by the Company's counsel to comply with federal or state securities laws. The Company may require a customary written indication of a Participant's investment intent. Until a Participant has been issued a certificate for the shares of Company Stock acquired, the Participant shall possess no shareholder rights with respect to the shares.

16. Rights Under the Plan. Title to and beneficial ownership of all benefits described in the Plan shall at all times remain with the Company. Participation in the Plan and the right to receive payments under the Plan shall not give a Participant any proprietary interest in the Company or any Affiliate or any of their assets. No trust fund shall be created in connection with the Plan, and there shall be no required funding of amounts that may become payable under the Plan. A Participant shall, for all purposes, be a general creditor of the Company. The interest of a Participant in the Plan cannot be assigned, anticipated, sold, encumbered or pledged and shall not be subject to the claims of his creditors.

17. Beneficiary. A Participant may designate, on a form provided by the Committee, one or more beneficiaries to receive any payments under Awards of Restricted Stock or Incentive Stock after the Participant's death. If a Participant makes no valid designation, or if the designated beneficiary fails to survive the Participant or otherwise fails to receive the benefits, the Participant's beneficiary shall be the first of the following persons who survives the Participant: (a) the Participant's surviving spouse, (b) the Participant's surviving descendants, *per stirpes*, or (c) the personal representative of the Participant's estate.

18. Notice. All notices and other communications required or permitted to be given under this Plan shall be in writing and shall be deemed to have been duly given if delivered personally or mailed first class, postage prepaid, as follows: (a) if to the Company—at its principal business address to the attention of the Secretary; (b) if to any Participant—at the last address of the Participant known to the sender at the time the notice or other communication is sent.

19. Interpretation. The terms of this Plan and Awards granted pursuant to the Plan are subject to all present and future regulations and rulings of the Secretary of the Treasury relating to the qualification of Incentive Stock Options under the Code or compliance with Code section 162(m), to the extent applicable, and they are subject to all present and future rulings of the Securities and Exchange Commission with respect to Rule 16b-3. If any provision of the Plan or an Award conflicts with any such regulation or ruling, to the extent applicable, the Committee shall cause the Plan to be amended, and shall modify the Award, so as to comply, or if for any reason amendments cannot be made, that provision of the Plan and/or the Award shall be void and of no effect.

EXHIBIT 10.5

Form of Lock-Up Agreement
[INDIVIDUAL LETTERHEAD]

[DATE]

Wellington Shields & Co., LLC and
Capitol Securities Management, Inc.

c/o Wellington Shields & Co., LLC
140 Broadway
New York, NY 10005

Re: Public Offering of Wheeler Real Estate Investment Trust, Inc.

Ladies and Gentlemen:

The undersigned, a holder of common stock, par value $0.01 per share ("Common Stock"), or rights to acquire Common Stock, of Wheeler Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), understands that you, as representative of certain firms (the "Placement Agents"), propose to enter into a Placement Agreement (the "Placement Agreement") with the Company providing for the public offering (the "Public Offering") by the several Placement Agents of shares of Common Stock of the Company (the "Securities").

In connection with the Public Offering, Wellington Shields is requiring each of the Company's officers, directors and shareholders owning two percent (2%) or more of the outstanding shares of the Company's common stock after the offering contemplated hereby to enter into lock-up agreements designed to prohibit the sale of the Company's common stock held (nominally or beneficially) by those individuals and entities (in any manner, including pursuant to Rule 144 under the Act) for a period of twelve (12) months following the effective date of the prospectus (the "Prospectus") without obtaining the prior written approval of Wellington Shields. These so called lock-ups are intended to induce Placement Agents that may participate in the Public Offering to continue their efforts in connection with the Public Offering and to allow the Company's Securities to be traded for a period of time before influential owners may sell their shares. Wellington Shields has agreed to exempt a total of one hundred thousand (100,000) shares held by non-executive officers to be designated by the Company.

For other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees for the benefit of the Company, you and the other Placement Agents that, without the prior written consent of Wellington Shields on behalf of the Placement Agents, the undersigned will not, during the period commencing on the date hereof and ending twelve (12) months after the effective date of the Prospectus relating to the Public Offering (the "Lock-Up Period"), directly or indirectly (1) offer, pledge, assign, encumber, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, any shares of Common Stock or any securities directly or indirectly convertible into or exercisable or exchangeable for Common Stock owned either of record or beneficially (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act")) by the undersigned on the date hereof or hereafter acquired or (2) enter

into any swap or other agreement or arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any Such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing. The foregoing sentence shall not apply to:

(i) the sale of shares of Common Stock pursuant to the Placement Agreement;

(ii) transactions relating to shares of Common Stock acquired in open market transactions after the completion of the Public Offering, or the exercise of any stock option to purchase shares of Common Stock pursuant to any benefit plan of the Company;

(iii) transfers of shares of Common Stock or any security directly or indirectly convertible into or exercisable or exchangeable for Common Stock as a bona fide gift or in connection with estate planning, including but not limited to, dispositions to any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned and dispositions from any grantor retained annuity trust established for the direct benefit of the undersigned and/or a member of the immediate family of the undersigned, or by will or intestacy, or

(iv) distributions of shares of Common Stock or any security directly or indirectly convertible into or exercisable or exchangeable for Common Stock to limited partners, members, stockholders or affiliates of the undersigned, or to any partnership, corporation or limited liability company controlled by the undersigned or by a member of the immediate family of the undersigned; or

(v) the establishment of a trading plan pursuant to Rule 10b 5-1 under the Exchange Act for the transfer of shares of Common Stock, provided that such plan does not provide for the transfer of Common Stock during the Lock-Up Period.

provided, however, that (a) in the case of any transfer or distribution pursuant to clause (iii) or (iv), each donee or distributee shall sign and deliver a lock-up letter agreement substantially in the form of this letter agreement (the "Lock-Up Agreement") and (b) in the case of any transaction pursuant to clauses (iii), (iv) or (v), such transaction is not required to be reported during the Lock-Up Period by anyone in any public report or filing with the Securities and Exchange Commission or otherwise (other than a required filing on Form 5, Schedule 13D or Schedule 13G (or 13D-A or 13G-A) and no such filing shall be made voluntarily during the Lock-Up Period. In addition, the undersigned agrees that, without the prior written consent of Wellington Shields on behalf of the Placement Agents, it will not, during the Lock-Up Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security directly or indirectly convertible into or exercisable or exchangeable for Common Stock.

Notwithstanding the foregoing, if (x) during the last 17 days of the Lock-Up Period the Company issues an earnings release or material news or a material event relating to the Company occurs, or (y) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed in this Lock-Up Agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless Wellington Shields waives, in writing, such extension.

The undersigned hereby further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this Lock-Up Agreement during the period from the date of this Lock-Up Agreement to and including the 34th day following the scheduled expiration of the Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take such action unless it has received written confirmation from the Company that the Lock-Up Period (as such may have been extended pursuant to the preceding paragraph) has expired.

In furtherance of the foregoing, (1) the undersigned also agrees and consents to the entry of stop transfer instructions with any duly appointed transfer agent for the registration or transfer of the securities described herein against the transfer of any such securities except in compliance with the foregoing restrictions, and (2) the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement. The undersigned hereby waives any applicable notice requirement concerning the Company's intention to file the Prospectus and sell Securities thereunder.

The undersigned understands that the Company and the Placement Agents are relying upon this Lock-Up Agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to a Placement Agreement, the terms of which are subject to negotiation between the Company and the Placement Agents and there is no assurance that the Company and the Placement Agents will enter into an Placement Agreement with respect to the Public Offering or that the Public Offering will be consummated.

This Lock-Up Agreement shall automatically terminate upon the earliest to occur, if any, of (1) either Wellington Shields on behalf of the Placement Agents, on the one hand, or the Company, on the other hand, advising the other in writing, prior to the execution of the Placement Agreement, that they have determined not to proceed with the Public Offering, (2) termination of the Placement Agreement before the sale of any Securities to the Placement Agents, (3) the withdrawal of the registration statement filed with the Securities and Exchange Commission with respect to the Public Offering, or (4) December 22, 2012, in the event that the Placement Agreement has not been executed by that date.

[Remainder of Page Intentionally Left Blank]

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

Very truly yours,

[STOCKHOLDER]

By:
Name:
Title:

Exhibit 10.6

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of , 2012 between Wheeler Real Estate Investment Trust, Inc. ("Employer" or "the REIT"), and Jon S. Wheeler ("Employee").

WHEREAS, Employer wishes to employ Employee to serve as its Chairman of the Board of Directors and President ("Chair and President"), and Employee is willing to undertake such employment in accordance with the terms of this Agreement; and

WHEREAS, Employee recognizes the importance to Employer, its affiliates, its investors, and to the public of maintaining the high standards and quality associated with Employer's name and reputation, and is willing to maintain such high standards and quality; and

WHEREAS, Employer is engaged in the business of acquisition, disposition, and property management of commercial real estate for the benefit of its investors;

NOW, THEREFORE, it is agreed as follows:

1. TERM OF EMPLOYMENT: Subject to the provisions of this Agreement, Employer will employ Employee as its Chair and President beginning on , 2012, and continuing for a period of one year ("Initial Term").

1.1 This Agreement shall automatically renew for successive one-year periods ("Renewal Term"), under and subject to the terms herein, unless either party gives two months written notice prior to the expiration of the Initial Term or any Renewal Term ("Notice of Non-Renewal").

1.2 Employer, in its sole discretion, shall have the option but not the obligation of relieving Employee of actually performing any services following the giving of a Notice of Non-Renewal. Employee shall nonetheless be paid for the remainder of the notice period provided he does not violate any provision of this Agreement while receiving such compensation.

2. DUTIES: During the period of employment hereunder, Employee will devote his best efforts to the business and affairs of Employer, perform such services consistent with his position as are designated by Employer, and use his best efforts to promote the interest of Employer. Employee's duties shall include (a) being the senior officer responsible for administering day-to-day business operations, (b) identifying qualified investors, (c) overseeing the management of investments, (d) handling the disposition of real estate investments, (e) finding sources of new equity capital from time to time, and (f) other duties as may arise and require the attention of the senior officer of the REIT. Employee pledges that during the term of this Agreement, Employee shall not, directly or indirectly, engage in any other business that could reasonably be expected to detract from Employee's ability to apply his best efforts to the performance of his duties hereunder but may perform other duties in support of and be compensated by one or more companies affiliated with Employer when reasonably requested to do so. Employee further agrees to comply with all rules, regulations and policies established or issued by and made applicable to Employer's employees generally.

3. CONSIDERATION: Employer will pay Employee $10 per year and other cash compensation from affiliates of Employer which the parties mutually agree shall be satisfactory

consideration for the duties undertaken herein. Employee shall receive reimbursements for cell phone, mileage, toll and travel expenses, including travel to enhance Employee's skills and/or visibility in Employer's industry, incurred by Employee in performance of his duties hereunder.

4. BENEFITS: Employee will participate in the various employee benefits provided for similarly situated employees of Employer and/or its affiliates. Employer reserves the right to modify, eliminate, or add to any of such benefits as it deems appropriate.

5. DEATH: If Employee should die during the Initial Term or any Renewal Term of this Agreement, Employer will pay to Employee's estate for a period of two months, only the amount due under any other employment agreement Employee may have with one or more of Employer's affiliates. Employer will have no further obligation to Employee or his estate under this Agreement.

6. DISABILITY: In the event that Employee, by reason of physical or mental incapacity is unable, with or without reasonable accommodation, to perform his duties and responsibilities under this Agreement for 12 consecutive weeks or longer ("Disability"), then, subject to federal and state law, Employer will evaluate Employee's ability to serve in his position and advise Employee whether his employment will continue or be terminated.

7. TERMINATION WITHOUT CAUSE; SEVERANCE PAY: At any point during the Initial Term or during any Renewal Term hereof, Employer may terminate Employee's employment immediately and without cause. However, if Employer terminates Employee's

employment pursuant to this paragraph, such termination shall not affect Employee's employment, compensation, or the terms of an employment agreement Employee may have with one or more of Employer's affiliates.

8. TERMINATION FOR CAUSE: The Employee's employment may be terminated at any time by Employer, acting by unanimous decision of its Board of Directors, for "Cause." As used in this Agreement, the term Cause means (i) disloyalty or dishonesty towards Employer; (ii) gross or intentional neglect in performance of duties; (iii) incompetence or willful misconduct in performance of duties; (iv) substance abuse affecting Employee's performance of duties; (v) discrimination or harassment of other employees; (vi) willful violation of any law, rule, or regulation (other than minor traffic violations) related to Employee's duties; (vii) material breach of any provision of this Agreement; or (viii) any other act or omission which harms or may reasonably be expected to harm the reputation and/or business interests of Employer. If the employment is so terminated, Employer will have no further obligation to Employee hereunder from and after such date.

9. TERMINATION BY EMPLOYEE:

9.1 Employee may resign from the employment of Employer at any time upon 60 days prior written notice. Upon such resignation, Employee shall have no rights to any further compensation or benefits hereunder after the 60-day notice period has expired. Employer reserves the option but not the obligation to relieve Employee from performance of work hereunder during all of or any portion of this period.

9.2 Employee may resign from Employer without giving 60 days notice if such resignation is a Resignation with Good Reason. A Resignation with Good Reason may occur if Employee is materially and adversely affected by Employer's breach hereof as to the terms and conditions of his employment. Provided further, that a Resignation with Good Reason along with the reasons on which it is based shall be given to Employer, which shall then have ten calendar days to address and cure such reasons.

10. NONDISCLOSURE:

10.1 Employee agrees to hold and safeguard any information about Employer and its shareholders and investors gained by Employee during the course of Employee's employment. Employee shall not, without the prior written consent of Employer, disclose or make available to anyone for use outside Employer's organization at any time, either during his employment or subsequent to any termination of his employment, however such termination is effected, whether by Employee or Employer, with or without cause or Good Reason, or expiration or nonrenewal of this Agreement, any information about Employer or its shareholders or investors, whether or not such information was developed by Employee, except as required in the performance of Employee's duties for Employer or required by law.

10.2 Employee understands and agrees that any information about Employer is the property of Employer and is essential to the protection of Employer's goodwill and to the maintenance of Employer's competitive position and accordingly should be kept secret. Such

information shall include, but not be limited to, information containing Employer's business plans, investment strategies, investors, and prospective investors, key elements of specific properties, computer programs, system documentation, manuals, ideas, or any other records or information belonging to Employer or relating to Employer's business.

10.3 Notwithstanding anything in paragraph 10.1 or paragraph 10.2 to the contrary, Employer agrees that the obligations of Employee set forth in paragraphs 10.1 and 10.2 shall not apply to any information which (i) becomes known generally to the public through no fault of the Employee; (ii) is required by applicable law, legal process or any order or mandate of a court or other governmental authority to be disclosed; or (iii) is reasonably believed by Employee, based upon the advice of legal counsel, to be required to be disclosed in defense of a lawsuit or other legal or administrative action brought against Employee; provided, that in the case of clauses (ii) or (iii) Employee shall give Employer reasonable advance written notice of the information intended to be disclosed and the reasons and circumstances surrounding such disclosure in order to permit Employer to seek a protective order or other appropriate request for confidential treatment of the applicable information.

11. COVENANT NOT TO COMPETE: Employee acknowledges that during the course of Employee's employment, Employee will acquire proprietary and confidential information about Employer's business, including, but not limited to the activities of the REIT, the REIT's investors, and other information, some of which may be of independent economic value, is not available to the public, and is protected by specific efforts of Employer. Such proprietary and confidential information may be regarded by Employer as trade secrets. Employee further acknowledges that he will be responsible for

contacting and developing relationships with Employer's investors and others critical to its business. In order to protect Employer's critical interest in these relationships and information, Employee covenants as follows:

11.1 Employee agrees that upon a termination for Cause or a resignation but not a Resignation for Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not compete with Employer by engaging, in a competitive capacity, in any activity competitive with Employer, within a 30-mile radius of any of Employer's offices at which Employee worked within the one-year period preceding the last day of his employment.

11.2 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative, or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any entity or person who or which competes with Employer

11.3 If any provision of this paragraph 11 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

11.4 Employer and Employee have examined this Covenant Not to Compete and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer and it is not unduly harsh upon Employee's ability to earn a livelihood.

12. COVENANT NOT TO SOLICIT: In addition to the covenant not to compete set forth in paragraph 11, Employee further covenants and agrees as follows:

12.1 That upon a termination for Cause or a resignation but not a Resignation with Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not, compete with Employer by soliciting or accepting competing business from or providing competing services to:

12.1.1 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment, from whom or which Employee solicited or accepted investments on behalf of Employer or to whom Employee provided services during Employee's employment with Employer; or

12.1.2 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment about whom or which Employee acquired proprietary and/or confidential information while employed by Employer; or

12.1.3 Any person or entity from whom or which Employee had solicited investments during the six-month period proceeding the last day of Employee's employment, even though such solicitation had not yet been successful.

12.2 That for a period of twelve months following the last day of Employee's employment, Employee will not become employed in a capacity competitive to Employer by any person or entity who or which was an investor with Employer at any time within the twelve-month period prior to Employee's last day of employment and to whom or which Employee provided services during his employment with Employer, for purposes of providing the same or similar services to such person or entity as Employee provided while employed by Employer.

12.2.1 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity as defined in this paragraph 12, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any person or entity who or which competes with Employer.

12.2.2 If any provision of this paragraph 12 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

12.2.3 Employer and Employee have examined in detail this restrictive covenant and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer, and it is not unduly harsh upon Employee's ability to earn a livelihood.

13. NON-SOLICITATION OF EMPLOYEES: Employee agrees that during his employment with Employer and for a period of eighteen months following the last day of Employee's employment, Employee shall not, directly, or indirectly through another, solicit or induce, or attempt to solicit or induce, any employee of Employer to leave Employer to go to work for, or to consult or contract work with a competitor of Employer, or recommend to a competitor of Employer the hiring of any individual employed by Employer on Employee's last day of employment or at any time during the six-month period immediately prior thereto.

14. OPPORTUNITY FOR REVIEW: Employee understands the nature of the burdens imposed by the restrictive covenants contained in this Agreement. Employee acknowledges that he is entering into this Agreement on his own volition, and that he has been given the opportunity to have this Agreement reviewed by the person(s) of his choosing. Employee represents that upon careful review, he knows of no reason why any restrictive covenant contained in this Agreement is not reasonable and enforceable.

15. RESTRICTIVE COVENANTS OF THE ESSENCE: The restrictive covenants upon the Employee set forth herein are of the essence of this Agreement; they shall be construed as independent of any other provision in this Agreement. The existence of any claim or cause of action of the

Employee against the Employer, whether predicated on this Agreement or not, shall not constitute a defense to the enforcement by the Employer of the restrictive covenants contained herein.

16. INJUNCTIVE RELIEF:

16.1 Employer and Employee agree that irreparable injury will result to Employer in the event Employee violates any restrictive covenant or affirmative obligation contained in paragraphs 10-13 of this Agreement, and Employee acknowledges that the remedies at law for any breach by Employee of such provisions will be inadequate and that Employer shall be entitled to injunctive relief against Employee, in addition to any other remedy that is available, at law or in equity.

16.2 Employee agrees that unless this Agreement is terminated by Employer without cause or by Employee as a Resignation with Good Reason, the non-competition, non-solicitation of or hiring by customers, non-disclosure, and non-solicitation of employees obligations contained herein shall survive the end of the employment created herein and shall be extended by the length of time which Employee shall have been in breach of any of said provisions. Accordingly, Employee recognizes that the time periods included in the restrictive covenants contained herein shall begin on the date a court of competent jurisdiction enters an order enjoining Employee from violating such provisions unless good cause can be shown as to why the periods described should not begin at that time.

17. SUCCESSION AND ASSIGNABILITY: The obligations of Employee under paragraphs 10-13 of this Agreement shall continue after the termination of his employment and shall be binding on Employee's heirs, executors, legal representatives and assigns. Such obligations shall inure to the benefit of any successors or assigns of Employer. Employee specifically acknowledges that in the

event of a sale of all or substantially all of the assets or stock of Employer, or any other event or transaction resulting in a change of ownership or control of Employer's business, the rights and obligations of the parties hereunder shall inure to the benefit of any transferee, purchaser, or future owner of Employer's business. This Agreement may be assigned only by Employer.

18. SEVERABILITY: It is the intention of the parties that the provisions of the restrictive covenants herein shall be enforceable to the fullest extent permissible under the applicable law. If any clause or provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, then the remainder of this Agreement shall not be affected thereby, and in lieu of each clause or provision of this Agreement which is illegal, invalid or unenforceable, there shall be added, as part of this Agreement, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and as may be legal, valid and enforceable.

19. ATTORNEYS' FEES: Employee shall pay, indemnify and hold Employer harmless against all costs and expenses (including reasonable attorneys' fees) incurred by Employer with respect to successful enforcement of its rights under this Agreement.

20. EQUITABLE RELIEF: JURISDICTION AND VENUE: Employee hereby irrevocably submits to the jurisdiction and venue of the Circuit Court of the City of Norfolk, Virginia, in any action or proceeding brought by Employer arising out of, or relating to, the restrictive covenants in paragraphs 10-13 of this Agreement. Employee hereby irrevocably agrees that any such action or proceeding shall, at Employer's option, be heard and determined in such Court. Employee agrees that

a final order or judgment in any such action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the order or judgment, or in any other manner provided by applicable law related to the enforcement of judgments.

21. ENTIRE AGREEMENT: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee by Employer and contains all agreements between the parties with respect to such employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement will be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

22. BINDING EFFECT: This Agreement will be binding upon and inure to the benefit of each of the parties and their successors, heirs or assigns.

23. LAW GOVERNING AGREEMENT: This Agreement will be governed and construed in accordance with the laws of the Commonwealth of Virginia.

24. PARTIAL INVALIDITY: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect.

25. COUNTERPARTS: This Agreement may be executed in counterparts, together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed in its name and behalf by its proper officer, thereunto duly authorized, and Employee has set his hand as of the date first above written.

JON S. WHEELER	WHEELER REAL ESTATE INVESTMENT TRUST, INC.
_____	By: _____
Signature	
_____	Its: _____
Printed Name	
Date: _____	Date _____

Exhibit 10.7

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of , 2012 between Wheeler Real Estate Investment Trust, Inc. ("Employer" or "the REIT"), and Steven M. Belote ("Employee").

WHEREAS, Employer wishes to employ Employee to serve as its Chief Financial Officer ("CFO") and Employee is willing to undertake such employment in accordance with the terms of this Agreement; and

WHEREAS, Employee recognizes the importance to Employer, its affiliates, its investors, and to the public of maintaining the high standards and quality associated with Employer's name and reputation, and is willing to maintain such high standards and quality; and

WHEREAS, Employer is engaged in the business of acquisition, disposition, and property management of commercial real estate for the benefit of its investors;

NOW, THEREFORE, it is agreed as follows:

1. TERM OF EMPLOYMENT: Subject to the provisions of this Agreement, Employer will employ Employee as its CF0 beginning on , 2012, and continuing for a period of one year ("Initial Term").

1.1 This Agreement shall automatically renew for successive one-year periods ("Renewal Term"), under and subject to the terms herein, unless either party gives two months written notice prior to the expiration of the Initial Term or any Renewal Term ("Notice of Non-Renewal").

1.2 Employer, in its sole discretion, shall have the option but not the obligation of relieving Employee of actually performing any services following the giving of a Notice of Non-Renewal. Employee shall nonetheless be paid for the remainder of the notice period provided he does not violate any provision of this Agreement while receiving such compensation.

2. DUTIES: During the period of employment hereunder, Employee will devote his best efforts to the business and affairs of Employer, perform such services consistent with his position as are designated by Employer, and use his best efforts to promote the interest of Employer. Employee's duties shall include (a) being responsible for the maintenance of Employer's accounting books, records, and funds, (b) preparing accurate financial statements for Employer, (c) advising the President and Board of Directors regarding the financial condition of Employer, and (d) being responsible for maintaining proper internal controls over the assets of Employer. Employee pledges that during the term of this Agreement, Employee shall not, directly or indirectly, engage in any other business that could reasonably be expected to detract from Employee's ability to apply his best efforts to the performance of his duties hereunder but may perform other duties in support of and be compensated by one or more companies affiliated with Employer when reasonably requested to do so. Employee further agrees to comply with all rules, regulations and policies established or issued by and made applicable to Employer's employees generally.

3. CONSIDERATION: Employer will pay Employee $10 per year and other cash compensation from affiliates of Employer which the parties mutually agree shall be satisfactory

consideration for the duties undertaken herein. Employee shall receive reimbursements for cell phone, mileage, toll and travel expenses, including travel to enhance Employee's skills and/or visibility in Employer's industry, incurred by Employee in performance of his duties hereunder.

4. BENEFITS: Employee will participate in the various employee benefits provided for similarly situated employees of Employer and/or its affiliates, provided however that he shall not be provided group health care at the outset of this Agreement and until such time as may be approved by Employer. Employer reserves the right to modify, eliminate, or add to any of such benefits as it deems appropriate.

5. DEATH: If Employee should die during the Initial Term or any Renewal Term of this Agreement, Employer will pay to Employee's estate for a period of two months, only the amount due under any other employment agreement Employee may have with one or more of Employer's affiliates. Employer will have no further obligation to Employee or his estate under this Agreement.

6. DISABILITY: In the event that Employee, by reason of physical or mental incapacity is unable, with or without reasonable accommodation, to perform his duties and responsibilities under this Agreement for 12 consecutive weeks or longer ("Disability"), then, subject to federal and state law, Employer will evaluate Employee's ability to serve in his position and advise Employee whether his employment will continue or be terminated.

7. TERMINATION WITHOUT CAUSE; SEVERANCE PAY: At any point during the Initial Term or during any Renewal Term hereof, Employer may terminate Employee's employment immediately and without cause. However, if Employer terminates Employee's employment pursuant to this paragraph, such termination shall not affect Employee's employment, compensation, or the terms of an employment agreement Employee may have with one or more of Employer's affiliates.

8. TERMINATION FOR CAUSE: The Employee's employment may be terminated at any time by Employer, acting by unanimous decision of its Board of Directors, for "Cause." As used in this Agreement, the term Cause means (i) disloyalty or dishonesty towards Employer; (ii) gross or intentional neglect in performance of duties; (iii) incompetence or willful misconduct in performance of duties; (iv) substance abuse affecting Employee's performance of duties; (v) discrimination or harassment of other employees; (vi) willful violation of any law, rule, or regulation (other than minor traffic violations) related to Employee's duties; (vii) material breach of any provision of this Agreement; or (viii) any other act or omission which harms or may reasonably be expected to harm the reputation and/or business interests of Employer. If the employment is so terminated, Employer will have no further obligation to Employee hereunder from and after such date.

9. TERMINATION BY EMPLOYEE:

9.1 Employee may resign from the employment of Employer at any time upon 60 days prior written notice. Upon such resignation, Employee shall have no rights to any further

compensation or benefits hereunder after the 60-day notice period has expired. Employer reserves the option but not the obligation to relieve Employee from performance of work hereunder during all of or any portion of this period.

9.2 Employee may resign from Employer without giving 60 days notice if such resignation is a Resignation with Good Reason. A Resignation with Good Reason may occur if Employee is materially and adversely affected by Employer's breach hereof as to the terms and conditions of his employment. Provided further, that a Resignation with Good Reason along with the reasons on which it is based shall be given to Employer, which shall then have ten calendar days to address and cure such reasons.

10. NONDISCLOSURE:

10.1 Employee agrees to hold and safeguard any information about Employer and its shareholders and investors gained by Employee during the course of Employee's employment. Employee shall not, without the prior written consent of Employer, disclose or make available to anyone for use outside Employer's organization at any time, either during his employment or subsequent to any termination of his employment, however such termination is effected, whether by Employee or Employer, with or without cause or Good Reason, or expiration or nonrenewal of this Agreement, any information about Employer or its shareholders or investors, whether or not such information was developed by Employee, except as required in the performance of Employee's duties for Employer or required by law.

10.2 Employee understands and agrees that any information about Employer is the property of Employer and is essential to the protection of Employer's goodwill and to the maintenance of Employer's competitive position and accordingly should be kept secret. Such information shall include, but not be limited to, information containing Employer's business plans, investment strategies, investors, and prospective investors, key elements of specific properties, computer programs, system documentation, manuals, ideas, or any other records or information belonging to Employer or relating to Employer's business.

10.3 Notwithstanding anything in paragraph 10.1 or paragraph 10.2 to the contrary, Employer agrees that the obligations of Employee set forth in paragraphs 10.1 and 10.2 shall not apply to any information which (i) becomes known generally to the public through no fault of the Employee; (ii) is required by applicable law, legal process or any order or mandate of a court or other governmental authority to be disclosed; or (iii) is reasonably believed by Employee, based upon the advice of legal counsel, to be required to be disclosed in defense of a lawsuit or other legal or administrative action brought against Employee; provided, that in the case of clauses (ii) or (iii) Employee shall give Employer reasonable advance written notice of the information intended to be disclosed and the reasons and circumstances surrounding such disclosure in order to permit Employer to seek a protective order or other appropriate request for confidential treatment of the applicable information.

11. COVENANT NOT TO COMPETE: Employee acknowledges that during the course of Employee's employment, Employee will acquire proprietary and confidential information about Employer's business, including, but not limited to the activities of the REIT, the REIT's investors, and

other information, some of which may be of independent economic value, is not available to the public, and is protected by specific efforts of Employer. Such proprietary and confidential information may be regarded by Employer as trade secrets. Employee further acknowledges that he will be responsible for contacting and developing relationships with Employer's investors and others critical to its business. In order to protect Employer's critical interest in these relationships and information, Employee covenants as follows:

11.1 Employee agrees that upon a termination for Cause or a resignation but not a Resignation for Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not compete with Employer by engaging, in a competitive capacity, in any activity competitive with Employer, within a 30-mile radius of any of Employer's offices at which Employee worked within the one-year period preceding the last day of his employment.

11.2 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative, or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any entity or person who or which competes with Employer

11.3 If any provision of this paragraph 11 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest

scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

11.4 Employer and Employee have examined this Covenant Not to Compete and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer and it is not unduly harsh upon Employee's ability to earn a livelihood.

12. COVENANT NOT TO SOLICIT: In addition to the covenant not to compete set forth in paragraph 11, Employee further covenants and agrees as follows:

12.1 That upon a termination for Cause or a resignation but not a Resignation with Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not, compete with Employer by soliciting or accepting competing business from or providing competing services to:

12.1.1 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment, from whom or which Employee solicited or accepted investments on behalf of Employer or to whom Employee provided services during Employee's employment with Employer; or

12.1.2 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment about whom or which Employee acquired proprietary and/or confidential information while employed by Employer; or

12.1.3 Any person or entity from whom or which Employee had solicited investments during the six-month period proceeding the last day of Employee's employment, even though such solicitation had not yet been successful.

12.2 That for a period of twelve months following the last day of Employee's employment, Employee will not become employed in a capacity competitive to Employer by any person or entity who or which was an investor with Employer at any time within the twelve-month period prior to Employee's last day of employment and to whom or which Employee provided services during his employment with Employer, for purposes of providing the same or similar services to such person or entity as Employee provided while employed by Employer.

12.2.1 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity as defined in this paragraph 12, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any person or entity who or which competes with Employer.

12.2.2 If any provision of this paragraph 12 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest

scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

12.2.3 Employer and Employee have examined in detail this restrictive covenant and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer, and it is not unduly harsh upon Employee's ability to earn a livelihood.

13. NON-SOLICITATION OF EMPLOYEES: Employee agrees that during his employment with Employer and for a period of eighteen months following the last day of Employee's employment, Employee shall not, directly, or indirectly through another, solicit or induce, or attempt to solicit or induce, any employee of Employer to leave Employer to go to work for, or to consult or contract work with a competitor of Employer, or recommend to a competitor of Employer the hiring of any individual employed by Employer on Employee's last day of employment or at any time during the six-month period immediately prior thereto.

14. OPPORTUNITY FOR REVIEW: Employee understands the nature of the burdens imposed by the restrictive covenants contained in this Agreement. Employee acknowledges that he is entering into this Agreement on his own volition, and that he has been given the opportunity to have this Agreement reviewed by the person(s) of his choosing. Employee represents that upon careful review, he knows of no reason why any restrictive covenant contained in this Agreement is not reasonable and enforceable.

15. RESTRICTIVE COVENANTS OF THE ESSENCE: The restrictive covenants upon the Employee set forth herein are of the essence of this Agreement; they shall be construed as independent of any other provision in this Agreement. The existence of any claim or cause of action of the Employee against the Employer, whether predicated on this Agreement or not, shall not constitute a defense to the enforcement by the Employer of the restrictive covenants contained herein.

16. INJUNCTIVE RELIEF:

16.1 Employer and Employee agree that irreparable injury will result to Employer in the event Employee violates any restrictive covenant or affirmative obligation contained in paragraphs 10-13 of this Agreement, and Employee acknowledges that the remedies at law for any breach by Employee of such provisions will be inadequate and that Employer shall be entitled to injunctive relief against Employee, in addition to any other remedy that is available, at law or in equity.

16.2 Employee agrees that unless this Agreement is terminated by Employer without cause or by Employee as a Resignation with Good Reason, the non-competition, non-solicitation of or hiring by customers, non-disclosure, and non-solicitation of employees obligations contained herein shall survive the end of the employment created herein and shall be extended by the length of time which Employee shall have been in breach of any of said provisions. Accordingly, Employee recognizes that the time periods included in the restrictive covenants contained herein shall begin on the date a court of competent jurisdiction enters an order enjoining Employee from violating such provisions unless good cause can be shown as to why the periods described should not begin at that time.

17. SUCCESSION AND ASSIGNABILITY: The obligations of Employee under paragraphs 10-13 of this Agreement shall continue after the termination of his employment and shall be binding on Employee's heirs, executors, legal representatives and assigns. Such obligations shall inure to the benefit of any successors or assigns of Employer. Employee specifically acknowledges that in the event of a sale of all or substantially all of the assets or stock of Employer, or any other event or transaction resulting in a change of ownership or control of Employer's business, the rights and obligations of the parties hereunder shall inure to the benefit of any transferee, purchaser, or future owner of Employer's business. This Agreement may be assigned only by Employer.

18. SEVERABILITY: It is the intention of the parties that the provisions of the restrictive covenants herein shall be enforceable to the fullest extent permissible under the applicable law. If any clause or provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, then the remainder of this Agreement shall not be affected thereby, and in lieu of each clause or provision of this Agreement which is illegal, invalid or unenforceable, there shall be added, as part of this Agreement, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and as may be legal, valid and enforceable.

19. ATTORNEYS' FEES: Employee shall pay, indemnify and hold Employer harmless against all costs and expenses (including reasonable attorneys' fees) incurred by Employer with respect to successful enforcement of its rights under this Agreement.

20. EQUITABLE RELIEF: JURISDICTION AND VENUE: Employee hereby irrevocably submits to the jurisdiction and venue of the Circuit Court of the City of Norfolk, Virginia, in any action or proceeding brought by Employer arising out of, or relating to, the restrictive covenants in paragraphs 10-13 of this Agreement. Employee hereby irrevocably agrees that any such action or proceeding shall, at Employer's option, be heard and determined in such Court. Employee agrees that a final order or judgment in any such action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the order or judgment, or in any other manner provided by applicable law related to the enforcement of judgments.

21. ENTIRE AGREEMENT: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee by Employer and contains all agreements between the parties with respect to such employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement will be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

22. BINDING EFFECT: This Agreement will be binding upon and inure to the benefit of each of the parties and their successors, heirs or assigns.

23. LAW GOVERNING AGREEMENT: This Agreement will be governed and construed in accordance with the laws of the Commonwealth of Virginia.

24. PARTIAL INVALIDITY: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect.

25. COUNTERPARTS: This Agreement may be executed in counterparts, together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed in its name and behalf by its proper officer, thereunto duly authorized, and Employee has set his hand as of the date first above written.

STEVEN M. BELOTE	WHLR MANAGEMENT COMPANY
_____	By: _____
Signature	
_____	Its: _____
Printed Name	
Date: _____	Date _____

Exhibit 10.8

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of , 2012 between Wheeler Real Estate Investment Trust, Inc. ("Employer" or "the REIT"), and Robin Hanisch ("Employee").

WHEREAS, Employer wishes to employ Employee to serve as its Corporate Secretary and also Director of Human Resources and Investor Relations ("Secretary and Director") and Employee is willing to undertake such employment in accordance with the terms of this Agreement; and

WHEREAS, Employee recognizes the importance to Employer, its affiliates, and its investors, and to the public of maintaining the high standards and quality associated with Employer's name and reputation, and is willing to maintain such high standards and quality; and

WHEREAS, Employer is engaged in the business of acquisition, disposition, and property management of commercial real estate for the benefit of its investors;

NOW, THEREFORE, it is agreed as follows:

1.1 This Agreement shall automatically renew for successive one-year periods ("Renewal Term"), under and subject to the terms herein, unless either party gives two months written notice prior to the expiration of the Initial Term or any Renewal Term ("Notice of Non-Renewal").

1.2 Employer, in its sole discretion, shall have the option but not the obligation of relieving Employee of actually performing any services following the giving of a Notice of Non-

Renewal. Employee shall nonetheless be paid for the remainder of the notice period provided she does not violate any provision of this Agreement while receiving such compensation.

2. DUTIES: During the period of employment hereunder, Employee will devote her best efforts to the business and affairs of Employer, perform such services consistent with her position as are designated by Employer, and use her best efforts to promote the interest of Employer. Employee's duties shall include (a) being responsible for the maintenance of Employer's corporate records, (b) ensuring Employer's good standing with the State Corporation Commission and the timely filing of other required reports, tax returns and corporate obligations, (c) administering Employer's human resources programs and employee records, and (d) effectively interacting with Employer's affiliated entities and investors associated therewith., Employee pledges that during the term of this Agreement, Employee shall not, directly or indirectly, engage in any other business that could reasonably be expected to detract from Employee's ability to apply her best efforts to the performance of her duties hereunder but may perform other duties in support of and be compensated by one or more companies affiliated with Employer when reasonably requested to do so. Employee further agrees to comply with all rules, regulations and policies established or issued by and made applicable to Employer's employees generally.

3. CONSIDERATION: Employer will pay Employee $10 per year and other cash compensation from affiliates of Employer which the parties mutually agree shall be satisfactory consideration for the duties undertaken herein. Employee shall receive reimbursements for cell phone, mileage, toll and travel expenses, including travel to enhance Employee's skills and/or visibility in Employer's industry, incurred by Employee in performance of his duties hereunder.

4. BENEFITS: Employee will participate in the various employee benefits provided for similarly situated employees of Employer and/or its affiliates. Employer reserves the right to modify, eliminate, or add to any of such benefits as it deems appropriate.

5. DEATH: If Employee should die during the Initial Term or any Renewal Term of this Agreement, Employer will pay to Employee's estate for a period of two months, only the amount due under any other employment agreement Employee may have with one or more of Employer's affiliates, Employer will have no further obligation to Employee or her estate under this Agreement.

6. DISABILITY: In the event that Employee, by reason of physical or mental incapacity is unable, with or without reasonable accommodation, to perform her duties and responsibilities under this Agreement for 12 consecutive weeks or longer ("Disability"), then, subject to federal and state law, Employer will evaluate Employee's ability to serve in her position and advise Employee whether her employment will continue or be terminated.

7. TERMINATION WITHOUT CAUSE; SEVERANCE PAY: At any point during the Initial Term or during any Renewal Term hereof, Employer may terminate Employee's employment immediately and without cause. However, if Employer terminates Employee's employment pursuant to this paragraph, such termination shall not affect Employee's employment, compensation, or the terms of an employment agreement Employee may have with one or more of Employer's affiliates.

8. TERMINATION FOR CAUSE: The Employee's employment may be terminated at any time by Employer for "Cause." As used in this Agreement, the term Cause means (i) disloyalty or dishonesty towards Employer; (ii) gross or intentional neglect in performance of duties; (iii) incompetence or willful misconduct in performance of duties; (iv) substance abuse affecting Employee's performance of duties; (v) discrimination or harassment of other employees; (vi) willful violation of any law, rule, or regulation (other than minor traffic violations) related to Employee's duties; (vii) material breach of any provision of this Agreement; or (viii) any other act or omission which harms or may reasonably be expected to harm the reputation and/or business interests of Employer. If the employment is so terminated, Employer will have no further obligation to Employee hereunder from and after such date.

9. TERMINATION BY EMPLOYEE:

9.1 Employee may resign from the employment of Employer at any time upon 60 days prior written notice. Upon such resignation, Employee shall have no rights to any further compensation or benefits hereunder after the 60-day notice period has expired. Employer reserves the option but not the obligation to relieve Employee from performance of work hereunder during all of or any portion of this period.

9.2 Employee may resign from Employer without giving 60 days notice if such resignation is a Resignation with Good Reason. A Resignation with Good Reason may occur if Employee is materially and adversely affected by Employer's breach hereof as to the terms and

conditions of her employment. Provided further, that a Resignation with Good Reason along with the reasons on which it is based shall be given to Employer, which shall then have ten calendar days to address and cure such reasons.

10. NONDISCLOSURE:

10.1 Employee agrees to hold and safeguard any information about Employer and its shareholders and investors gained by Employee during the course of Employee's employment. Employee shall not, without the prior written consent of Employer, disclose or make available to anyone for use outside Employer's organization at any time, either during her employment or subsequent to any termination of her employment, however such termination is effected, whether by Employee or Employer, with or without cause or Good Reason, or expiration or nonrenewal of this Agreement, any information about Employer or its shareholders or investors, whether or not such information was developed by Employee, except as required in the performance of Employee's duties for Employer or required by law.

10.2 Employee understands and agrees that any information about Employer is the property of Employer and is essential to the protection of Employer's goodwill and to the maintenance of Employer's competitive position and accordingly should be kept secret. Such information shall include, but not be limited to, information containing Employer's business plans, investment strategies, investors, and prospective investors, key elements of specific properties, computer programs, system documentation, manuals, ideas, or any other records or information belonging to Employer or relating to Employer's business.

10.3 Notwithstanding anything in paragraph 10.1 or paragraph 10.2 to the contrary, Employer agrees that the obligations of Employee set forth in paragraphs 10.1 and 10.2 shall not apply to any information which (i) becomes known generally to the public through no fault of the Employee; (ii) is required by applicable law, legal process or any order or mandate of a court or other governmental authority to be disclosed; or (iii) is reasonably believed by Employee, based upon the advice of legal counsel, to be required to be disclosed in defense of a lawsuit or other legal or administrative action brought against Employee; provided, that in the case of clauses (ii) or (iii) Employee shall give Employer reasonable advance written notice of the information intended to be disclosed and the reasons and circumstances surrounding such disclosure in order to permit Employer to seek a protective order or other appropriate request for confidential treatment of the applicable information.

11. COVENANT NOT TO COMPETE: Employee acknowledges that during the course of Employee's employment, Employee will acquire proprietary and confidential information about Employer's business, including, but not limited to the activities of the REIT, the REIT's investors, and other information, some of which may be of independent economic value, is not available to the public, and is protected by specific efforts of Employer. Such proprietary and confidential information may be regarded by Employer as trade secrets. Employee further acknowledges that she will be responsible for contacting and developing relationships with Employer's investors and others critical to its business. In order to protect Employer's critical interest in these relationships and information, Employee covenants as follows:

11.1 Employee agrees that upon a termination for Cause or a resignation but not a Resignation for Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not compete with Employer by engaging, in a competitive capacity, in any activity competitive with Employer, within a 30-mile radius of any of Employer's offices at which Employee worked within the one-year period preceding the last day of her employment.

11.2 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative, or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any entity or person who or which competes with Employer

11.3 If any provision of this paragraph 11 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

11.4 Employer and Employee have examined this Covenant Not to Compete and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer and it is not unduly harsh upon Employee's ability to earn a livelihood.

12. COVENANT NOT TO SOLICIT: In addition to the covenant not to compete set forth in paragraph 11 Employee further covenants and agrees as follows:

12.1 That upon a termination for Cause or a resignation but not a Resignation with Good Reason, for a period of twelve months following the last day of Employee's employment, Employee will not, compete with Employer by soliciting or accepting competing business from or providing competing services to:

12.1.1 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment, from whom or which Employee solicited or accepted investments on behalf of Employer or to whom Employee provided services during Employee's employment with Employer; or

12.1.2 Any person or entity who or which was an investor in the REIT at any time within the twelve-month period prior to Employee's last day of employment about whom or which Employee acquired proprietary and/or confidential information while employed by Employer; or

12.1.3 Any person or entity from whom or which Employee had solicited investments during the six-month period proceeding the last day of Employee's employment, even though such solicitation had not yet been successful.

12.2 That for a period of twelve months following the last day of Employee's employment, Employee will not become employed in a capacity competitive to Employer by any person or entity

who or which was an investor with Employer at any time within the twelve-month period prior to Employee's last day of employment and to whom or which Employee provided services during her employment with Employer, for purposes of providing the same or similar services to such person or entity as Employee provided while employed by Employer.

12.2.1 Employee agrees that competition shall include engaging, in a competitive capacity, in competitive activity as defined in this paragraph 12, either as an individual, as a partner, as a joint venturer with any other person or entity, or as an employee, agent, representative or contractor of any other person or entity, or otherwise being associated in a competitive capacity with any person or entity who or which competes with Employer.

12.2.2 If any provision of this paragraph 12 relating to the time period or scope of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope, as applicable, that such court deems reasonable and enforceable, said time period or scope shall be deemed to be, and thereafter shall become, the maximum time period or greatest scope that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

12.2.3 Employer and Employee have examined in detail this restrictive covenant and agree that the restraint imposed upon Employee is reasonable in light of the legitimate interests of Employer, and it is not unduly harsh upon Employee's ability to earn a livelihood.

13. NON-SOLICITATION OF EMPLOYEES: Employee agrees that during her employment with Employer and for a period of eighteen months following the last day of Employee's employment, Employee shall not, directly, or indirectly through another, solicit or induce, or attempt to solicit or induce, any employee of Employer to leave Employer to go to work for, or to consult or contract work with a competitor of Employer, or recommend to a competitor of Employer the hiring of any individual employed by Employer on Employee's last day of employment or at any time during the six-month period immediately prior thereto.

14. OPPORTUNITY FOR REVIEW: Employee understands the nature of the burdens imposed by the restrictive covenants contained in this Agreement. Employee acknowledges that she is entering into this Agreement on her own volition, and that she has been given the opportunity to have this Agreement reviewed by the person(s) of her choosing. Employee represents that upon careful review, she knows of no reason why any restrictive covenant contained in this Agreement is not reasonable and enforceable.

15. RESTRICTIVE COVENANTS OF THE ESSENCE: The restrictive covenants upon the Employee set forth herein are of the essence of this Agreement; they shall be construed as independent of any other provision in this Agreement. The existence of any claim or cause of action of the Employee against the Employer, whether predicated on this Agreement or not, shall not constitute a defense to the enforcement by the Employer of the restrictive covenants contained herein.

16. INJUNCTIVE RELIEF:

16.1 Employer and Employee agree that irreparable injury will result to Employer in the event Employee violates any restrictive covenant or affirmative obligation contained in paragraphs 10-13 of this Agreement, and Employee acknowledges that the remedies at law for any breach by Employee of such provisions will be inadequate and that Employer shall be entitled to injunctive relief against Employee, in addition to any other remedy that is available, at law or in equity.

16.2 Employee agrees that unless this Agreement is terminated by Employer without cause or by Employee as a Resignation with Good Reason, the non-competition, non-solicitation of or hiring by customers, non-disclosure, and non-solicitation of employees obligations contained herein shall survive the end of the employment created herein and shall be extended by the length of time which Employee shall have been in breach of any of said provisions. Accordingly, Employee recognizes that the time periods included in the restrictive covenants contained herein shall begin on the date a court of competent jurisdiction enters an order enjoining Employee from violating such provisions unless good cause can be shown as to why the periods described should not begin at that time.

17. SUCCESSION AND ASSIGNABILITY: The obligations of Employee under paragraphs 10-13 of this Agreement shall continue after the termination of her employment and shall be binding on Employee's heirs, executors, legal representatives and assigns. Such obligations shall inure to the benefit of any successors or assigns of Employer. Employee specifically acknowledges that in the event of a sale of all or substantially all of the assets or stock of Employer, or any other event or transaction resulting in a change of ownership or control of Employer's business, the rights and obligations of the parties hereunder shall inure to the benefit of any transferee, purchaser, or future owner of Employer's business. This Agreement may be assigned only by Employer.

18. SEVERABILITY: It is the intention of the parties that the provisions of the restrictive covenants herein shall be enforceable to the fullest extent permissible under the applicable law. If any clause or provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, then the remainder of this Agreement shall not be affected thereby, and in lieu of each clause or provision of this Agreement which is illegal, invalid or unenforceable, there shall be added, as part of this Agreement, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and as may be legal, valid and enforceable.

19. ATTORNEYS' FEES: Employee shall pay, indemnify and hold Employer harmless against all costs and expenses (including reasonable attorneys' fees) incurred by Employer with respect to successful enforcement of its rights under this Agreement.

20. EQUITABLE RELIEF: JURISDICTION AND VENUE: Employee hereby irrevocably submits to the jurisdiction and venue of the Circuit Court of the City of Norfolk, Virginia, in any action or proceeding brought by Employer arising out of, or relating to, the restrictive covenants in paragraphs 10-13 of this Agreement. Employee hereby irrevocably agrees that any such action or proceeding shall, at Employer's option, be heard and determined in such Court. Employee agrees that a final order or judgment in any such action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the order or judgment, or in any other manner provided by applicable law related to the enforcement of judgments.

21. ENTIRE AGREEMENT: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee by Employer and contains all agreements between the parties with respect to such employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement will be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

22. BINDING EFFECT: This Agreement will be binding upon and inure to the benefit of each of the parties and their successors, heirs or assigns.

23. LAW GOVERNING AGREEMENT: This Agreement will be governed and construed in accordance with the laws of the Commonwealth of Virginia.

24. PARTIAL INVALIDITY: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect.

25. COUNTERPARTS: This Agreement may be executed in counterparts, together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed in its name and behalf by its proper officer, thereunto duly authorized, and Employee has set her hand as of the date first above written.

ROBIN HANISCH	WHEELER REAL ESTATE INVESTMENT TRUST, INC.
_____	By: _____
Signature	
_____	Its: _____
Printed Name	
Date: _____	Date _____

Exhibit 10.9

MANAGEMENT AGREEMENT

among

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

and

WHLR MANAGEMENT, LLC

Dated as of , 2012

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THIS MANAGEMENT AGREEMENT dated as of , 2012, among Wheeler Real Estate Investment Trust, Inc., a Maryland corporation (the "Trust"), Wheeler Real Estate Investment Trust, L.P., a Virginia limited partnership (the "Operating Partnership"), and WHLR Management, LLC, a Virginia limited liability company (the "Manager").

Section 1. Definitions.

(a) The following terms shall have the respective meanings set forth below in this Section 1(a):

"Above-Market Rates" has the meaning set forth in Section 11(b).

"Acquisition Expenses" means any and all expenses incurred by the Company, the Manager or any of their respective Affiliates in connection with the selection, evaluation, acquisition, origination, making or development of any Investment, whether or not acquired, including legal fees and expenses, travel and communications expenses, property inspection expenses, third party brokerage or finder's fees, costs of appraisals, nonrefundable option payments on property not acquired, accounting fees and expenses, title insurance premiums and expenses, survey expenses, closing costs and the costs of performing due diligence.

"Affiliate" means, with respect to a specified Person, (i) any Person directly or indirectly controlling, controlled by, or under common control with such specified Person, (ii) any general partner of such specified Person, and (iii) any Person for which such specified Person acts as a general partner. For purposes of this definition, the terms "controlled", "controlled by", or "under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Agreement" means this Management Agreement, as amended or supplemented from time to time.

"Asset Management Fee" means the fee payable to the Manager pursuant to Section 7(h).

"Automatic Renewal Term" has the meaning set forth in Section 11(a).

"Bankruptcy Event" means, with respect to any Person, (i) the filing by such Person of a voluntary petition seeking liquidation, reorganization, arrangement or readjustment, in any form, of its debts under Title 11 of the United States Code or any other U.S. federal or state or foreign insolvency law, or such Person's filing an answer consenting to or acquiescing in any such petition, (ii) the making by such Person of any assignment for the benefit of its creditors, (iii) the expiration of 60 days after the filing of an involuntary petition under Title 11 of the Unites States Code, an application for the appointment of a receiver for a material portion of the assets of such Person, or an involuntary petition seeking liquidation, reorganization, arrangement or readjustment of its debts under any other U.S., federal or state or foreign insolvency law, provided that the same shall not have been vacated, set aside or stayed within such 60-day

period, or (iv) the entry against such Person of a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereinafter in effect.

"Board" means the board of directors of the Trust. In every instance herein requiring approval of the Board or referring to policies or directions of the Board, for purposes of this Agreement, the Board shall be deemed to include any duly appointed and constituted committee of the Board with respect to each and every act that under the Governing Instruments or applicable law may be taken with the approval of a duly appointed and constituted committee of the Board, and references herein to the Board shall be deemed to include references to each such committee.

"Business Day" means any day except a Saturday, a Sunday or a day on which banking institutions in New York, New York or in Virginia Beach, Virginia, are not required to be open.

"Cause Termination Notice" has the meaning set forth in Section 13(a).

"Change of Control" of an entity means a change in the direct or indirect (i) beneficial ownership of more than 50% of the combined voting power of such entity's then outstanding equity interests, or (ii) power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or otherwise.

"Claim" has the meaning set forth in Section 9(c).

"Common Stock" means the common stock of the Trust.

"Closing Date" means the date of closing of the Initial Public Offering.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor provision thereto, as interpreted by any applicable regulations as in effect from time to time.

"Company" means, collectively, the Trust and the Operating Partnership.

"Company Entities" means, collectively, the Trust, the Operating Partnership and each of their respective subsidiaries, and the respective subsidiaries of such subsidiaries.

"Company Indemnified Party" has the meaning set forth in Section 9(b).

"Competitive Real Estate Commission" means a real estate or brokerage commission for the purchase or sale of an asset which is reasonable, customary and competitive in light of the size, type and location of the asset.

"Conduct Policies" has the meaning set forth in Section 3.

"Confidential Information" has the meaning set forth in Section 6.

"Contract Sales Price" means the total consideration received by any of the Company Entities for the sale of an Investment, which total consideration shall include the amount of cash received, the fair market value of any property received and the amount of debt assumed by the purchaser and of which a Company Entity is relieved of responsibility upon such disposition.

"Director" means a member of the Board.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fees Accrued Upon Termination" means the amounts payable to the Manager or its assignees equal to the aggregate of any earned but unpaid compensation and expense reimbursements accrued as of the date of termination if this Agreement is terminated (i) pursuant to a Change of Control of the Trust, (ii) pursuant to a Termination Without Cause, (iii) by the Manager pursuant to Section 13(b), (iv) based on a liquidation by the Company of all its assets, or (v) upon a termination by the Manager pursuant to Section 11(d).

"Financing Transaction" means any transaction with respect to any Investment involving any of the Company Entities' incurring any mortgage or other indebtedness, including the entering into any line of credit, transaction involving the creation of any commercial mortgage-backed security and mezzanine financing.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"General and Administrative Expenses Fee" means the fee payable to the Manager or its assignees pursuant to Section 8(h)(ii) in connection with the administration of the day-to-day operations and the performance and supervision of the performance of such other administrative functions necessary to the management of the Company.

"Governing Instruments" means, with regard to any entity, the articles of incorporation or certificate of incorporation and by-laws in the case of a corporation. the partnership agreement in the case of a general or limited partnership, the certificate of formation and operating or limited liability company agreement in the case of a limited liability company, the declaration of trust or other comparable trust instrument in the case of a trust, or similar governing documents in the case of another type of entity, in each case, as the same may be amended from time to time.

"Indemnified Party" has the meaning set forth in Section 9(b).

"Independent Director" means a member of the Board who is "independent" in accordance with the Trust's Governing Instruments and the rules of the Nasdaq Capital Market or such other securities exchange on which the shares of Common Stock are listed.

"Initial Public Offering" means the Trust's sale of Common Stock to the public through one or more underwriters pursuant to the Registration Statement.

"Initial Term" has the meaning set forth in Section 11(a).

"Investment" means any investment by any Company Entity, directly or indirectly, in Real Estate Assets, Real Estate Related Loans or any other asset.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Investment Guidelines" means the investment guidelines approved by the Board, a copy of which is attached hereto as Exhibit A, as the same may amended, restated, supplemented or waived pursuant to the approval of a majority of the entire Board (which must include a majority of the Independent Directors).

"Investment Transaction" means any purchase, acquisition, exchange, sale or disposition, merger or interest exchange that results in the acquisition or disposition of, or other transaction involving, an Investment.

"Joint Venture" means the joint venture or partnership or other similar arrangement (other than between or among any Company Entity) in which a Company Entity is a co-venturer, member, partner or other equity holder, which are established to own Investments.

"Losses" has the meaning set forth in Section 9(a).

"Manager" has the meaning set forth at the head of this Agreement and shall include any successor in interest thereto.

"Manager Change of Control" means a Change of Control of the Manager; provided, however, that no Manager Change of Control shall be deemed to result from (i) any public offering of equity interests of the Manager, or (ii) any assignment of this Agreement by the Manager as permitted hereby and in accordance with the terms hereof.

"Manager indemnified Party" has the meaning set forth in Section 9(a).

"Manager Permitted Disclosure Parties" has the meaning set forth in Section 6(a).

"NASDAQ" means the NASDAQ Stock Market.

"Notice of Proposal to Negotiate" has the meaning set forth in Section 11(c).

"Operating Partnership" has the meaning at the head of this Agreement.

"Person" or "person" means any natural person, corporation, partnership, association, limited liability company, estate, trust or joint venture, any federal, state, county or municipal government or any bureau, department or agency thereof, or any other legal entity.

"Real Estate Assets" means any investments by any Company Entity in unimproved or improved Real Property (including fee or leasehold interests, options and leases), directly, through one or more subsidiaries or through a Joint Venture.

"Real Estate Related Loans" means any investments in mortgage loans and other types of real estate related debt obligations, including mezzanine loans, bridge loans, convertible mortgages, wraparound mortgage loans, construction mortgage loans, loans on leasehold interests and participations in such loans, by any Company Entity, directly, through one or more subsidiaries or through a Joint Venture.

"Real Property" means real property owned from time to time by any Company Entity, directly, through one or more subsidiaries or through a Joint Venture, which consists of (i) land only, (ii) land, including the buildings located thereon, (iii) buildings only, or (iv) such Investments the Board or the Manager designates as Real Property to the extent such Investments could be classified as Real Property.

"Registration Statement" means the Trust's Registration Statement on Form S-11 (Registration No. 333-177262), as amended from time to time, pursuant to which it is conducting or has conducted the Initial Public Offering.

"Regulation FD" means Regulation FD as promulgated by the SEC.

"REIT" means a "real estate investment trust" as defined under the Code.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Target Assets" means the types of assets described under the section entitled "Business and Growth Strategies" in the Trust's prospectus included in the Registration Statement, subject to, and including any changes in the Investment Guidelines.

"Termination Notice" has the meaning set forth in Section 11(b).

"Termination Without Cause" has the meaning set forth in Section 11(b).

"Trust" has the meaning set forth in the head of this Agreement.

(b) As used herein, accounting terms relating to any Company Entity not defined in Section 1(a), and accounting terms partly defined in Section l(a), to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) As used herein, "calendar quarters" shall mean the periods from January 1 to March 31, April 1 to June 30, July 1 to September 30 and October 1 to December 31 of the applicable year.

(d) The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to this Agreement unless otherwise specified.

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(f) The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

(g) A reference to any gender shall be deemed to be a reference to all genders.

Section 2. Appointment and Duties of the Manager.

(a) The Trust and the Operating Partnership hereby appoint the Manager to manage and administrate day-to-day operations of the Company, subject at all times to the further terms and conditions set forth in this Agreement and to the oversight of, and such further limitations or parameters consistent with this Agreement as may be imposed from time to time by, the Board. The Manager will use commercially reasonable efforts to perform each of its duties set forth herein, provided that funds are made available by the Company for such purposes as set forth in Section 8. The Company shall not appoint any other Person except the Manager to perform the duties and carry out the responsibilities of the Manager described herein, except as may otherwise be permitted by this Agreement and except to the extent that the Manager elects, in its sole and absolute discretion, subject to the terms of this Agreement, to cause the duties of the Manager as set forth herein to be provided by third parties.

(b) The Manager, in its capacity as manager of the day-to-day operations of the Company, at all times will be subject to the oversight and direction of the Board, will act in a manner that is compliant with the provisions of the Governing Instruments of the Company, will use commercially reasonable efforts to present to the Company potential investment opportunities and will perform its duties hereunder, including managing the Company’s business affairs in conformity with the Investment Guidelines and other policies that are determined and adopted by the Board. The Trust, the Operating Partnership and the Manager hereby acknowledge the adoption by the Board of the Investment Guidelines, including the Company’s investment strategy with respect to Target Assets. The Trust, the Operating Partnership and the Manager hereby acknowledge and agree that, during the term of this Agreement, any proposed changes to the Company’s investment strategy that would modify or expand the Target Assets shall require a change in, or supplement to, the Investment Guidelines. The Company shall notify the Manager promptly of any amended, restated, supplemented or waived Investment Guidelines, including any modification or revocation of the Manager’s authority set forth in the Investment Guidelines; provided, however, that such modification or revocation shall not be applicable to investment transactions to which any Company Entity has committed prior to the date of receipt by the Manager of such notification.

(c) The Manager will be responsible for the day-to-day operations of the Company and will perform (or cause to be performed), subject to the Board's oversight, such services and activities relating to the day-to-day operations of the Company as may be appropriate, which may include:

(i) (A) proposing modifications to the Investment Guidelines to the Board, (B) periodically reviewing the Company's Investment portfolio for compliance with the Investment Guidelines and reporting its findings to the Board, (C) periodically reviewing and reporting to the Board regarding the diversification of the Company's Investment portfolio and the financing strategies, and (D) conducting or overseeing the provision of the services and activities set forth in this Section 2;

(ii) investigating, analyzing, selecting, conducting due diligence with respect to, negotiating the terms and conditions of (including negotiating the forms of definitive agreements), arranging financing for and recommending to the Board (in accordance with procedures adopted by the Board) Investment Transactions consistent with the Investment Guidelines. If the Manager propose that any Company Entity enter into any transaction in which the Manager, any Affiliate of the Manager or any of the Manager's directors or officers has a direct or indirect interest, the Manager shall not proceed with such transaction unless and until approved by a majority of the Board not otherwise interested in such transaction, including a majority of the Independent Directors;

(iii) with respect to prospective Investment Transactions and Financing Transactions, conducting negotiations (including negotiation of definitive agreements) with sellers, purchasers, prospective merger partners, lenders and other financing sources and brokers and, if applicable, their respective agents and representatives and closing Investment Transactions and Financing Transactions on behalf of the Company;

(iv) effecting any private placement of interests in the Operating Partnership, tenancy-in-common or other interests in Investments as may be approved by the Board;

(v) delivering to, or maintaining on behalf of, the Company copies of all appraisals obtained in connection with the Investments in any Real Estate Assets as may be required to be obtained by the Board;

(vi) negotiating and causing the Company to enter into, within the discretionary limits and authority granted by the Board, repurchase agreements, interest rate swap agreements, agreements relating to borrowings under programs established by the U.S. Government and other agreements and instruments required to conduct the business of the Company;

(vii) engaging and supervising, at the expense of the Company, independent contractors that provide investment banking, securities brokerage, mortgage brokerage, real estate brokerage services, other financial services, investor relations services, due diligence services, underwriting review services, legal and accounting services, and all other services (including transfer agent and registrar services) as may be required relating

to the Company's operations, Investments, Investment Transactions or Financing Transactions;

(viii) advising the Company on, preparing, negotiating and entering into, on behalf of the Company, applications and agreements relating to programs established by the U.S. Government;

(ix) coordinating and managing operations of any joint venture or co-investment interests held by the Company and conducting all matters with the joint venture or co-investment partners;

(x) providing executive and administrative personnel, office space and office services required in rendering services to the Company;

(xi) communicating on the Company's behalf with the holders of any equity or debt securities of the Trust or the Operating Partnership as required to satisfy the reporting and other requirements of any governmental body or agency or trading market and to maintain effective relations with such holders;

(xii) evaluating and recommending to the Board hedging strategies and engaging on the Company's behalf in hedging activities within the discretionary limits and authority as granted by the Board, consistent with the Company's qualification as a REIT and with the Investment Guidelines;

(xiii) counseling the Board and the Company regarding the maintenance of the Trust's qualification as a REIT and monitoring compliance with the various REIT qualification tests and other rules set out in the Code and Treasury Regulations thereunder and using commercially reasonable efforts to cause the Trust to qualify for taxation as a REIT;

(xiv) counseling the Board and the Company regarding the maintenance of the Trust's exemption from the status of an investment company required to register under the Investment Company Act, monitoring compliance with the requirements for maintaining such exemption and using commercially reasonable efforts to cause the Trust to maintain such exemption from such status;

(xv) furnishing reports and statistical and economic research to the Board regarding the activities and services performed for the Company by the Manager, including reports with respect to potential conflicts of interest involving the Manager or any of its Affiliates;

(xvi) monitoring the performance of the Investments and providing periodic reports with respect thereto to the Board, including comparative information with respect to such operating performance and budgeted or projected operating results;

(xvii) investing and reinvesting any moneys and securities of the Company within the discretionary limits and authority as granted by the Board (including investing in short-term investments pending investment in other Investments, payment of fees, costs and expenses) and advising the Company with respect to its equity and debt capitalization and its financing strategies, and the payments of dividends or distributions to the Trust's stockholders and the Operating Partnership's partners;

(xviii) causing the Company to retain qualified accountants and legal counsel, as applicable, to assist in developing appropriate accounting procedures and systems, internal controls and other compliance procedures and testing systems with respect to financial reporting obligations and compliance with the provisions of the Code applicable to REITs and, if applicable, taxable REIT subsidiaries, and to conduct quarterly compliance reviews with respect thereto;

(xix) assisting the Company in qualifying to do business in all applicable jurisdictions and to obtain and maintain all appropriate licenses;

(xx) assisting the Company in complying with all laws and regulatory requirements applicable to the Company's business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents, if any, required under the Exchange Act, the Securities Act, state or foreign securities laws or by NASDAQ;

(xxi) assisting the Company in taking all necessary action to enable the Company to make required tax filings and reports, including soliciting information from stockholders to the extent required by the provisions of the Code applicable to REITs;

(xxii) handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company or the Company's properties or assets may be subject arising out of the Company's day-to-day operations (other than with the Manager or its Affiliates), subject to such limitations or parameters as may be imposed from time to time by the Board;

(xxiii) using commercially reasonable efforts to cause expenses incurred on behalf of the Company to be commercially reasonable or commercially customary and within any budgeted parameters or expense guidelines proposed by the Manager and approved by the Board from time to time;

(xxiv) advising the Board regarding the Company's equity and debt financings, hedging activities and joint venture arrangements including (A) advising the Board on the appropriateness of the Company's leverage ratio, levels of preferred and common equity financing, pricing of equity offerings, derivative positions and strategies and off-balance sheet arrangements, and (B) seeking to execute on the Company's behalf Financing Transactions, equity offerings, hedging transactions and joint ventures and off-balance

sheet transactions consistent with the Board's directions and the Company's financing policies as approved by the Board;

(xxv) providing portfolio management services to the Company;

(xxvi) arranging marketing materials, advertising, industry group activities (such as conference participations and industry organization memberships) and other promotional efforts designed to promote the Company's business; and

(xxvii) performing such other services as may be required from time to time for management and other activities relating to the Company's assets and business as the Board shall reasonably request or the Manager shall deem appropriate under the particular circumstances.

(d) The Manager may retain, for and on behalf, and at the sole cost and expense, of the Company, such services of the Persons referred to in Section 8 as the Manager deems necessary or advisable in connection with the management and operations of the Company and the Investments. In performing its duties under this Section 2, the Manager shall be entitled to rely reasonably on qualified experts and professionals (including accountants, Legal counsel and other professional service providers) hired by the Manager at the Company's sole cost and expense.

(e) The Manager shall refrain from any action that, in its sole judgment made in good faith, (i) is not in compliance with the Investment Guidelines, (ii) would adversely and materially affect the qualification of the Trust as a REIT or the Operating Partnership as a partnership under the Code or the Company's status as an entity excluded from investment company status under the Investment Company Act, or (iii) would conflict with or violate (A) any law, rule or regulation of any governmental body or agency having jurisdiction over any Company Entity, (B) any rule of any exchange on which the securities of the Company may be listed, or (C) any applicable Governing Instruments. The Manager may proceed with taking an action described above if further instructed to do so by the Board. If the Manager is ordered to take any action by the Board, the Manager promptly shall notify the Board if it is the Manager's judgment that such action would adversely and materially affect such qualification or status or conflict with or violate any such law, rule or regulation or Governing Instruments. Notwithstanding the foregoing, neither the Manager nor any of its Affiliates shall be liable to any Company Entity, the Board, any of the stockholders, partners, members or other holders of equity interests of any Company Entity for any act or omission by the Manager or any of its Affiliates, except as provided in Section 9.

(f) The Manager shall notify the Board of all proposed Investment Transactions before they are completed. The Manager shall seek and obtain Board approval of all Investment Transactions. If any transaction requires approval by the Independent Directors, the Manager will deliver to the Independent Directors all documents and other information reasonably required by them to evaluate properly the proposed Investment Transactions. With respect to Investment Transactions for which Board approval is not required but advance notice is required, the Manager shall provide to the Board a summary of its investment analysis with respect to the

proposed Investment Transaction. The Board may, at any time upon the giving of notice to the Manager, modify or revoke the authority set forth in this Section 2(f); provided, however, that such modification or revocation shall he effective upon receipt by the Manager and shall not be applicable to Investment Transactions to which the Manager has committed the Company prior to the date of receipt by the Manager of such notification.

(g) The Company will take all actions reasonably required to permit and enable the Manager to carry out its duties and obligations under this Agreement, including all steps reasonably necessary to allow the Manager to file any registration statement or other filing required to be made under the Securities Act, Exchange Act, NASDAQ, the Code or other applicable law, rule or regulation on behalf of the Company in a timely manner. The Company will use commercially reasonable efforts to make available to the Manager all resources, information and materials reasonably requested by the Manager to enable the Manager to satisfy its obligations hereunder, including its obligations to deliver financial statements and any other information or reports with respect to the Company.

(h) As frequently as the Manager may deem necessary or advisable, or at the direction of the Board, the Manager shall prepare (or, at the sole cost and expense of the Company, cause to be prepared) reports and other information relating to any proposed or consummated Investment.

(i) The Manager shall prepare (or, at the sole cost and expense of the Company, cause to be prepared) all reports, financial or otherwise, reasonably required by the Board in order for the Company to comply with their respective Governing Instruments or as otherwise reasonably requested by the Board, including an annual audit of the Trust's consolidated financial statements by an independent accounting firm.

(j) The Manager shall prepare (or, at the sole cost and expense to the Company, cause to be prepared) regular reports for the Board to enable the Board to review the Company's acquisitions, Investment portfolio composition and characteristics, credit quality, performance and compliance with the Investment Guidelines and policies approved by the Board.

(k) Officers, employees and agents of the Manager and its Affiliates may serve as directors, officers, agents, nominees or signatories for any Company Entity, to the extent permitted by their respective Governing Instruments, by any resolutions duly adopted by the Board, the Operating Partnership or such subsidiary. When executing documents or otherwise acting in such capacities for any Company Entity, such Persons shall indicate in what capacity they are executing on behalf of such Company Entity. Without limiting the foregoing, while this Agreement is in effect, the Manager will establish a management team, including a chief executive officer and president or similar positions, along with appropriate support personnel, to provide the management services to be provided by the Manager to the Company Entities hereunder, who shall devote such of their time to the management of the Company Entities and consideration of the Investment Guidelines and policies as necessary and appropriate, commensurate with the level of activity of the Company from time to time.

(1) The Manager, at its sole cost and expense, shall maintain reasonable and customary "errors and omissions" insurance coverage and other customary insurance coverage in respect to its obligations and activities under, or pursuant to, this Agreement, naming the Trust and the Operating Partnership as additional insureds.

(m) The Manager shall provide such internal audit, compliance and control services as may be required for the Company to comply with applicable law (including the Securities Act and Exchange Act), regulation (including SEC regulations) and the rules and requirements of the NASDAQ and as otherwise reasonably requested by the Company or the Board from time to time.

(n) The Manager shall maintain any required registration of the Manager or any Affiliate with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended, or with any state securities authority in any state in which the Manager or its Affiliate is required to be registered as an investment advisor under applicable state securities laws.

(o) The Manager's duties under this Agreement shall not include either (i) providing any asset management services in connection with the management of the Investments or (ii) providing any property management or leasing services in connection with Real Estate Assets owned by the Company's Entities. However, the Manager's duties shall include the obligation to engage qualified entities to perform such services, and to supervise the provision of such services. The Manager may engage its Affiliates to perform asset management and property management services provided that the compensation paid for such service shall not exceed the compensation that would be payable to unaffiliated providers engaged to provide such services pursuant to agreements negotiated on an arm's length basis.

Section 3. Conduct Policies.

The Manager acknowledges receipt of the Company's Code of Business Conduct and Ethics and the Company's Policy on Insider Trading (collectively, the "Conduct Policies") and will use commercially reasonable efforts to require the Persons who provide services to the Company to comply with the Conduct Policies in the performance of such services hereunder or such comparable policies as shall in substance hold such Persons to at least the standards of conduct set forth in the Conduct Policies.

Section 4. Additional Activities of the Manager; Non-Solicitation; Restrictions.

(a) Subject to Section 4(c) and except as may be provided in the Investment Guidelines, nothing in this Agreement shall: (i) prevent the Manager, any of its Affiliates or any of their respective officers, directors or employees, from engaging in other businesses or from rendering services of any kind to any other Person, whether or not the investment objectives or policies of any such other Person are similar to those of the Company; provided, however, that the Manager devotes sufficient resources to the Company's business to discharge its obligations to the Company under this Agreement; or (ii) in any way bind or restrict the Manager, any of its

Affiliates or any of their respective officers, directors or employees from buying, selling or trading any securities or commodities for their own accounts or for the account of others for whom the Manager, any of its Affiliates or any of their respective officers, directors or employees may be acting.

(b) While information and recommendations supplied to the Company shall, in the Manager's good faith judgment, be appropriate under the circumstances and in light of the investment objectives and policies of the Company, they may be different from the information and recommendations supplied by the Manager or any Affiliate of the Manager to others. The Company shall be entitled to equitable treatment under the circumstances in receiving information, recommendations and any other services, but the Company recognizes that the Company is not entitled to receive preferential treatment as compared with the treatment given by the Manager or any Affiliate of the Manager to others.

(c) The Manager shall report to the Board any condition or circumstance, existing or anticipated, of which it has knowledge, which creates or could create a conflict of interest between the Manager's obligations to the Company and its obligations to or its interest in any other Person. If the Manager or any of its Affiliates sponsors any other investment program with similar investment objectives to the Company that has investment funds available at the same time as the Company, the Manager shall inform the Board of the method to be applied by the Manager in allocating investment opportunities among the Company and competing investment entities and shall provide regular updates to the Board of the investment opportunities provided by the Manager to competing programs in order for the Board (including the Independent Directors) to evaluate that the Manager is allocating such opportunities in accordance with such method.

(d) In the event of a Termination Without Cause of this Agreement by the Company pursuant to Section 11(b), for a period of two years from and after the date of such termination of this Agreement, the Company shall not (and shall cause each of the Company Entities not to), without the consent of the Manager, employ or otherwise retain directly, or indirectly by any Company Entity any Person who was employed as an executive by the Manager or any of its Affiliates on the date of such termination or any Person who shall have been employed as an executive by the Manager or any of its Affiliates at any time within the two-year period immediately preceding the date on which such Person is scheduled to commence employment with or otherwise be retained by the Company or any other Company Entity. The Company acknowledges and agrees that, in addition to any damages, the Manager shall be entitled to equitable relief for any violation of this Section 4(d) by the Trust or the Operating Partnership (directly or indirectly through any of their respective subsidiaries), including injunctive relief.

Section 5. Bank Accounts.

At the direction of the Board, the Manager may establish and maintain one or more bank accounts in the name of any Company Entity, and may collect and deposit into any such account or accounts, and disburse funds from any such account or accounts, under such policies, terms and conditions as the Company may establish and the Board may approve, provided that no funds shall be commingled with the funds of the Manager or its Affiliates. The Manager shall

from time to time render appropriate accountings of such collections and payments to the Board and, upon request, shall provide information regarding such account to the Company's auditors.

Section 6. Records; Confidentiality.

(a) The Manager shall maintain appropriate books of accounts and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by representatives of the Company Entities at any time during normal business hours. The Manager shall keep confidential any and all non-public information, written or oral, obtained by it in connection with the services rendered hereunder ("Confidential Information") and shall not use Confidential Information except in furtherance of its duties under this Agreement or disclose Confidential information, in whole or in part, to any Person other than (i) to its Affiliates and the officers, directors, employees, agents, representatives or advisors of the Manager or any of its Affiliates who need to know such Confidential information for the purpose of rendering services hereunder, (ii) to appraisers, financing sources and others in the ordinary course of the Company's business ((i) and (ii) collectively, "Manager Permitted Disclosure Parties"), (iii) in connection with any governmental or regulatory filings of the Company, or filings with NASDAQ or other applicable securities exchange or market, (iv) in presentations or other disclosures to the Company's investors (subject to compliance with Regulation FD), (iv) to Governmental officials having jurisdiction over the Company, (v) as requested by law or legal process to which the Manager or any Person to whom disclosure is permitted hereunder is a party, or (vi) with the consent of the Company. The Manager will inform each of its Manager Permitted Disclosure Parties of the non-public nature of the Confidential Information and to obtain agreement from such Persons to treat such Confidential Information in accordance with the terms hereof.

(b) Nothing herein shall prevent any Manager Permitted Disclosure Party from disclosing Confidential Information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of, or pursuant to any law or regulation to, any regulatory agency or authority, (iii) to the extent reasonably required in connection with the exercise of any remedy hereunder, or (iv) to its legal counsel or independent auditors; provided, however, that with respect to clauses (i) and (ii), it is agreed that, so long as not legally prohibited, the Manager will provide the Trust with prompt written notice of such order, request or demand so that the Trust may seek, at its sole expense, an appropriate protective order and/or waive any Manager Permitted Disclosure Party's compliance with the provisions of this Agreement. If, failing the entry of a protective order or the receipt of a waiver hereunder, the Manager is required to disclose Confidential Information, the Manager Permitted Disclosure Party may disclose only that portion of such information that is legally required without liability hereunder; provided, however, that the Manager Permitted Disclosure Party agrees to exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information.

(c) Notwithstanding anything herein to the contrary, the following types of Confidential Information shall be deemed to be excluded from provisions hereof: (i) any Confidential Information that is available to the public from a source other than the Manager or

its Affiliates, (ii) any Confidential Information that is released in writing by any of the Company Entities to the public (except to the extent exempt under, and in compliance with, Regulation FD) or to persons who are not under similar obligation of confidentiality to any of the Company Entities; and (iii) any Confidential information that is obtained by the Manager from a third party which, to the Manager's knowledge, does not constitute a breach by such third party of an obligation of confidence with respect to the Confidential Information disclosed.

(d) The provisions of this Section 6 shall survive the expiration or earlier termination of this Agreement for a period of two years thereafter, provided that the parties will maintain trade secrets of the other party identified in writing as trade secrets, and which in fact constitute trade secrets, for a period of no longer than five years thereafter.

Section 7. Compensation.

(a) Fee for Real Estate Assets. The Company shall pay an annual fee to Manager in the amount which is the sum of (a) Forty Thousand Dollars ($40,000) multiplied by the number (not to exceed nine (9)) of Real Estate Assets owned by the Company Entities during such year and (b) Twenty Thousand Dollars ($20,000) multiplied by the number of Real Estate Assets owned by the Company Entities in excess of nine (9). Such fee shall be paid on a monthly basis in arrears and shall be prorated for any Real Estate Assets which are owned for less than the entire month for which such fee is determined.

(b) Fee for Other Investments. The Company shall pay such fee or other compensation with respect to any Investments, other than Real Estate Assets, owned by any of the Company Entities as shall be agreed by the Company and the Manager.

Section 8. Expenses of the Company.

(a) The Manager shall be responsible for the expenses related to any and all personnel of the Manager and its Affiliates who provide services to the Company pursuant to this Agreement (including each of the officers and directors of the Company who are also directors, officers, employees or agents of the Manager or any of its Affiliates), including salaries, bonus and other wages, payroll taxes, the cost of employee benefit plans of such personnel, and costs of insurance with respect to such personnel. For the avoidance of doubt, any equity incentive plan of the Trust or the Operating Partnership in which any person referred to above participates shall be excluded from the operation of this Section 8(a).

(b) The Company shall pay (or cause to be paid) all the costs and expenses of each Company Entity and shall reimburse the Manager or its Affiliates for expenses of the Manager and its Affiliates incurred on behalf of any Company Entity, excepting only those expenses that are specifically the responsibility of the Manager pursuant to Section 8(a). Without limiting the generality of the foregoing, it is specifically agreed that the following costs and expenses of the Company Entities shall be paid (or caused to be paid) by the Company and shall not be paid by the Manager or Affiliates of the Manager:

(i) Acquisition Expenses incurred in connection with the selection and acquisition of Investments;

(ii) fees for asset management or property management services rendered to the Company Entities by providers retained by Manager (including Affiliates of Manager);

(iii) expenses in connection with the issuance of securities of the Company, any Financing Transaction and other costs incident to the acquisition, disposition and financing of the Investments;

(iv) costs of legal, tax, accounting, consulting, auditing and other similar services rendered to the Company by providers retained by the Manager, or, if provided by the Manager's personnel, in amounts which are no greater than those which would be payable to outside professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arm's-length basis;

(v) the compensation and expenses of the Directors and the cost of liability insurance to indemnify the Company and its officers and the Directors;

(vi) expenses connected with communications to holders of the securities of any Company Entity and other bookkeeping and clerical work necessary in maintaining relations with holders of such securities and in complying with the continuous reporting and other requirements of governmental bodies or agencies, including all costs of preparing and filing required reports with the SEC, the costs payable by the Company to any transfer agent and registrar in connection with the listing and/or trading of the Company's securities on any exchange, the fees payable by the Company to any such exchange in connection with its listing, costs of preparing, printing and mailing the Trust's annual report to its stockholders or the Operating Partnership's partners, as applicable, and proxy materials with respect to any meeting of the Trust's stockholders or the Operating Partnership's partners, as applicable;

(vii) costs associated with any computer software or hardware, electronic equipment or purchased information technology services from third-party vendors that is used for the Company Entities;

(viii) expenses incurred by managers, officers, personnel and agents of the Manager for travel on the Company's behalf and other out-of-pocket expenses incurred by managers, officers, personnel and agents of the Manager in connection with the purchase, financing, refinancing, sale or other disposition of an Investment or in connection with any Financing Transaction;

(ix) costs and expenses incurred with respect to market information systems and publications, research publications and materials, and settlement, clearing and custodial fees and expenses;

(x) the costs of maintaining compliance with all federal, state and local rules and regulations or any other regulatory agency;

(xi) all taxes and license fees;

(xii) all insurance costs incurred in connection with the operation of the Company's business except for the costs attributable to the insurance that the Manager elects to carry for itself and its personnel;

(xiii) costs and expenses incurred in contracting with third parties;

(xiv) all other costs and expenses relating to the Company's business and investment operations, including the costs and expenses of owning, protecting, maintaining, developing and disposing of Investments, including appraisal, reporting, audit and legal fees;

(xv) expenses relating to any office(s) or office facilities, including disaster backup recovery sites and facilities, maintained for the Company Entities or the Investments of the Company separate from the office or offices of the Manager;

(xvi) expenses connected with the payments of interest, dividends or distributions in cash or any other form authorized or caused to be made by the Board, the Operating Partnership or other governing body to or on account of holders of the securities of any Company Entity, including in connection with any dividend reinvestment plan:

(xvii) any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against any Company Entity, or against any trustee, director, partner, member or officer of such Company Entity in his capacity as such for which such Company Entity is required to indemnify such trustee, director, partner, member or officer pursuant to the applicable Governing Instruments or any agreement or other instrument or by any court or governmental agency; and

(xviii) all other expenses actually incurred by the Manager (except as otherwise specified herein) which are reasonably necessary or advisable for the performance by the Manager of its duties and functions under this Agreement.

(c) Costs and expenses incurred by the Manager on behalf of the Company shall be reimbursed monthly to the Manager. The Manager shall prepare a written statement in reasonable detail documenting the costs and expenses of the Company and those incurred by the Manager on behalf of the Company during each month, and shall deliver such written statement to the Company within 30 days after the end of each month. The Company shall pay all amounts payable to the Manager pursuant to this Section 8(c) within five Business Days after the receipt of the written statement without demand, deduction, offset or delay. Cost and expense reimbursement to the Manager shall be subject to adjustment at the end of each calendar year in connection with the annual audit of the Company. The provisions of this Section 8 shall survive

the expiration or earlier termination of this Agreement to the extent such expenses have previously been incurred or are incurred in connection with such expiration or termination.

Section 9. Limits of the Manager's Responsibility; Indemnification.

(a) The Manager, its Affiliates and their respective directors, officers, employees, partners, members, stockholders, other equity holders, agents and representatives (each, a "Manager Indemnified Party"), will not be liable to any Company Entity or any of the stockholders, partners, members or other holders of equity interests of any Company Entity for any acts or omissions by any Manager Indemnified Party performed in accordance with and pursuant to this Agreement, except by reason of any act or omission constituting bad faith, willful misconduct or gross negligence on the part of such Manager Indemnified Party. The Company shall, to the fullest lawful extent, reimburse, indemnify and hold harmless each Manager Indemnified Party, of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable attorneys' fees and costs of investigation) (collectively "Losses") in respect of or arising from any acts or omissions of such Manager Indemnified Party performed in good faith under this Agreement and not constituting bad faith, willful misconduct or gross negligence on the part of such Manager Indemnified Party. In addition, the Company shall advance funds to a Manager Indemnified Party for legal fees and other costs and expenses incurred as a result of any claim, suit, action or proceeding for which indemnification is being sought, provided that such Manager Indemnified Party undertakes to repay the advanced funds to the Company, together with the applicable legal rate of interest thereon, in cases in which such Manager Indemnified Party is found pursuant to a final and non-appealable order or judgment to not be entitled to indemnification.

(b) The Manager shall, to the fullest lawful extent, reimburse, indemnify and hold harmless the Trust and the Operating Partnership (each, a "Company Indemnified Party") of and from any and all Losses in respect of or arising from (i) any acts or omissions of the Manager constituting bad faith, willful misconduct or gross negligence on the part of the Manager, or (ii) any claims by the Manager's employees relating to the terms and conditions of their employment by the Manager. The Manager assumes no responsibility under this Agreement other than to render in good faith the services specifically designated as to be provided by the Manager hereunder and shall not be responsible for any action of the Board in following or declining to follow any advice or recommendations of the Manager, including as set forth in the Investment Guidelines. A Manager Indemnified Party and a Company Indemnified Party are each sometimes hereinafter referred to as an "Indemnified Party."

(c) In case any such claim, suit, action or proceeding (a "Claim") is brought against any Indemnified Party in respect of which indemnification may be sought by such Indemnified Party pursuant hereto, the Indemnified Party shall give prompt written notice thereof to the indemnifying party, which notice shall include all documents and information in the possession of or under the control of such Indemnified Party reasonably necessary for the evaluation and/or defense of such Claim and shall specifically state that indemnification for such Claim is being sought under this Section 9; provided, however, that the failure of the indemnified Party to so notify the indemnifying party shall not limit or affect such Indemnified Party's rights except to

the extent that the indemnifying party is actually prejudiced thereby. Upon receipt of such notice of Claim (together with such documents and information from such Indemnified Party), the indemnifying party shall, at its sole cost and expense, in good faith defend any such Claim with counsel reasonably satisfactory to such indemnified Party, which counsel may, without limiting the rights of such Indemnified Party pursuant to the next succeeding sentence of this Section, also represent the indemnifying party in such investigation, action or proceeding. In the alternative, such Indemnified Party may elect to conduct the defense of the Claim, if (i) such Indemnified Party reasonably determines that the conduct of its defense by the indemnifying party could be materially prejudicial to its interests, (ii) the indemnifying party refuses to assume such defense (or fails to give written notice to the Indemnified Party within ten days of receipt of a notice of Claim that the indemnifying party assumes such defense), or (iii) the indemnifying party shall have failed, in such Indemnified Party's reasonable judgment, to defend the Claim in good faith. The indemnifying party may settle any Claim against such Indemnified Party without such Indemnified Party's consent, provided (A) such settlement is without any Losses whatsoever to such Indemnified Party, (B) the settlement does not include or require any admission of liability or culpability by such Indemnified Party, (C) the indemnifying party obtains an effective written release of liability for such Indemnified Party from the party to the Claim with whom such settlement is being made, which release must be reasonably acceptable to such Indemnified Party, and a dismissal with prejudice with respect to all claims made by the party against such indemnified Party in connection with such Claim, and (D) such settlement does not provide for any equitable relief. The applicable Indemnified Party shall reasonably cooperate with the indemnifying party, at the indemnifying party's sole cost and expense, in connection with the defense or settlement of any Claim in accordance with the terms hereof. If such indemnified Party is entitled pursuant to this Section 9 to elect to defend such Claim by counsel of its own choosing and so elects, then the indemnifying party shall be responsible for any good faith settlement of such Claim entered into by such Indemnified Party. Except as provided in the immediately preceding sentence, no Indemnified Party may pay or settle any Claim and seek reimbursement therefor under this Section 9.

(d) The provisions of this Section 9 shall survive the expiration or earlier termination of this Agreement.

Section 10. No Joint Venture.

The parties to this Agreement are not partners or joint venturers with each other and nothing herein shall be construed to make them partners or joint venturers or impose any liability as such on either of them.

Section 11. Term; Renewal; Termination Without Cause.

(a) This Agreement shall become effective on the Closing Date and shall continue in operation, unless terminated in accordance with the terms hereof, until the fifth anniversary of the Closing Date (the "Initial Term"). After the Initial Term, this Agreement shall be deemed renewed automatically each year for an additional one-year period (an "Automatic Renewal

Term"), unless the Company or the Manager elects not to renew this Agreement in accordance with Section 11(b) or Section 11(d), respectively.

(b) Notwithstanding any other provision of this Agreement to the contrary, upon written notice provided to the Manager no later than 180 days prior to the expiration of the Initial Term or any Automatic Renewal Term (the "Termination Notice"), the Company may, without cause, in connection with the expiration of the Initial Term or the then current Automatic Renewal Term, decline to renew this Agreement (any such nonrenewal, a "Termination Without Cause") upon the affirmative vote of a majority of the Independent Directors that includes a finding by such majority either that (i) there has been unsatisfactory performance by the Manager that is materially detrimental to the Company Entities, taken as a whole, or (ii) the fees payable to the Manager under Section 7 are not, taken as a whole, in accordance with then-current market rates charged by administrative services and asset management companies rendering services similar to those rendered by the Manager ("Above Market Rates"), subject to Section 11(c), and only after reasonable investigation by the Independent Directors as to the market rates charged by similarly situated managers. In the event of a Termination Without Cause, the Company shall pay the Manager the Fees Accrued Upon Termination, before or on the last day of the Initial Term or such Automatic Renewal Term, as the case may be (the "Effective Termination Date"). The Company may terminate this Agreement for cause pursuant to Section 13 even after a Termination Notice and, in such case, no Fees Accrued Upon Termination shall be payable.

(c) Notwithstanding the provisions of Section 11(b), if the reason for nonrenewal specified in the Company's Termination Notice is that a majority of the Independent Directors have determined that the fees payable to the Manager under Section 7 are, taken as a whole, at Above-Market Rates, then the Company shall not have the foregoing nonrenewal right if the Manager agrees that it will continue to perform its duties hereunder during the Automatic Renewal Term that would commence upon the expiration of the Initial Term or then current Automatic Renewal Term at rates that a majority of the Independent Directors determine to be at market rates, taken as a whole; provided, however, that if the Independent Directors have made such a determination, the Manager shall have the right to renegotiate the rate of fees payable to the Manager under Section 7 as so determined by the Independent Directors, by delivering to the Company, not less than 120 days prior to the pending Effective Termination Date, written notice (a "Notice of Proposal to Negotiate") of its intention to renegotiate the fees payable to the Manager under Section 7. Thereupon, the Company and the Manager shall endeavor to negotiate the fees payable to the Manager under Section 7 in good faith. Provided that the Company and the Manager agree to a revised fee structure under Section 7 within 60 days following the Company's receipt of the Notice of Proposal to Negotiate, the Termination Notice from the Company shall be deemed of no force and effect, and this Agreement shall continue in full force and effect on the terms stated herein, except that the compensation structure shall be the revised compensation structure as then agreed upon by the Company and the Manager. The Company and the Manager agree to execute and deliver an amendment of this Agreement setting forth such revised fee structure promptly upon reaching an agreement regarding same. If the Company and the Manager are unable to agree to a revised compensation structure during such 60-day period, this Agreement shall terminate on the Effective Termination Date and the Company shall be obligated to pay the Manager the Fees Accrued Upon Termination upon the Effective Termination Date.

(d) No later than 180 days prior to the expiration of the Initial Term or the then current Automatic Renewal Term, the Manager may deliver written notice to the Company informing the Company of the Manager's intention to discontinue performance of services pursuant to this Agreement as of the upcoming expiration date, whereupon this Agreement shall not be renewed and extended and this Agreement shall terminate effective on the anniversary date of this Agreement next following the delivery of such notice. The Company shall pay to the Manager the Fees Accrued Upon Termination, if the Manager terminates this Agreement pursuant to this Section 11(d).

(e) Except as set forth in this Section 11. a non-renewal of this Agreement pursuant to this Section 11 shall be without any further liability or obligation of any party to the others, except as provided in Sections 6, 8, 9 and 15.

(f) The Manager shall cooperate with the Company in executing an orderly transition of the management of the Company Entities to a new manager.

Section 12. Assignments.

(a) Assignments by the Manager. This Agreement shall terminate automatically without payment of the Fees Accrued Upon Termination in the event of its assignment, in whole or in part, by the Manager, unless such assignment has been consented to in writing by (i) the Trust with the consent of a majority of the Independent Directors, and (ii) the Operating Partnership. Any such permitted assignment shall bind the assignee under this Agreement in the same manner as the Manager is bound. In addition, the assignee shall execute and deliver to the Company a counterpart of this Agreement naming such assignee as the Manager. Notwithstanding the foregoing, the Manager may, without the approval of the Company's Independent Directors, (A) assign this Agreement to an Affiliate of the Manager, and (B) delegate to one or more of its Affiliates the performance of any of its responsibilities hereunder so long as it remains liable for any such Affiliate's performance to the same extent had such delegation not occurred, in each case so long as assignment or delegation does not require the Company's approval under the Investment Company Act (but if such approval is required, the Company shall not unreasonably withhold, condition or delay its consent). Nothing contained in this Agreement shall preclude any pledge, hypothecation, assignment or other transfer of any amounts payable to the Manager under this Agreement.

(b) Assignments by the Company. This Agreement shall not be assigned by the Company without the prior written consent of the Manager, except in the case of assignment by the Company to another REIT or other organization which is a successor (by merger, consolidation, purchase of assets, or other similar transaction) to the Company, in which case such successor organization shall be bound under this Agreement and by the terms of such assignment in the same manner as the Company is bound under this Agreement.

Section 13. Termination for Cause.

(a) The Company may terminate this Agreement for cause effective upon 30 days' prior written notice of termination from the Company to the Manager (a "Cause Termination Notice"), without payment of any Fees Accrued Upon Termination, upon the occurrence of:

(i) a breach by the Manager, its agents or its assignees of any material provision of this Agreement and such breach shall continue for a period of 60 days after written notice thereof specifying such breach and requesting that the same be remedied in such 60-day period (or 90 days after written notice of such breach if the Manager takes steps to cure such breach within 60 days of the written notice);

(ii) a Bankruptcy Event with respect to the Manager,

(iii) a Manager Change of Control which a majority of the Independent Directors has determined to be materially detrimental to the Company Entities, taken as a whole;

(iv) the dissolution of the Manager; or

(v) (A) a final determination by a court that the Manager has committed fraud against the Company, the Manager has embezzled funds of the Company or the Manager has otherwise acted, or failed to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under this Agreement, (B) which act of fraud, embezzlement or other act or failure to act described in clause (v)(A) above has had a material adverse effect on the consolidated business, operations and financial condition of the Company, and (C) where a majority of the Independent Directors of the Trust has voted affirmatively to terminate this Agreement for cause as a result of such fraud, embezzlement or other act or failure to act, which vote shall have occurred within 30 days following the final determination referred to in clause (v)(A) above; provided, however, if such fraud, embezzlement or other act or failure to act was committed by a person other than an executive officer of the Manager, then the Manager can cure the same by terminating the employment of such person on or prior to the 30th day following such final determination, in which event the Company shall cease to have the right to terminate this Agreement for cause pursuant to this Section 13(a) and any Cause Termination Notice previously given in reliance on this clause (v) automatically shall be deemed to have been rescinded and nugatory.

(b) The Manager may terminate this Agreement effective upon 60 days' prior written notice of termination to the Company if the Company shall default in the performance or observance of any material term, condition or covenant contained in this Agreement and such default shall continue for a period of 60 days after written notice thereof specifying such default and requesting that the same be remedied in such 60-day period. The Company shall be required to pay to the Manager the Fees Accrued Upon Termination if the termination of this Agreement is made pursuant to this **Section 13(b)**.

(c) The Manager may terminate this Agreement if the Company becomes required to register as an investment company under the Investment Company Act, with such termination deemed to occur immediately before such event.

Section 14. Action Upon Termination.

From and after the effective date of termination of this Agreement pursuant to Section 11, 12 or 13, the Manager shall not be entitled to compensation for further services hereunder except for Fees Accrued Upon Termination which are payable pursuant to this Agreement. Upon any such termination, the Manager shall forth-with:

(a) after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled, pay over to each Company Entity all money collected and held for the account of such Company Entity pursuant to this Agreement;

(b) deliver to the Board a full accounting, including a statement showing all payments collected by it and a statement of all money held by it, covering the period following the date of the last accounting furnished to the Board with respect to the Company Entities;

(c) deliver to the Board all property and documents of the Company Entities then in the custody of the Manager; and

(d) cooperate with the Company Entities to provide an orderly management transition.

Section 15. Release of Money or Other Property Upon Written Request.

The Manager agrees that any money or other property of the Company (which, for the purposes of this Section 15, shall be deemed to include any and all of their respective subsidiaries, if any) held by the Manager shall be held by the Manager as custodian for the Company, and the Manager's records shall be appropriately and clearly marked to reflect the ownership of such money or other property by the Company. Upon the receipt by the Manager of a written request signed by a duly authorized officer of the Company requesting the Manager to release to the Company any money or other property then held by the Manager for the account of the Company under this Agreement, the Manager shall release such money or other property to the Company or within a reasonable period of time, but in no event later than 60 days following such request. Upon delivery of such money or other property to the Company, the Manager shall not be liable to the Company, the Board, the Trust's stockholders, the Operating Partnership's partners or any of the directors or equity holders of any subsidiary of the Company for any acts or omissions by the Company in connection with the money or other property released to the Company in accordance with this Section 15. The Company shall indemnify the Manager Indemnified Parties against any and all Losses which arise in connection with the Manager's proper release of such money or other property to the Company in accordance with the terms of

this Section 15. Indemnification pursuant to this provision shall be in addition to any right of the Manager Indemnified Parties to indemnification under Section 9.

Section 16. Miscellaneous.

(a) Notices. All notices, requests, communications and demands (each a "Notice") to, with or upon any of the respective parties shall be in writing and sent by (i) personal delivery, (ii) reputable overnight courier, (iii) facsimile transmission with telephonic confirmation (provided that such Notice also is sent contemporaneously by another method provided for in this Section 16(a)), or (iv) registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below (or to such other address as may be hereafter notified by the respective parties hereto in accordance with this Section 16(a)):

the Trust:	Wheeler Real Estate Investment Trust, Inc. Riversedge North, Suite 200 2529 Virginia Beach Boulevard Virginia Beach, Virginia 23452 Attention: Jon S. Wheeler Fax: (757) 627-9081
with a copy to:	Kaufman & Canoles, a Professional Corporation 150 W. Main Street Norfolk, Virginia 23510 Attention: Charles E. Land, Esq. Fax: (757) 624-3169
The Operating Partnership:	Wheeler Real Estate Investment Trust, Inc. Riversedge North, Suite 200 2529 Virginia Beach Boulevard Virginia Beach, Virginia 23452 Attention: Jon S. Wheeler Fax: (757) 627-9081
with a copy to:	Kaufman & Canoles, a Professional Corporation 150 W. Main Street Norfolk, Virginia 23510 Attention: Charles E. Land, Esq. Fax: (757) 624-3169
The Manager:	WHLR Management, LLC Riversedge North, Suite 200 2529 Virginia Beach Boulevard Virginia Beach, Virginia 23452 Attention: Jon S. Wheeler Fax: (757) 627-9081

with a copy to: Kaufman & Canoles, a Professional Corporation
150 W. Main Street
Norfolk, Virginia 23510
Attention: Charles E. Land, Esq.
Fax: (757) 624-3169

Any Notice sent as aforesaid shall be deemed given and effective upon actual receipt (or refusal of receipt).

(b) Binding Nature Agreement; Successors and Assigns; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns. Except as provided in this Agreement with respect to indemnification of Indemnified Parties hereunder, nothing in this Agreement shall confer any rights upon any Person other than the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

(c) Integration. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

(d) Amendments. This Agreement, nor any terms hereof, may not be amended or supplemented except in an installment in writing executed by the parties hereto.

(e) GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF VIRGINIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VIRGINIA AND THE UNITED STATES DISTRICT COURT FOR ANY DISTRICT WITHIN SUCH STATE FOR THE PURPOSE OF ANY ACTION OR JUDGMENT RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND TO THE LAYING OF VENUE IN SUCH COURT.

(f) WAIVER OF JURY TRIAL. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND, THEREFORE, EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(g) No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of a party hereto, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(h) Costs and Expenses. Each party hereto shall bear its own costs and expenses (including the fees and disbursements of counsel and accountants) incurred in connection with the negotiations and preparation of this Agreement, and all matters incident thereto. If any party hereto initiates any legal action arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees, expert witness fees and expenses incurred by the prevailing party in connection therewith.

(i) Section Headings. The section and subsection headings in this Agreement are for convenience in reference only and shall not be deemed to alter or affect the interpretation of any provisions hereof.

(j) Counterparts. This Agreement may be executed (including by facsimile transmission) with counterpart signature pages or in any number of separate counterparts, and all of which taken together shall be deemed to constitute one and the same instrument.

(k) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

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IN WITNESS WHEREOF, each of the parties hereto has executed this Management Agreement as of the date first written above.

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By: _____
Name: Jon S. Wheeler, President

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

By: Wheeler Real Estate Investment Trust, Inc., its General Partner

By: _____
Name: Jon S. Wheeler, President

WHLR MANAGEMENT, LLC

By: _____
Name: Jon S. Wheeler
Title:

Exhibit 10.11

CONTRIBUTION AND SUBSCRIPTION AGREEMENT

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

THE UNITS ACQUIRED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, STATE SECURITIES LAWS OR THE LAWS OF ANY COUNTRY OUTSIDE THE UNITED STATES. ISSUANCE OF THE UNITS IS MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION. THE UNITS CANNOT BE SOLD, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS THEY ARE REGISTERED IN COMPLIANCE WITH FEDERAL AND STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION THEREFROM.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS BEING OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Wheeler Real Estate Investment Trust, L.P.
Riversedge North
2529 Virginia Beach Blvd.
Suite 200
Virginia Beach, VA 23452

Ladies and Gentlemen:

The undersigned (the "Subscriber") understands and acknowledges that Wheeler Real Estate Investment Trust, L.P., a Virginia limited partnership (the "Company"), is offering for sale, to certain qualifying subscribers, Partnership Common Units (the "Units") in the Company pursuant to this Contribution and Subscription Agreement (the "Subscription Agreement") and the Company's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement").

The Subscriber understands and acknowledges that the Company has not retained counsel to represent the interests of the Subscribers, and that each Subscriber should consult with its own legal, tax and investment advisors regarding a potential purchase of Units.

The Subscriber acknowledges that the Subscriber is not acting on the basis of any representations or warranties other than those contained herein and understands that the offering of the Units (the "Offering") is being made pursuant to one or more exemptions from registration

and without registration of the Units under the Securities Act of 1933, as amended (the "Securities Act"), or any securities, "blue sky" or other similar laws of any state ("State Securities Laws").

The Subscriber understands that the Company has been formed by Wheeler Real Estate Investment Trust, Inc., a Maryland corporation ("REIT") which is the general partner of the Company. The Offering is being made in contemplation of the initial public offering of shares of the common stock of the REIT ("REIT Shares") and the contemporaneous acquisition by the Company in a series of related transactions (the "Related Acquisitions") of multiple real properties or entities that own real properties. The Subscriber has been provided a copy of and an opportunity to review the Company's Private Placement Memorandum dated , 2012 in connection with the Offering.

1. Basic Transaction and Consideration. The Company is offering the Units pursuant hereto in consideration for the contribution by Subscriber to the Company of all of its membership interests ("Membership Interests") in , LLC, a Virginia limited liability company ("Property Owner"). The Property Owner is the owner of certain real property and improvements located in .

2. Contribution and Subscription.

(a) Subject to the terms and conditions hereof and the provisions of the Partnership Agreement, Subscriber shall contribute, sell, assign and transfer all of its Membership Interests to the Company in consideration for the issuance by the Company to Subscriber of that number of Units equal to (x) Subscriber's Sale Percentage (as defined below) in the Property Owner multiplied by (y) the Property Owner Valuation (as defined below) divided by (z) the per share issuance price of the REIT's common stock in its contemplated initial public offering. "Sale Percentage" means the percentage of net proceeds that would be distributed to Subscriber as a member of the Property Owner, in accordance with the Property Owner's operating agreement as in effect immediately prior to Closing, upon the sale of all or substantially all of the Property Owner's assets for an amount equal to the Property Owner Valuation. "Property Owner Valuation" means the aggregate purchase price for 100% of the Membership Interests in the Property Owner, which shall be $ plus or minus such customary credits, pro rations and other adjustments for operating costs and liabilities as may be agreed by the Company and the manager of the Property Owner in connection with Closing (as defined below). Notwithstanding the foregoing, in the event that the undersigned has elected Option B pursuant to the Consent and Election in the form attached hereto as **Appendix A** ("Consent and Election"), the Company shall deliver cash payment to the undersigned in an amount equal to the undersigned's Sale Percentage multiplied by the Property Owner Valuation, minus any applicable withholding taxes and after withholding of twenty-five percent (25%) of the total amount of such cash payment (without giving effect to withholding taxes) to be held in escrow by the manager of the Property Owner ("Escrow"). The Property Owner Valuation has been determined by dividing the Property Owner's projected "Net Operating Income" for the calendar year 2011 by the capitalization rate of %. For the purposes of this Agreement, "Net Operating Income" means net income before depreciation, amortization, debt service and nonrecurring items. The Units issued to Subscriber pursuant to this Agreement shall be subject to a restriction that any

common stock in the REIT for which the Units may be exchanged may not be sold or otherwise transferred until after the adjustment pursuant to subsection 2(b), if any, is made.

(b) The number of Units issued as consideration for the Membership Interests shall be recalculated by determining the Property Owner Valuation using the formula described in subsection 2(a) above (including the per share issuance price of the REIT's initial public offering of its common stock) following the end of the calendar year 2012. The recalculation (the "Recalculation") shall be based on the Property Owner's Net Operating Income for such year as reflected in the Company's audited financial statements for such year. If the number of Units determined by the Recalculation is more than the number of Units issued to Subscriber pursuant to subsection 2(a) above, then the Company shall issue additional Units to Subscriber equal to the sum of (i) the difference between (A) the number of Units determined by the Recalculation and (B) the number of Units issued to Subscriber at Closing and (ii) the product determined by multiplying the number of additional Units determined in clause (i) of this sentence by the total distributions per Unit made by the Company (including dividends the record date for which has occurred but which have not been paid) during the period beginning on the date of the Closing and ending on the day of issuance of the additional Units. Conversely, if the number of Units determined by the Recalculation is less than the number of Units determined pursuant to subsection (a) above, then Subscriber shall forfeit to the Company the number of Units equal to the sum of (i) the difference between (A) the number of Units issued to Subscriber at Closing and (B) the number of Units determined by the Recalculation and (ii) the product determined by multiplying the number of Units to be forfeited pursuant to clause (i) of this sentence by the total distributions per Unit made by the Company (including dividends the record date for which has occurred but which have not been paid) during the period beginning on the date of the Closing and ending on the day of the forfeiture of such Units. Such issuance or forfeiture, as the case may be, shall occur automatically and without notice or consent of any person, and each officer of the Company shall be authorized to update the books and records of the Company to reflect such issuance or forfeiture with immediate effect. In the event that the Subscriber has elected to receive a cash payment pursuant to Option B of the Consent and Election, any Recalculation resulting in a downward adjustment to the Property Owner Valuation, the Manager shall cause to be paid to the Company that amount of the Subscriber's Escrow as represents the difference between the initial determination of the cash proceeds payable to Subscriber and the amount determined pursuant to the Recalculation, and any remaining Escrow shall be remitted to Subscriber. In the event that the Recalculation results in an upward adjustment to the Property Owner Valuation, the Company shall pay to Subscriber the difference between the initial determination of the cash proceeds payable to Subscriber and the amount determined pursuant to the Recalculation, and any remaining Escrow shall be remitted to Subscriber.

(c) The undersigned agrees that this Subscription Agreement shall be irrevocable and shall survive the death, dissolution or legal incapacity of the Subscriber.

(d) The Company has entered into separate but substantially identical Contribution and Subscription Agreements in connection with this Offering (the "Other Subscription Agreements" and, together with this Subscription Agreement, the "Subscription Agreements") with other purchasers (the "Other Purchasers"), providing for the issuance to the Other Purchasers of the Company's securities and the admission of the Other Purchasers to the Company as limited partners. This Subscription Agreement and the Other Subscription Agreements are separate agreements, and the sales of the Company's securities to the Subscriber and the Other Purchasers are to be separate sales.

(e) The consideration described in Section 2 shall be issued or paid, as applicable, at Closing to the Property Owner's manager or an account designated by the Property Owner's manager, for further distribution by such manager to the undersigned following Closing.

3. General Consent and Waiver.

(a) The undersigned consents to the sale and transfer of its Membership Interests on the terms set forth herein and to the sale and transfer of the other membership interests in the Property Owner on substantially the terms described herein, and expressly waives any and all consent rights, rights of first refusal, appraisal rights or other similar rights or restrictions on transfer, including without limitation those set forth in the operating agreement of the Property Owner. The undersigned hereby releases and forever discharges the Company, the Property Owner, and their respective members, partners, directors, officers, managers, agents, attorneys, and representatives, of and from any and all manner of actions, claims, causes of action, suits, debts, demands, sums of money, controversies, damages, judgments, losses, costs, expenses, liabilities and obligations, of any nature whatsoever, including but not limited to those arising from any membership interest in the Property Owner, any rights, title or interest therein, or any distribution, compensation, bonus, options or remuneration of any type or nature whatsoever, whether arising at law, in equity or otherwise, which such person may now or, hereafter can, shall or may have, against any of them, arising on or prior to the date hereof.

(b) Each Subscriber who has selected Option A pursuant to the attached Consent and Election, upon execution hereof shall be deemed to have executed and delivered the Partnership Agreement of the Company, and upon acceptance of this Subscription Agreement by the Company and Closing (as defined below), Subscriber shall be bound by the Partnership Agreement and subject to all rights and obligations thereof.

4. Acceptance of Subscription. The Subscriber understands and acknowledges that (a) the Company has the unconditional right, exercisable in its sole and absolute discretion, to accept (in whole or in part) or reject this Subscription Agreement, (b) this Subscription Agreement shall not be valid or binding unless and until accepted by the Company, (c) this Subscription Agreement shall be deemed to be accepted by the Company only when it is signed by an authorized signatory on behalf of the Company, and (d) notwithstanding anything in this Subscription Agreement to the contrary, the Company shall have no obligation to issue any Units under any circumstances that may constitute a violation of the Securities Act or any State Securities Laws or any other statutes, laws, rules or regulations (the "Laws"). The Company will notify the Subscriber promptly after all conditions hereto have been satisfied, at which time the Purchase Price shall be deemed accepted by the Company and the Units shall be issued to the Subscriber (the "Closing").

5. Representations and Warranties of the Company. The Company represents and warrants that as of the Closing:

(a) The Company is duly formed and is validly existing as a limited partnership under the laws of the Commonwealth of Virginia with full power and authority to conduct its business as currently conducted.

(b) The Units have been duly authorized by the Company and, when issued and paid for in accordance with the terms herein and in the Partnership Agreement, will be validly issued.

6. Representations and Warranties of the Subscriber.

(a) Each Subscriber who has selected Option A pursuant to the attached Consent and Election hereby represents and warrants to and covenants with the Company as follows:

(i) Accuracy of Information. All of the information provided by the Subscriber pursuant to this Subscription Agreement is true, correct and complete in all respects, and the Company shall be entitled to rely thereon. Any other information the Subscriber has provided to the Company about the Subscriber is correct and complete as of the date of this Subscription Agreement.

(ii) Disclosure Advice. The Subscriber has either consulted the Subscriber's own investment adviser, attorney or accountant about the investment and proposed purchase of any Units and its suitability to the Subscriber or chosen not to do so, despite the recommendation of that course of action by the Company. To the extent necessary, the Subscriber has retained, at the Subscriber's own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits, risks and consequences of this Subscription Agreement and of purchasing and owning the Units. Any special acknowledgment set forth herein shall not be deemed to limit the generality of this representation and warranty.

The Subscriber has received a copy of the form of the Partnership Agreement of the Company, and the Subscriber understands the risks of, and other considerations relating to, a purchase of any Units, including that by its execution hereof, the undersigned shall become a party to, and bound by the Partnership Agreement. The Subscriber has been given access to, and prior to the execution of this Subscription Agreement the Subscriber was provided with an opportunity to ask questions of, and receive answers from, the Company's officers and directors concerning the terms and conditions of the offering of Units, and to obtain any other information which the Subscriber and the Subscriber's investment representative and professional advisors requested with respect to the Company and the Subscriber's investment in the Company in order to evaluate the Subscriber's investment and verify the accuracy of all information furnished to the Subscriber regarding the Company. All such questions, if asked, were answered satisfactorily and all information or documents provided were found to be satisfactory.

(iii) Investment Representation and Warranty. The Subscriber is acquiring the Subscriber's Units for the Subscriber's own account or for one or more separate accounts maintained by the Subscriber or for the account of one or more pension or trust funds of which the Subscriber is trustee as to which the Subscriber is the sole qualified professional asset manager within the meaning of Prohibited Transaction Exemption 84-14 (a "QPAM") for the assets being committed hereunder, in each case not with a view to or for sale in connection with any distribution of all or any part of such Units. The Subscriber hereby agrees that the Subscriber will not, directly or indirectly, assign, transfer, offer, sell, pledge, hypothecate or otherwise

dispose of all or any part of such Units (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of all or any part of the Units) except in accordance with the registration provisions of the Securities Act or an exemption from such registration provisions, with any applicable state or other securities laws, and with the terms of the Partnership Agreement. If the Subscriber is purchasing for the account of one or more pension or trust funds, the Subscriber represents that (except to the extent the Subscriber has otherwise advised the Company in writing prior to the date hereof) the Subscriber is acting as sole trustee or sole QPAM for the assets being committed hereunder and has sole investment discretion with respect to the acquisition of the Units to be purchased by the Subscriber pursuant to this Subscription Agreement, and the determination and decision on the Subscriber's behalf to purchase such Units for such pension or trust funds is being made by the same individual or group of individuals who customarily pass on such investments, so that the Subscriber's decision as to purchases for all such funds is the result of such study and conclusion. The Subscriber has not offered or sold any portion of the Units and has no present intention of dividing such Units with others or of reselling or otherwise disposing of any portion of such Units either currently or after the passage of a fixed or determinable period of time or upon the occurrence or nonoccurrence of any predetermined event or circumstance.

(iv) Representation of Investment Experience and Ability to Bear Risk. The Subscriber (A) is knowledgeable and experienced with respect to the financial, tax and business aspects of the ownership of the Units and/or the REIT Shares and of the business contemplated by the Company and the REIT, and is capable of evaluating the risks and merits of purchasing the Units and, in making a decision to proceed with this investment, has not relied upon any representations, warranties or agreements, other than those set forth in this Subscription Agreement and the Partnership Agreement, if any, and (B) can bear the economic risk of an investment in the Company for an indefinite period of time, and can afford to suffer the complete loss thereof.

(v) Accredited Investor. Except as disclosed in Appendix B hereto, the Subscriber is an accredited investor within the meaning of rule 501(a) of Regulation D promulgated under the Securities Act by reason of the fact that the Subscriber is:

(a) a natural person and the Subscriber's individual net worth, or joint net worth with the Subscriber's spouse, at the time of this purchase exceeds $1,000,000 (excluding the value of Subscriber's primary residence) or a natural person who had an individual income in excess of $200,000 in each of the two previous years, or joint income with the Subscriber's spouse in excess of $300,000 in each of those years, and reasonably expects to reach the same income level in the current year. Further, the Subscriber has adequate means of providing all the Subscriber's current and foreseeable needs and personal contingencies and has no need for liquidity in this investment;

(b) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Subscriber's Units, with total assets in excess of $5,000,000;

(c) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Subscriber's Units in the Company, and this purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act;

(d) any director, executive officer or general partner of the Company;

(e) a bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in an individual or fiduciary capacity; a broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act or a business development company as defined in Section 2(a)(48) of that Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state of the United States of America, its political subdivisions, or any agency or instrumentality of a state of the United States of America or its political subdivisions, for the benefit of its employees that has total assets in excess of $5,000,000; an employee benefit plan within the meaning of Section 3(3) of ERISA whereby the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser; an employee benefit plan that has total assets in excess of $5,000,000; or an employee benefit plan that is a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(f) a private business development company as defined in Section 202(a)(22) of the Advisers Act; or

(g) an entity of which all of the equity owners are accredited investors as defined by any of the above Subsections (a) through (f).

(vi) Awareness of Risks; Suitability. The Subscriber represents and warrants that the Subscriber is aware that the Company has no operating history and currently owns no assets other than certain real properties to be acquired in connection herewith and in the Related Acquisitions. Subscriber understands that the Units involve a substantial degree of risk of loss of the Subscriber's entire investment, including without limitation, risks associated generally with start-up businesses and risks associated with investments in the capital markets, and that there is no assurance of any income from the Subscriber's investment. The Subscriber has evaluated the risks involved in investing in the Units and has determined that the Units are a suitable investment for the Subscriber. Specifically, the aggregate amount of the investments the Subscriber has in, and the Subscriber's commitments to, all similar investments that are illiquid is reasonable in relation to the Subscriber's net worth, both before and after the subscription for and purchase of the Units pursuant to this Subscription Agreement.

(vii) Residence. The Subscriber maintains the Subscriber's domicile at the address shown in the signature page of this Subscription Agreement and the Subscriber is not merely transient or temporarily resident there.

(viii) No Conflict; No Violation. The execution and delivery of this Subscription Agreement by the Subscriber and the performance of the Subscriber's duties and obligations hereunder (i) do not and will not result in a breach of any of the terms, conditions or provisions of, or constitute a default under (A) any charter, by-laws, trust agreement, operating agreement, partnership agreement or other governing instrument applicable to the Subscriber, (B) (1) any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement or understanding, or (2) any license, permit, franchise or certificate, in either case to which the Subscriber or the Subscriber's affiliates is a party or by which the Subscriber or any of them is bound or to which the Subscriber's or any of their properties are subject; (ii) do not require any authorization or approval under or pursuant to any of the foregoing; or (iii) do not violate any statute, regulation, law, order, writ, injunction or decree to which the Subscriber or any of the Subscriber's affiliates is subject.

(ix) No Default. The Subscriber is not (i) in default (nor has any event occurred which with notice, lapse of time, or both, would constitute a default) in the performance of any obligation, agreement or condition contained in this Subscription Agreement or the Partnership Agreement, or (ii) in violation of any statute, regulation, law, order, writ, injunction, judgment or decree applicable to the Subscriber or any of the Subscriber's affiliates.

(x) No Litigation. There is no litigation, investigation or other proceeding pending or, to the Subscriber's knowledge, threatened against the Subscriber or any of the Subscriber's affiliates which, if adversely determined, would adversely affect the Subscriber's business or financial condition or the Subscriber's ability to perform the Subscriber's obligations under this Subscription Agreement.

(xi) OFAC. The Subscriber, and all beneficial owners of Subscriber (if Subscriber is an entity), are in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Asset Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). For purposes of this subsection, "Person" shall mean any corporation, partnership, limited liability company, joint venture, individual, trust, real estate investment trust, banking association, federal or state savings and loan institution and any other legal entity, whether or not a party hereto. In addition, neither the Subscriber nor any of the beneficial owners of the Subscriber (if the Subscriber is an entity):

(1) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists");

(2) has been indicted or arrested for money laundering or for predicate crimes to money laundering, convicted or pled nolo contendere to charges involving money laundering or predicate crimes to money laundering;

(3) has been determined by competent authority to be subject to the prohibitions contained in the Orders;

(4) is owned or controlled by, nor acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders;

(5) shall transfer or permit the transfer of any interest in the Subscriber or such parties to any Person who is, or whose beneficial owners are, listed on the Lists; or

(6) shall assign this Subscription Agreement or any interest herein, to any Person who is listed on the Lists or who is engaged in illegal activities.

If the Subscriber obtains knowledge that the Subscriber, or, if Subscriber is an entity, any of Subscriber's partners, members, stockholders, managers, directors or beneficial owners, become listed on the Lists or are indicted, arraigned, or custodially detained on charges involving money laundering or predicate crimes to money laundering, the Subscriber shall immediately notify the Company.

(xii) Representations Current. The Subscriber understands that, unless the Subscriber notifies the Company in writing to the contrary before the Closing, all the representations and warranties contained in this Subscription Agreement will be deemed to have been reaffirmed and confirmed as of the date of the Closing, taking into account all information received by the Subscriber after the date hereof up to the date of the Closing.

(xiii) No Tax Representations. The Subscriber is aware that any federal and state tax benefits may be limited by rules regarding basis, amounts at risk, and passive losses, and that any federal and/or state income tax benefits which may be available to the Subscriber may be lost through the adoption of new laws or regulations, to changes to existing laws and regulations and to changes in the interpretation of existing laws and regulations. The Subscriber further represents that the Subscriber is relying solely on the Subscriber's own conclusions or the advice of the Subscriber's own counsel or investment representative with respect to tax aspects of any investment in the Company and that no representations or warranties have been made to the Subscriber by the Company as to the tax consequences of this investment, or as to credits, profits, losses or cash flow which may be received or sustained as a result of this investment. The Subscriber is advised to consult its own tax advisors and counsel regarding the tax consequences of investment in the Company.

(b) The undersigned, whether having elected Option A or Option B pursuant to the attached Consent and Election, hereby makes the following representations and warranties

to the Company as of the Effective Date and as of the Closing as though made again on and as of such date:

(i) Organization and Authority. If other than a natural person, the undersigned has been duly formed and is validly existing and in good standing under the laws of its jurisdiction of organization. The undersigned has the full right and authority to enter into this Subscription Agreement and to transfer its Membership Interests and to consummate or cause to be consummated the transactions contemplated by this Subscription Agreement. The persons signing this Subscription Agreement on behalf of the undersigned are authorized to do so.

(ii) Noncontravention. Neither the entry into nor the performance of, or compliance with, this Subscription Agreement by the undersigned has resulted, or will result, in any violation of, or default under, or result in the acceleration of, any obligation under any existing organizational documents or agreements, mortgage, indenture, lien agreement, note, contract, permit, judgment, decree, order, restrictive covenant, statute, rule, or regulation applicable to the undersigned (excluding any loan documents to which the Property Owner or its assets may be subject).

(iii) Agreement Binding. This Agreement constitutes a legal, valid and binding obligation of the undersigned, enforceable against the undersigned in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity). All other documents executed by the undersigned at or in connection with the Closing will be duly authorized, executed, and delivered by the undersigned, are or at the Closing will be legal, valid, and binding obligations of the undersigned in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity) and do not violate any provisions of any agreement to which the undersigned is a party or to which it is subject (excluding any loan documents to which the Property Owner or its assets may be subject).

(iv) Consents. Each consent, approval, authorization, order, license, certificate, permit, registration, designation, or filing by or with any governmental agency or body necessary for the execution, delivery, and performance of this Subscription Agreement or the transactions contemplated hereby by the undersigned have been obtained or will be obtained on or before the Closing.

(v) Ownership. The undersigned further represents and warrants to the Company that (A) it is the owner of the Membership Interests to be conveyed hereby, free and clear of all liens and encumbrances, and has not pledged, collaterally assigned, hypothecated or otherwise encumbered all or any portion thereof, (B) no understanding, agreement (either express or implied), or reasonable expectancy of agreement with respect to the sale or transfer of such Membership Interests or sale, lease or other transfer of the Property Owner or its assets exists between the undersigned and any third party, and (C) there are no (i) outstanding or authorized options, warrants, or convertible securities relating to such Membership Interests or (ii) other rights, agreements, arrangements or commitments of any character relating to such Membership

Interests that would be binding on the Company as the successor owner thereof or would encumber such Membership Interests.

(vi) Bankruptcy. The undersigned has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, suffered the appointment of a receiver to take possession of substantially all of its assets, or suffered the attachment or other judicial seizure of substantially all of its assets.

(vii) Capacity to Contract. If the undersigned is an individual, he or she represents that he or she is over 21 years of age and has the capacity to execute, deliver and perform this Subscription Agreement.

(viii) Power, Authority; Valid Agreement. (i) The undersigned has all requisite power and authority to execute, deliver and perform its obligations under this Subscription Agreement and, if applicable, to subscribe for and acquire the Units; (ii) the undersigned's execution of this Subscription Agreement has been authorized by all necessary corporate or other action on the undersigned's behalf; and (iii) this Subscription Agreement is valid, binding and enforceable against the undersigned in accordance with its respective terms.

(ix) Further Assurances. The undersigned agrees to furnish any additional information requested to assure compliance with the Securities Act, State Securities Laws and any other applicable Laws in connection with the transactions contemplated hereby.

7. Restrictions on Transfer or Sale of the Units.

(a) The Subscriber is acquiring the Units solely for the Subscriber's own beneficial account, for investment purposes, and not with view to, or for resale in connection with, any distribution of the Units. The Subscriber understands that the offer and the sale of the Units has not been registered under the Securities Act or any State Securities Laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of the Subscriber and of the other representations made by the Subscriber in this Subscription Agreement. The Subscriber understands that the Company is relying upon the representations, covenants and agreements contained in this Subscription Agreement (and any supplemental information) for the purposes of determining whether this transaction satisfies the requirements for such exemptions.

(b) The Subscriber understands that the Units are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the SEC provide in substance that the Subscriber may dispose of the Units only pursuant to an effective registration statement under the Securities Act or an exemption therefrom, and the Subscriber understands that the Company shall have no obligation to register any of the Units purchased by the Subscriber hereunder (or the shares of the REIT's common stock exchangeable for the Units) or to take action so as to permit sales pursuant to the Securities Act (including Rule 144 thereunder) except as may be set forth in the Company's Partnership Agreement.

(c) The Subscriber agrees that: (A) the Subscriber will not sell, assign, pledge, give, transfer or otherwise dispose of the Units or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to a registration of the Units under the Securities Act and all applicable State Securities Laws or in a transaction which is exempt from the registration provisions of the Securities Act and all applicable State Securities Laws; and (B) the Company shall not be required to give effect to any purported transfer of any of the Units except upon compliance with the foregoing restrictions.

(d) Subscriber acknowledges that (i) the Units are not redeemable or exchangeable for cash or REIT Shares for a minimum of twelve (12) months after the date of issuance, and (ii) the Units have not been registered under the Securities Act and, therefore, unless registered under the Securities Act or an exemption from registration is available, must be held (and the Subscriber must continue to bear the economic risk of the investment in the REIT Shares and/or Units) indefinitely and may not be transferred or sold.

(e) The Units are subject to restrictions on beneficial and constructive ownership and transfer for the purpose of the REIT's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the REIT's charter, (i) no person may beneficially or constructively own shares of the REIT's common stock in excess of 9.9% (in value or number of shares) of the outstanding shares of common stock of the REIT unless such person is an excepted holder (in which case the excepted holder limit shall be applicable); (ii) no person may beneficially or constructively own shares of capital stock of the REIT in excess of 9.9% of the value of the total outstanding shares of capital stock of the REIT, unless such person is an excepted holder (in which case the excepted holder limit shall be applicable); (iii) no person may beneficially or constructively own capital stock that would result in the REIT being "closely held" under section 856(h) of the Code or otherwise cause the REIT to fail to qualify as a real estate investment trust; and (iv) no person may transfer shares of capital stock if such transfer would result in the capital stock of the REIT being owned by fewer than 100 persons.

8. Survival and Indemnification. All representations, warranties and covenants contained in this Subscription Agreement and the indemnification contained in this Paragraph shall survive (i) the acceptance of the Subscription Agreement by the Company, (ii) changes in any transactions, documents and instruments, including the Partnership Agreement, which are not material or which are to the benefit of the Subscriber, and (iii) the death, incapacity or disability of the Subscriber. The Subscriber acknowledges that it understands the meaning and legal consequences of the representations, warranties and covenants contained in this Subscription Agreement, including this Paragraph hereof, and that the Company has relied upon such representations, warranties and covenants in determining the Subscriber's qualification and suitability to purchase the Units. The Subscriber hereby agrees to indemnify, defend and hold harmless the Company, and the directors, officers, employees, agents and controlling persons of the Company, from and against any and all losses, claims, damages, liabilities, expenses (including attorneys' fees and costs), judgments or amounts paid in settlement of actions arising out of or resulting from the untruth of any representation in this Subscription Agreement or the breach of any warranty or covenant contained in this Subscription Agreement.

9. Cautionary Statements Regarding Forward Looking Statements.

Subscriber is aware that any informational materials reviewed by Subscriber in connection with the Company may contain forward looking statements. Any forward-looking statements contained in any such informational materials were based on current expectations involving many risks and uncertainties, especially in light of the nature of the Company and its business. The Company's actual financial results may differ materially from any results which might be projected, forecast, estimated or budgeted by the Company in forward-looking statements. Among the many factors that could cause actual results to differ materially are general economic conditions, changes in the capital markets, including changes in interest rates and availability of capital, and competition from businesses engaged in similar enterprises, both those currently in existence as well as those that may arise in the future.

10. Consents Regarding Organizational Documents. The undersigned acknowledges that the agreements contained herein and the transactions contemplated hereby and any actions taken in contemplation of the transactions contemplated hereby may conflict with, and may not have been contemplated by, the organizational documents of the Property Owner or other agreements among one or more holders of ownership interests therein expressly gives all consents (and any consents necessary to authorize the proper parties in interest to give all consents) and waivers it is entitled to give that are necessary or desirable to facilitate the contribution or contemplated hereby, or other Related Acquisitions. In addition, if the transactions contemplated hereby occur, this Agreement shall be deemed to be an amendment to the organizational documents of the Property Owner to the extent the terms herein conflict with the terms thereof, including without limitation, terms with respect to allocations, distributions and the like. In the event the transactions contemplated by this Agreement do not occur, nothing in this Agreement shall be deemed to be or construed as an amendment or modification of, or commitment of any kind to amend or modify, the organizational documents of the Property Owner, which shall remain in full force and effect without modification.

11. Conditions to Obligations of the Company. The obligations of the Company to issue and sell the Units are subject to the following conditions:

(a) The representations and warranties of the Subscriber contained in this Subscription Agreement shall be true and correct in all respects, with the same effect as though such representations and warranties had been made on and as of the date of the Closing.

(b) Subscriber shall have duly performed and complied with all agreements and conditions contained in this Subscription Agreement required to be performed or complied with by the Subscriber prior to or at the time of the Closing, including payment of the Purchase Price.

(c) The REIT shall have closed or shall close contemporaneously on the initial public offering of its stock on such terms and conditions as are acceptable to it in its sole discretion.

(d) The Company shall have closed or shall close contemporaneously on the transactions contemplated by that certain Contribution Agreement dated on or about the date hereof between the Company, and Management, LLC, as Contributor, pursuant to which such Contributor has contributed its ownership interest in the Property Owner to the Company.

12. Notices. All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally, sent postage prepaid by registered or certified air mail or overnight air courier with guaranteed delivery, as follows:

(a) if to the Company, at the following address:

Wheeler Real Estate Investment Trust, L.P.
Riversedge North
2529 Virginia Beach Blvd., Suite 200
Virginia Beach, VA 23452

(b) if to the Subscriber, at the address set forth on Appendix A, or

(c) at such other address as the Company or the Subscriber shall have specified by notice in writing to the other parties.

All notices and communications under this Subscription Agreement shall be deemed to have been duly given: (a) at the time delivered by hand, if personally delivered; (b) ten (10) days during which federal banks are open for business in the United States ("Banking Days") after being sent postage prepaid by registered or certified air mail; and (c) two (2) Banking Days after delivery to the courier, freight prepaid, if sent by overnight air courier guaranteeing delivery. If a notice or communication is sent in the manner provided above within the time prescribed, it shall be deemed duly given, whether or not the addressee receives it.

13. Modification or Changes. The undersigned agrees and covenants to notify the Company immediately upon the occurrence of any event prior to the Closing which would cause any representation, warranty, covenant or other statement contained in this Subscription Agreement to be false or incorrect or of any change in any statement made herein occurring prior to the Closing.

14. Assignability. This Subscription Agreement is not assignable by the Subscriber, and may not be modified, waived or terminated except by an instrument in writing signed by the party against whom enforcement of such modification, waiver or termination is sought.

15. Binding Effect. Except as otherwise provided herein, this Subscription Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns, and the agreements, representations, warranties and acknowledgments contained herein shall be deemed to be made

by and be binding upon such heirs, executors, administrators, successors, legal representatives and permitted assigns. If more than one person or entity subscribes for the Units purchased hereunder, the Subscriber and all other subscribers for the Units purchased hereunder shall be jointly and severally liable with respect to all the agreements, representations, warranties and acknowledgments governed herein, all of which shall be deemed to be made by and be binding upon each such person and their respective heirs, executors, administrators and successors.

16. Obligations Irrevocable. The obligations of the Subscriber hereunder shall be irrevocable, except with the consent of the Company or termination of the Offering.

17. Expenses. Each of the Company and Subscriber shall bear its own expenses incurred in connection with this Subscription Agreement and Subscriber's investment in the Company.

18. Integration. This Subscription Agreement, together with the Partnership Agreement, constitute the entire agreement of the Subscriber and the Company relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written. Subscriber agrees to comply fully with the terms and conditions of the Partnership Agreement which shall govern the Company and Subscriber's investment therein.

19. Governing Law. This Subscription Agreement shall be governed and controlled as to the validity, enforcement, interpretations, construction and effect and in all other aspects by the substantive laws of the Commonwealth of Virginia, without regard to the conflicts of law provisions hereof. The sole venue for any dispute under this Subscription Agreement shall be courts of competent jurisdiction sitting in Norfolk, Virginia. The Subscriber hereby irrevocably and unconditionally submits to the jurisdiction of such courts and waives any objection to inconvenient forum or venue with respect to any dispute arising hereunder.

20. Severability. If any provision of this Subscription Agreement or the application thereof to the Subscriber shall be held invalid or unenforceable to any extent, the remainder of this Subscription Agreement shall be enforced to the greatest extent permitted by law.

21. Headings. The headings in this Subscription Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define, or limit the scope, extent or intent of this Subscription Agreement or any provision hereof.

22. Counterparts. This Subscription Agreement may be executed in any number of counterparts, whether by original signature or electronic transmission, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same original agreement.

Executed and Delivered as of the date first above written by the undersigned.

Name:
Title:

APPENDIX A

CONSENT AND ELECTION

[attached]

APPENDIX B

SUBSCRIPTION FOR UNITS IN
WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

TYPE OF OWNERSHIP (Check One):

( ) INDIVIDUAL OWNERSHIP (one signature required)

( ) JOINT TENANTS WITH RIGHT OF SURVIVORSHIP (both parties must sign)

( ) TENANTS IN COMMON (all parties must sign)

( ) CORPORATION (include copies of the documents described in 2 below)

( ) PARTNERSHIP OR LIMITED LIABILITY COMPANY (include copies of the documents described in 3 below)

( ) TRUST (include copies of the documents described in 4 below)

****

PLEASE EXECUTE THE FOLLOWING PAGES

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

Please execute this Subscription Agreement by completing the appropriate section below.

1. **INDIVIDUAL**:

If the subscriber is an INDIVIDUAL, complete the following:

Signature of Investor	Signature of Joint Owner or Co-Owner	(if applicable)
Name (Please type or print)	Name of Joint Owner or Co-Owner	(if applicable)
	Telephone Number	
Mailing Address	Fax Number	

Email Address

Social Security Number/Tax Identification Number **(Required for tax purposes)**

Tax domicile **(Required for tax purposes)**

Date

If Check is to be sent to a different address please indicate below:

Check Address

2. CORPORATION:

If the subscriber is a CORPORATION, complete the following:

The undersigned hereby represents, warrants and agrees that (i) the undersigned has been duly authorized by all requisite action on the part of the corporation listed below (the "Corporation") to acquire the Units, (ii) the Corporation has all requisite power and authority to acquire the Units, and (iii) the undersigned officer of the Corporation has authority under the Articles of Incorporation, Bylaws, and resolutions of the Board of Directors of the Corporation to execute this Subscription Agreement. The undersigned officer encloses a true copy of the Articles of Incorporation, the Bylaws and, as necessary, the resolutions of the Board of Directors authorizing a purchase of the Units, in each case as amended to date.

Name of Corporation (Please type or print)

By: _____

Name: _____

Title: _____

Country of Formation

Telephone Number

Mailing Address

Fax Number

Tax Identification Number **(Required for tax purposes)**

Tax domicile **(Required for tax purposes)**

Date

If Check is to be sent to a different address please indicate below:

Check Address

3. **PARTNERSHIP OR LIMITED LIABILITY COMPANY**:

If the subscriber is a PARTNERSHIP OR LIMITED LIABILITY COMPANY, complete the following:

The undersigned hereby represents, warrants and agrees that (i) the undersigned is a general partner of the partnership named below (the "Partnership") or a manager or authorized member of the limited liability company named below ("LLC"), (ii) the undersigned general partner, manager, or member has been duly authorized by the Partnership, or LLC, to acquire the Units and the general partner, manager, or member has all requisite power and authority to acquire the Units, and (iii) the undersigned general partner, manager, or member is authorized by the Partnership, or LLC, to execute this Subscription Agreement. The undersigned general partner, manager, or member encloses a true copy of the Partnership Agreement of the Partnership, or Operating Agreement of the LLC, each as amended to date, together with a current and complete list of all partners, managers or members and, as necessary, the resolutions of the Partnership, or LLC, authorizing the purchase of the Units.

Name of Partnership or Limited Liability Company
(Please type or print)

By:_____

Name:_____
Title: General Partner/Manager/Authorized Member (circle one)

Country of Formation

Telephone Number

Mailing Address

Fax Number

Tax Identification Number **(Required for tax purposes)**

Tax domicile **(Required for tax purposes)**

Date

If Check is to be sent to a different address please indicate below:

Check Address

4. **TRUST:**

If the subscriber is a TRUST, complete the following:

The undersigned hereby represents, warrants and agrees that (i) the undersigned trustee is duly authorized by the terms of the trust instrument ("Trust Instrument") for the trust ("Trust") set forth below to acquire the Units, (ii) the undersigned, as trustee, has all requisite power and authority to acquire such Units for the Trust, and (iii) the undersigned trustee is authorized by such Trust to execute this Subscription Agreement. The undersigned trustee encloses a true copy of the Trust Instrument of said Trust, as amended to date, and, as necessary, the resolutions of the Trustees authorizing the purchase of the Units.

_____

Name of Trust (Please type or print)

By:_____

Name:_____

Title: Trustee

Country of Formation

_____ _____

Telephone Number

_____ _____

Mailing Address Fax Number

_____

Tax Identification Number **(Required for tax purposes)**

Tax domicile **(Required for tax purposes)**

_____

Date

If Check is to be sent to a different address please indicate below:

_____

_____

Check Address

[THIS PAGE FOR INDIVIDUAL INVESTORS ONLY]

INITIAL EACH BOX TRUE OR FALSE OR COMPLETE, AS APPROPRIATE

Verification of Status as "Accredited Investor" under Regulation D.

1. ☐ True ☐ False You are a natural person (individual) acting for your own personal account and not as an agent or representative of any person or entity (domestic or foreign).

2. ☐ True ☐ False You are a natural person (individual) whose own net worth, taken together with the net worth of your spouse, exceeds $1,000,000. Net worth for this purpose means total assets (excluding primary residence but including personal property and other assets) in excess of total liabilities.

3. ☐ True ☐ False You are a natural person (individual) who had an individual income in excess of $200,000 in each of the two previous years, or joint income with your spouse in excess of $300,000 in each of those years, and who reasonably expects to reach the same income level in the current year.

4. ☐ True ☐ False You are a director or executive officer of the Company.

5. ☐ True ☐ False You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of investing in the Units.

Disclosure of Foreign Citizenship.

1. ☐ True ☐ False You are a citizen of a country other than the United States.

[FOR INVESTORS OTHER THAN INDIVIDUALS]

INITIAL EACH BOX TRUE OR FALSE

1. ☐ True ☐ False You are either (i) a bank, or any savings and loan association or other institution acting in its individual or fiduciary capacity; (ii) a broker dealer; (iii) an insurance company; (iv) an investment company or a business development company under the Investment Company Act of 1940; (v) a Small Business Investment Company licensed by the U.S. Small Business Administration; (vi) an employee benefit plan whose investment decision is being made by a plan fiduciary, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan whose total assets are in excess of $5,000,000 or a self-directed employee benefit plan whose investment decisions are made solely by persons that are accredited investors; or (vii) a plan established and maintained by a state of the United States, its political subdivisions, or any agency or instrumentality of a state of the United States or its political subdivisions, for the benefit of its employees that has total assets in excess of $5,000,000.

2. ☐ True ☐ False You are a private business development company.

3. ☐ True ☐ False You are either (i) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (ii) a corporation, (iii) a Massachusetts or similar business trust, or (iv) a partnership, in each case not formed for the specific purpose of acquiring the securities offered and in each case with total assets in excess of $5,000,000.

4. ☐ True ☐ False You are an entity as to which all the equity owners are accredited investors.

5. ☐ True ☐ False You are a trust, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000 and whose purchase is directed by a sophisticated person.

6. ☐ True ☐ False You (i) were not formed, and (ii) are not being utilized, primarily for the purpose of making an investment in the Company.

7. ☐ True ☐ False You are, or are acting on behalf of, (i) an employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to ERISA, (ii) a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, or (iii) an entity which is deemed to hold the assets of any such employee benefit plan pursuant to 29 C.F.R. § 2510.3-101. For example, a plan which is maintained by a foreign corporation, governmental entity or church, a plan covering no common-law employees and an individual retirement account are employee benefit plans within the meaning of Section 3(3) of ERISA but generally are not subject to ERISA (collectively, "**Non-ERISA Plans**"). In general, a foreign or U.S. entity which is not an operating company and which is not publicly traded or registered as an investment company under the Investment Company Act and in which 25% or more of the value of any class of equity interests is held by employee pension or welfare plans (including an entity which is deemed to hold the assets of any such plan), would be deemed to hold the assets of one or more employee benefit plans pursuant to 29 C.F.R. § 2510.3-101. However, if only Non-ERISA Plans were invested in such an entity, the entity generally would not be subject to ERISA. For purposes of determining whether this 25% threshold has been met or exceeded, the value of any equity interests held by a person (other than such a plan or entity) who has discretionary authority or control with respect to the assets of the entity, or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliates of such person, is disregarded.

8. ☐ True ☐ False You are, or are acting on behalf of, such an employee benefit plan, that is subject to ERISA or a plan described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended, or are an entity deemed to hold the assets of any such plan or plans (i.e., you are subject to ERISA).

9. ☐ True ☐ False You are a U.S. pension trust or governmental plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended or a U.S. tax-exempt organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

10. ☐ True ☐ False You are acting on behalf of an insurance company general account and any part of the general account represents interests that may be deemed to be assets of benefit plan investors under applicable law.

11. ☐ True ☐ False Except as described in a letter to the Company dated at least five days prior to the date hereof, no part of the funds used by the Subscriber to acquire Units constitutes assets of any "employee benefit plan" within the meaning of Section 3(3) of ERISA, either directly or indirectly through one or more entities whose underlying assets include plan assets by reason of a plan's investment in such entities (including insurance company separate accounts, insurance company general accounts or bank collective investment funds, in which any such employee benefit plan (or its related trust) has any interest).

12. ☐ True ☐ False ☐ Not Applicable If Units are being acquired by or on behalf of any employee benefit plan (any such purchaser being referred to herein as an "ERISA Member"), (A) such acquisition has been duly authorized in accordance with the governing documents of such plan and (B) such acquisition and the subsequent holding of the Units do not and will not constitute a "non-exempt prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (i.e., a transaction that is not subject to an exemption contained in ERISA or in the rules and regulations adopted by the U.S. Department of Labor (the "DOL") thereunder).

ACCEPTANCE BY WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

ACCEPTED by the Company effective this day of , 2012.

The Company:

WHEELER REAL ESTATE INVESTMENT TRUST, L.P.

By: Wheeler Real Estate Investment Trust, Inc.,
its general partner

By: _____

Jon S. Wheeler
Chairman

Exhibit 10.13

, 2012

Wheeler Real Estate Investment Trust, Inc.
Riversedge North
2529 Virginia Beach Blvd., Suite 200
Virginia Beach, Virginia 23452

Re: Subordination of Dividend Payments

Ladies and Gentlemen:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "Undersigned") hereby agrees with Wheeler Real Estate Investment Trust, Inc. (the "Company") as follows:

1. The Undersigned hereby, expressly and in all respects, subordinates and makes junior and inferior all obligations of the Company to make dividend payments to the Undersigned related to the Company's common stock, $0.01 par value per share, held, directly or indirectly, by the Undersigned (collectively, the "Undersigned's Shares") to the payment of dividends to the (a) other common shareholders of the Company and (b) holders of partnership units in Wheeler Real Estate Investment Trust, L.P., a Virginia limited partnership, of which the Company is the sole general partner (collectively, the "Other Shareholders"). Unpaid dividends to the Undersigned shall accrue and be paid as directed by the independent members of the Company's board of directors upon the achievement of the milestones or termination of the subordination as set forth in detail below.

2. This agreement shall terminate (a) upon the earlier of (i) the date that is three years following the date of the final prospectus utilized in the Company's initial public offering (such final prospectus shall be filed with the U.S. Securities and Exchange Commission pursuant to Rule 424 in connection with the Company's Registration Statement on Form S-11, File No. 333-1777262), or (ii) the calendar day following the date upon which the closing price on the Nasdaq Stock Market of the Company's common stock meets or exceeds the dollar price that is 116.67% of the price per share used in the Company's initial public offering for a period of at least five consecutive trading days; and (b) if there are no unpaid dividends to the Other Shareholders outstanding.

3. In the event that, notwithstanding the provisions of this Agreement, any dividend payment shall be received by the Undersigned in contravention of the express terms of this Agreement, such dividend payments shall be held in express trust for the benefit of the Other Shareholders and shall be paid over or delivered to the Company for the benefit of the Other Shareholders.

4. The Undersigned shall not transfer, directly or indirectly, any of the Undersigned's Shares unless, as a condition precedent to the Company's recognizing such transfer, each transferee or assignee shall agree in writing to be subject to each of the terms of this Agreement by executing and delivering an adoption agreement acceptable to the Company in it's sole and absolute discretion. Upon the execution and delivery of such adoption agreement by any transferee, such transferee shall be deemed to be a party hereto as if such transferee were the transferor and such transferee's signature appeared on the signature pages of this Agreement. The Company shall not permit the transfer of the Undersigned's Shares subject to this Agreement on its books or issue a new certificate representing any such Undersigned's Shares unless and until such transferee shall have complied with the terms of this paragraph. Each certificate representing the Shares subject to this Agreement if issued on or after the date of this Agreement shall be endorsed by the Company with the legend set forth below:

"THE SHARES EVIDENCED HEREBY ARE SUBJECT TO A DIVIDEND SUBORDINATION AGREEMENT, AS MAY BE AMENDED FROM TIME TO TIME, (A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST FROM THE COMPANY), AND BY ACCEPTING ANY INTEREST IN SUCH SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF THAT DIVIDEND SUBORDINATION AGREEMENT, INCLUDING CERTAIN RESTRICTIONS ON TRANSFER AND OWNERSHIP SET FORTH THEREIN."

5. Terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6. This Agreement shall be governed by the internal law of the Commonwealth of Virginia.

7. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

8. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

9. No delay or omission to exercise any right, power or remedy accruing to any party under this agreement, upon any breach or default of any other party under this agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default previously or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this agreement, or any waiver on the part of any party of any

provisions or conditions of this agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

10. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

11. In the event of any issuance of shares of the Company's common stock hereafter to the Undersigned (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization, or the like), such additional shares shall be deemed to constitute a portion of the Undersigned's Shares and become subject to this Agreement and shall be endorsed with the legend set forth above.

12. The parties hereto (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Commonwealth of Virginia and to the jurisdiction of the United States District Court for the Eastern District of Virginia for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the Commonwealth of Virginia or the United States District Court for the Eastern District of Virginia, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

AGREED AND ACCEPTED:

COMPANY:

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By:_____

Name:_____

Title:_____

Date:_____

UNDERSIGNED:

_____

Name:_____

Date:_____

Exhibit 10.14

March 13, 2012

Mr. Harrison J. Perrine
P.O. Box 1558
Norfolk, VA 23501

Re: Formation of Wheeler Real Estate Investment Trust, Inc.

Dear Harrison:

This letter agreement (this "Letter Agreement") will serve to memorialize the legally binding agreement by and between you and me regarding the matters described below.

WHEREAS, Plume Street Financial, LLC (the "Company") is the sole Managing Member of Lumber River Management, LLC, a Virginia limited liability company ("Lumber River Management");

WHEREAS, Lumber River Management is the sole Managing Member of Lumber River Associates, LLC, a Virginia limited liability company ("Lumber River Associates" and together with Lumber River Management, the "Lumber River Entities");

WHEREAS, the Company is the sole Managing Member of Perimeter Management, LLC, a Virginia limited liability company ("Perimeter Management");

WHEREAS, Perimeter Management is the sole Managing Member of Perimeter Associates, LLC, a Virginia limited liability company ("Perimeter Associates" and together with Perimeter Management, the "Perimeter Entities");

WHEREAS, the Company is the sole Managing Member of Tuckernuck Management, LLC, a Virginia limited liability company ("Tuckernuck Management");

WHEREAS, Tuckernuck Management is the sole Managing Member of Tuckernuck Associates, LLC, a Virginia limited liability company ("Tuckernuck Associates" and together with Tuckernuck Management, the "Tuckernuck Entities");

WHEREAS, the undersigned believe that it is in the best interests of the Company that Jon S. Wheeler and Harrison J. Perrine agree to act on behalf of the Company as a group, including voting in concert, with respect to matters involving the Lumber River Entities, the Perimeter Entities and the Tuckernuck Entities and the formation of Wheeler Real Estate Investment Trust, Inc., a Maryland corporation (the "REIT"), and transactions related thereto (the "REIT Formation"); and

WHEREAS, the undersigned believe that it is in the best interests of the Company that Jon S. Wheeler be empowered and directed to act on behalf of the Company, including by voting any equity interests owned or controlled by the Company and acting as signatory for the Company, with respect to matters involving the REIT Formation.

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter set forth, we, intending legally to be bound, hereby agree as follows:

1. Jon S. Wheeler and Harrison J. Perrine agree to act as a group, including voting in concert, with respect to all Company matters involving the REIT Formation, including, but not limited to the contribution to the operating partnership of the REIT of (a) the interests owned by the Company in Lumber River Management, (b) the interests owned by Lumber River Management in Lumber River Associates, (c) the interests owned by Tuckernuck Management in Tuckernuck Associates, and (c) the interests owned by Perimeter Management in Perimeter Associates.

2. Jon S. Wheeler is directed to act on behalf of the Company, including by voting of any equity interests owned or controlled by the Company and acting as signatory for the Company, with respect to matters involving the REIT Formation

Please acknowledge your agreement with the terms of this Letter Agreement by countersigning below and returning an executed copy to me.

Sincerely,

JON. S. WHEELER

/S/ JON S. WHEELER

Acknowledged and Agreed:

HARRISON J. PERRINE

/S/ HARRISON J. PERRINE

Exhibit 10.15

COMMON STOCK PURCHASE WARRANT

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

W-2012-
Warrant Shares: Exercise Date: , 2012

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, Wellington Shields & Co. LLC (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after , 2013 (the "Exercise Date") and on or prior to the close of business on , 2017 (the "Termination Date") but not thereafter, to subscribe for and purchase from Wheeler Real Estate Investment Trust, Inc., a Maryland corporation (the "Company"), up to shares (the "Warrant Shares") of the Company's common stock, par value $0.01 per share ("Common Stock"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth, as applicable, in (i) that certain Placement Agreement (the "Placement Agreement"), dated , 2012, between the Company and the Holder, or (ii) as follows:

"1933 Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Affiliate" shall have the meaning ascribed to it in Rule 144 under the 1933 Act.

"Common Stock Equivalents" means any securities of the Company which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers, directors or consultants of the Company pursuant to any stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose, (b) shares of Common Stock that are issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the Exercise Date, provided that such securities have not been amended since the date of this Warrant to increase the number of such securities or to decrease the exercise,

exchange or conversion price of any such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors, provided any such issuance shall only be to a Person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Trading Day" means a day on which the Common Stock is traded on a Trading Market.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the American Stock Exchange or the New York Stock Exchange.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company); and, within 3 Trading Days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within 3 Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within 1 Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be 120% of the public offering price of the Common Stock, or $,, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at any time during the term of this Warrant there is no effective Registration Statement registering, or no current prospectus available for, the issuance or resale of the Warrant Shares by the Holder, then this Warrant may also be exercised at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the Volume Weighted Average Price or VWAP on the Trading Day immediately preceding the date of such election;

(B) = the Exercise Price of this Warrant, as adjusted; and

(X) = the number of Warrant Shares issuable upon exercise of this Warrant in accordance with the terms of this Warrant by means of a cash exercise rather than a cashless exercise.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Holder's Restrictions. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other person or entity acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(d) applies, the determination of

whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(d), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, (y) a more recent public announcement by the Company or (z) any other notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Beneficial Ownership Limitation provisions of this Section 2(d) may be waived by the Holder, at the election of the Holder, upon not less than 61 days' prior notice to the Company to change the Beneficial Ownership Limitation to 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant, and the provisions of this Section 2(d) shall continue to apply. Upon such a change by a Holder of the Beneficial Ownership Limitation from such 4.99% limitation to such 9.99% limitation, the Beneficial Ownership Limitation may not be further waived by the Holder. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

e) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Certificates for shares purchased hereunder shall be transmitted by the transfer agent of the Company to the Holder by crediting the account of the Holder's prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC") system if the Company is a participant in such system and either (A) there is an effective Registration

Statement for the issuance or permitting the resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise within 3 Trading Days from the delivery to the Company of the Notice of Exercise Form, surrender of this Warrant (if required) and payment of the aggregate Exercise Price as set forth above ("Warrant Share Delivery Date"). This Warrant shall be deemed to have been exercised on the date the Exercise Price is received by the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price (or by cashless exercise) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(e)(vi) prior to the issuance of such shares, have been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to Holder a new Warrant evidencing the rights of Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause its transfer agent to transmit to the Holder a certificate or certificates representing the Warrant Shares pursuant to this Section 2(e)(i) by the second Trading Day following the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause its transfer agent to transmit to the Holder a certificate or certificates representing the Warrant Shares pursuant to an exercise on or before the second Trading Day following the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (B) the price at which the

sell order giving rise to such purchase obligation was executed, and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (1) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which Holder would otherwise be entitled to purchase upon such exercise, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder; and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (A) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant or other Common Stock Equivalent), (B) subdivides outstanding shares of Common Stock into a larger number of shares, (C) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. If the Company, at any time while the Warrant is outstanding, shall issue rights, options or warrants to all holders of Common Stock (and not to Holders) entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the VWAP at the record date mentioned below, then the Exercise Price shall be multiplied by a fraction, of which the denominator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of the Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered (assuming receipt by the Company in full of all consideration payable upon exercise of such rights, options or warrants) would purchase at such VWAP. Such adjustment shall be made whenever such rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights, options or warrants.

c) Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to Holders of the Warrants) rights or warrants to subscribe for or purchase any security in the Company other than the Common Stock (which shall be subject to Section 3(b)), then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to

one outstanding share of the Common Stock as determined by the Company's Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

d) Fundamental Transaction.

(1) If, at any time while this Warrant is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (D) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation and is publicly traded, and any additional consideration (the "Alternate Consideration") receivable as a result of such merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder's right to exercise such warrant into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 3(e) and insuring that this Warrant (or

any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. Notwithstanding anything to the contrary, the Company shall not consummate a Fundamental Transaction that is (1) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Exchange Act, or (2) a Fundamental Transaction involving a Person not traded on a Trading Market that is a national securities exchange (an "Illiquid Fundamental Transaction") without the prior written consent of the Holder. In the event of an Illiquid Fundamental Transaction that occurs on account of a third party, the Company shall use best efforts to prevent such Illiquid Fundamental Transaction from occurring without first obtaining the written consent of the Holder.

(2) Notwithstanding the provisions of Section 3(e)(1), the Company shall have the right to require that Holder waive the requirements of Section 3(e)(1) with respect to an Illiquid Fundamental Transaction (the "Waiver") in exchange for a payment of cash in an amount equal to the value of the remaining unexercised portion of this Warrant on the date of such Illiquid Fundamental Transaction, which value shall be determined by use of the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg L.P. using (A) a price per share of Common Stock equal to the VWAP of the Common Stock for the Trading Day immediately preceding the date of consummation of the applicable Illiquid Fundamental Transaction, (B) a risk-free interest rate corresponding to the U.S. Treasury rate for a 30 day period immediately prior to the consummation of the applicable Illiquid Fundamental Transaction, (C) an expected volatility equal to the 100-day volatility obtained from the "HVT" function on Bloomberg L.P. determined as of the Trading Day immediately following the public announcement of the applicable Illiquid Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of such transaction and the Termination Date, with the Waiver becoming effective, and this Warrant cancelled, concurrently with such payment of such cash amount (the "Illiquid Fundamental Transaction Amount") to the Holder on the Illiquid Fundamental Transaction Closing Date. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 2(d), until such time that the Holder receives the Illiquid Fundamental Transaction Amount (at which point this Warrant shall be cancelled), this Warrant may be exercised, in whole or in part, by the Holder (x) prior to the Illiquid Fundamental Transaction Closing Date, into Common Stock pursuant to Section 1, or (y) upon (which may be expressly conditioned upon the closing of the Fundamental Transaction) or after the Illiquid Fundamental Transaction Closing Date, into any such shares and Alternate Consideration which the Holder would have been entitled to receive upon the happening of such Illiquid Fundamental

Transaction had the Warrant been exercised immediately prior to such Illiquid Fundamental Transaction Closing Date.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property; or (B) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company; then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such distribution or redemption, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such distributions or redemption are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant is transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer; provided, however, that until the first anniversary of the Exercise Date this Warrant may not be transferred to any Person other than the Holder's officers, partners or members of the selling group engaged pursuant to the Placement Agreement. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise. This Warrant does not entitle the Holder to any voting rights or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(e)(i).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the

posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed.

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or

consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Placement Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of all Holders from time to time of this Warrant and shall be enforceable by any the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By: _____

Name: Jon S. Wheeler
Title: President and Chairman

NOTICE OF EXERCISE

TO: WHEELER REAL ESTATE INVESTMENT TRUST, INC.

(1) The undersigned hereby elects to purchase Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

The undersigned Holder represents that following this exercise, such Holder shall not exceed the Beneficial Ownership Limitation described in Section 2(d).

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [ ] all of or [ ] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____ .

_____

Dated: ,

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.16

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement") is made and entered into as of the day of , 2012, by and among WELLINGTON SHIELDS & CO., LLC, a limited liability company and CAPITOL SECURITIES MANAGEMENT, INC., a corporation (individually and collectively, the "Placement Agent"), WHEELER REAL ESTATE INVESTMENT TRUST, INC., a Maryland corporation (the "Company"), and SUNTRUST BANK, a Georgia banking corporation (the "Escrow Agent").

R E C I T A L S:

A. The Company proposes to sell a minimum of 3,000,000 and a maximum of 4,000,000 shares of its common stock, par value $0.01 (the "Shares").

B. The Company has retained the Placement Agent, as agent for the Company on a best efforts, minimum-maximum basis, to sell the Shares in a public offering (the "Offering"), and the Placement Agent has agreed to sell the Shares in the Offering as the Company's agent on a best efforts, minimum-maximum basis.

C. The Escrow Agent is willing to hold the proceeds of the Offering in escrow pursuant to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in this Agreement, it is hereby agreed as follows:

1. Establishment of the Escrow Account. Contemporaneously herewith, the parties have established a non-interest-bearing account with the Escrow Agent, which escrow account is entitled "Wheeler REIT Offering Escrow Account" (the "Escrow Account"). The Placement Agent will transfer funds directly to the Escrow Agent as directed by its customers and will instruct other purchasers of the Shares to make checks payable to "SunTrust Bank."

2. Escrow Period. The escrow period (the "Escrow Period") shall begin with the commencement of the Offering and shall terminate upon the earlier to occur of the following dates:

(a) the date on which the Escrow Agent confirms that it has received in the Escrow Account gross proceeds for the sale of 3,000,000 Shares;

(b) December 22, 2012; or

(c) the date on which the Placement Agent and the Company notify the Escrow Agent in writing that the Offering has been terminated.

The Company is aware and understands that, during the Escrow Period, it is not entitled to any funds received into escrow and no amounts deposited in the Escrow Account shall

become the property of the Company or any other entity or be subject to the debts of the Company or any other entity.

3. Deposits into the Escrow Account. The Placement Agent agrees that it shall deliver to the Escrow Agent for deposit in the Escrow Account all monies received from purchasers of the Shares by noon of the next business day after receipt together with a written account of each sale, which account shall set forth, among other things, (a) the purchaser's name and address, (b) the number of Shares purchased by the purchaser, (c) the amount paid therefor by the purchaser, (d) whether the consideration received from the purchaser was in the form of a check, draft or money order, and (e) the purchaser's social security or tax identification number. The Escrow Agent agrees to hold all monies so deposited in the Escrow Account (the "Escrow Amount") for the benefit of the parties hereto until authorized to disburse such monies under the terms of this Agreement.

4. Disbursements from the Escrow Account. In the event that the Escrow Agent does not receive deposits for the sale of 3,000,000 Shares prior to the termination of the Escrow Period, or if the Placement Agent and the Company notify the Escrow Agent that the Offering has been terminated, the Escrow Agent shall promptly refund to each purchaser the amount received from the purchaser, without deduction, penalty, or expense to the purchaser, and the Escrow Agent shall notify the Company and the Placement Agent of its distribution of the funds. The purchase money returned to each purchaser shall be free and clear of any and all claims of the Company or any of its creditors.

In the event that the Escrow Agent does receive minimum deposits for the sale of 3,000,000 Shares prior to the termination of the Escrow Period, on the date of Closing (as defined below), the Escrow Agent shall disburse the Escrow Amount pursuant to the provisions of Section 6*; provided, however*, that in no event will the Escrow Amount be released to the Company until such amount is received by the Escrow Agent in collected funds. For purposes of this Agreement, the term "collected funds" shall mean all funds, including fed funds, received by the Escrow Agent which have cleared normal banking channels.

5. Collection Procedure.

(a) The Escrow Agent is hereby authorized to deposit each check in the Escrow Account.

(b) In the event that any check paid by a purchaser and deposited in the Escrow Account shall be returned, the Escrow Agent shall notify the Placement Agent by telephone of such occurrence and advise it of the name of the purchaser, the amount of the check returned, and any other pertinent information. The Escrow Agent shall then transmit the returned check directly to the purchaser and shall transmit the statement previously delivered by the Placement Agent relating to such purchase to the Placement Agent.

(c) If the Company rejects any purchase of Shares for which the Escrow Agent has already collected funds, the Escrow Agent shall promptly issue a refund check to the rejected purchaser. If the Placement Agent rejects any purchase for which the Escrow Agent has

not yet collected funds but has submitted the purchaser's check for collection, the Escrow Agent shall promptly issue a check in the amount of the purchaser's check to the rejected purchaser after the Escrow Agent has cleared such funds. If the Escrow Agent has not yet submitted a rejected purchaser's check for collection, the Escrow Agent shall promptly remit the purchaser's check directly to the purchaser.

6. Delivery of Escrow Account.

(a) Prior to the Closing (as defined in Section 8 of this Agreement), the Placement Agent and the Company shall provide the Escrow Agent with a statement, executed by each party, containing the following information:

(i) The total number of Shares sold by the Placement Agent directly to purchasers and a list containing the name of each purchaser, the number of Shares purchased by each purchaser, and a specification of the manner in which the Shares should be issued; and

(ii) A calculation by the Placement Agent and the Company as to the manner in which the Escrow Account should be distributed to the Company and the Placement Agent and, in the event of oversubscription or rejection of certain purchasers, the aggregate amount to be returned to individual purchasers and a listing of the exact amount to be returned to each such purchaser.

The Escrow Agent shall hold the Escrow Amount and distribute it in accordance with the above-described statement on the date of Closing or such later date that it receives the above-described statement.

(b) Upon termination of the Offering by the Company or the Placement Agent for any reason, the Escrow Agent shall return to the purchasers who contributed to the Escrow Account the exact amount contributed by them.

7. Investment of Escrow Account. The Escrow Agent shall deposit funds received from purchasers in the Escrow Account, which shall be a non-interest-bearing bank account at the Escrow Agent.

8. Closing Date. The "Closing" shall be the date of closing of the Offering, and the "Closing Date" shall be the date on or subsequent to the date on which the Escrow Agent has received minimum deposits for at least 3,000,000 Shares that is designated to the Escrow Agent by the Placement Agent and the Company as the Closing Date.

9. Compensation of Escrow Agent. The Company shall pay the Escrow Agent a fee for its services hereunder in an amount equal to Dollars ($), which amount shall be paid on the Closing Date. In the event the Offering is cancelled for any reason, the Company shall pay the Escrow Agent its fee within ten (10) days after the Escrow Amount is refunded to purchasers. No such fee or any other monies whatsoever shall be paid out of or chargeable to the funds on deposit in the Escrow Account.

10. Disbursement into Court. If, at any time, there shall exist any dispute between the Company, the Placement Agent and/or the purchasers with respect to the holding or disposition of any portion of the Escrow Amount or any other obligations of the Escrow Agent hereunder, or if at any time the Escrow Agent is unable to determine, to the Escrow Agent's sole satisfaction, the proper disposition of any portion of the Escrow Amount or the Escrow Agent's proper actions with respect to its obligations hereunder, or if the Company and the Placement Agent have not within thirty (30) days of the furnishing by the Escrow Agent of a notice of resignation appointed a successor Escrow Agent to act hereunder, then the Escrow Agent may, in its sole discretion, take either or both of the following actions:

(a) suspend the performance of any of its obligations under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of the Escrow Agent or until a successor Escrow Agent shall have been appointed (as the case may be)*; provided, however,* that the Escrow Agent shall continue to hold the Escrow Amount in accordance with Section 7 hereof; and/or

(b) petition (by means of an interpleader action or any other appropriate method) any court of competent jurisdiction in Richmond, Virginia, for instructions with respect to such dispute or uncertainty, and pay into court all funds held by it in the Escrow Account for holding and disposition in accordance with the instructions of such court.

The Escrow Agent shall have no liability to the Company, the Placement Agent or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of funds held in the Escrow Account or any delay in or with respect to any other action required or requested of the Escrow Agent.

11. Duties and Rights of the Escrow Agent. The foregoing agreements and obligations of the Escrow Agent are subject to the following provisions:

(a) The Escrow Agent's duties hereunder are limited solely to the safekeeping and disposition of the Escrow Account in accordance with the terms of this Agreement. It is agreed that the duties of the Escrow Agent are only such as herein specifically provided, being purely of a ministerial nature, and the Escrow Agent shall incur no liability whatsoever except for negligence, willful misconduct or bad faith.

(b) The Escrow Agent is authorized to rely on any document believed by the Escrow Agent to be authentic in making any delivery of the Escrow Amount. It shall have no responsibility for the genuineness or the validity of any document or any other item deposited with it and it shall be fully protected in acting in accordance with this Agreement or instructions received.

(c) The Company and the Placement Agent hereby waive any suit, claim, demand or cause of action of any kind which they may have or may assert against the Escrow Agent arising out of or relating to the execution or performance by the Escrow Agent of this

Agreement, unless such suit, claim, demand or cause of action is based upon the gross negligence, willful misconduct, or bad faith of the Escrow Agent.

12. Notices. All notices given hereunder will be in writing and delivered by registered or certified mail, return receipt requested, postage prepaid, hand-delivery, overnight courier, or confirmed facsimile or electronic mail transmission to the parties at the following addresses, or such other address as a party may specify by proper notice:

To the Company:

Wheeler Real Estate Investment Trust, Inc.,
Riversedge North
2529 Virginia Beach Blvd., Suite 200,
Virginia Beach, Virginia 23452
Attention: Jon S. Wheeler
Facsimile: (757) 627-9081
E-mail: jon@wheelerint.com

With a copy to:

Kaufman & Canoles, P.C.
Two James Center
1021 East Cary Street, Suite 1400
Richmond, Virginia 23219
Attention: Bradley A. Haneberg, Esq. and Zachary B. Ring, Esq.
Facsimile: (804) 771-5777
Email: bahaneberg@kaufcan.com

To the Placement Agent:

Wellington Shields & Co., LLC
140 Broadway, 44th Floor
NY, NY 10005
Attention: Edward Cabrera
Facsimile: (212) 320-3056
E-mail: ecabrera@wellingtonshields.com

and

Capitol Securities Management, Inc.
100 Concourse Blvd., Suite 101
Glen Allen, Virginia 23059
Attention: L. McCarthy Downs III
Facsimile: (804) 527-1104
E-mail: mdowns@capitolsecurities.com

With a copy to:

McCarter & English, LLP
265 Franklin Street
Boston, MA 02110
Attention: Theodore M. Grannatt, Esq.
Facsimile: (617) 607-6026
Email: tgrannatt@mccarter.com

To the Escrow Agent:

SunTrust Bank
919 East Main Street, 7th Floor
Richmond, Virginia 23219
Attention: _____
Facsimile: _____
E-mail: _____

Any notice delivered to the Escrow Agent by Wellington Shields & Co. LLC in accordance with this Section 12 shall be deemed to have been delivered by both Placement Agents. The Placement Agent may also deliver a Joint Notice, all other notifications are ineffective

13. Miscellaneous.

(a) This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

(b) If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

(c) This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia.

(d) This Agreement may not be modified except in writing signed by the parties hereto.

(e) All demands, notices, approvals, consents, requests and other communications hereunder shall be given in the manner provided in this Agreement.

(f) This Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

[Remainder of this page intentionally left blank; signature page following]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

WELLINGTON SHIELDS & CO., LLC,

By: _____
Name: Edward Cabrera
Title: Head of Investment Banking

CAPITOL SECURITIES MANAGEMENT, INC.

By: _____
Name: L. McCarthy Downs III
Title: Managing Director – Investment Banking

WHEELER REAL ESTATE INVESTMENT TRUST, INC.

By: _____
Name: Jon S. Wheeler
Title: President, Chairman

SUNTRUST BANK

By: _____
Name:
Title:

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

To the Partners and Stockholders of
Wheeler Real Estate Investment Trust, Inc. and
Affiliated Companies
Virginia Beach, Virginia

We hereby consent to the incorporation by reference in this Form S-11 of Wheeler Real Estate Investment Trust and Affiliated Companies for the years ended December 31, 2009, 2010, and 2011 of our report dated March 16, 2012 included in its Registration Statement on Form S-11 dated March 16, 2012 relating to the financial statements and financial statement schedules for the three years then ended listed in the accompanying index.

/s/ Cherry, Bekaert & Holland, L.L.P.

Virginia Beach, Virginia
March 16, 2012