CEDAR REALTY TRUST, INC.
Form 424B5
July 26, 2016
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated July 26, 2016

PROSPECTUS SUPPLEMENT

(To prospectus dated May 29, 2015)

5,000,000 Shares

CEDAR REALTY TRUST, INC.

Common Stock

We entered into a forward sale agreement with an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which affiliate we refer to in this capacity as the forward purchaser. Merrill Lynch, Pierce, Fenner & Smith Incorporated, as agent for its affiliated forward purchaser, which we refer to in this capacity as the forward seller, is, at our request, borrowing from third parties and selling to the underwriter an aggregate of 5,000,000 shares of our common stock, par value $0.06 per share, in connection with the forward sale agreement. If the forward purchaser determines, in its commercially reasonable judgment, that the forward seller is unable, after using commercially reasonable efforts, to borrow and sell the full number of such shares, or if the forward purchaser, in its sole judgment, determines that the forward seller would incur a share loan cost in excess of a specified threshold to do so, we will issue and sell to the underwriter a number of shares of our common stock equal to the number of shares that the forward seller does not so borrow and sell. We will not initially receive any proceeds from the sale of shares of our common stock by the forward seller, except in certain circumstances described in this prospectus supplement. We expect to physically settle the forward sale agreement and receive proceeds, subject to certain adjustments, from the sale of shares of our common stock upon one or more such physical settlements no later than July , 2017. Except in certain circumstances, we may also elect to cash settle or net share settle all or a portion of our obligations under the forward sale agreement. If we elect to cash settle the forward sale agreement, we may not receive any proceeds and we may owe cash to the forward purchaser in certain circumstances. If we elect to net share settle the forward sale agreement, we will not receive any proceeds, and we may owe shares of common stock to the forward purchaser in certain circumstances. See Underwriting Forward Sale Agreement in this prospectus supplement.

Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol CDR. On July 25, 2016, the last reported sales price of our common stock on the NYSE was $7.98 per share. To assist us in complying with certain federal income tax requirements applicable to real estate investment trusts, or REITs, our charter and bylaws contain certain restrictions relating to the ownership and transfer of our common stock, including an ownership limit of 9.9% of our total outstanding common stock.

The underwriter has agreed to purchase our common stock from us at a price of $ per share. We expect to receive net proceeds from the sale of our common stock, before estimated expenses, of $ million upon full physical settlement of the forward sale agreement, which we expect will occur no later than , 2017. For the purposes of calculating the aggregate net proceeds to us, we have assumed that the forward sale agreement will be fully physically settled based on the initial forward sale price of $ per share, which is the price at which the underwriter has agreed to buy the shares of common stock offered hereby. The forward sale price is subject to adjustment pursuant to the terms of the forward sale agreement, and any net proceeds to us will be calculated as described in this prospectus supplement. Although we expect to settle the forward sale agreement entirely by the full physical delivery of shares of common stock in exchange for cash proceeds, we may, except in certain circumstances, elect cash settlement or net share settlement for all or a portion of our obligations under the forward sale agreement. See Underwriting Forward Sale Agreement in this prospectus supplement for a description of the forward sale agreement. The underwriter may offer our common stock in transactions on the NYSE, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.

We have granted the underwriter an option to purchase up to 750,000 additional shares of common stock from us within 30 days after the date of this prospectus supplement.

If such option is exercised, such additional shares of common stock will be sold by the forward seller to the underwriter (except in certain circumstances described in this prospectus supplement), and we will enter into one or more additional forward sale agreements with the forward purchaser in respect of the number of shares of common stock that are subject to the exercise of the underwriter s option to purchase additional shares. Unless the context requires otherwise, the term forward sale agreement as used in this prospectus supplement includes any additional forward sale agreement that we will enter into in connection with the exercise by the underwriter of its option to purchase additional shares of our common stock. In the event that we enter into an additional forward sale agreement and any additional shares are sold by the forward seller to the underwriter, if the forward purchaser determines, in its commercially reasonable judgment, that the forward seller is unable, after using commercially reasonable efforts, to borrow and deliver for sale on the anticipated closing date for the exercise of such option the full number of shares of common stock with respect to which such option has been exercised, or if the forward purchaser, in its sole judgment, determines that the forward seller would incur a share loan cost in excess of a specified threshold to do so, then we will issue and sell to the underwriter a number of shares of common stock equal to the number of shares that the forward purchaser or its affiliate does not so borrow and sell.

Investing in our common stock involves risks that are described in the Risk Factors sections beginning on page S-7 of this prospectus supplement and beginning on page 13 of our Annual Report on Form 10-K for the year ended December 31, 2015.

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

The underwriter expects to deliver the shares of our common stock to purchasers on or about July , 2016 through the book-entry facilities of The Depository Trust Company.

BofA Merrill Lynch

The date of this prospectus supplement is July , 2016.

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Prospectus Supplement

Prospectus

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

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us. We have not, nor has the underwriter or the forward purchaser, authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by us, as well as the documents incorporated by reference, is accurate only as of their respective dates or on other dates which are specified in those documents. Our business, financial condition, results of operations, liquidity, and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary may not contain all of the information that is important to you. You should carefully read this entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors beginning on page S-7 of this prospectus supplement, as well as the information appearing under the caption Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, before making a decision to invest in our common stock. You should also read the documents we have referred you to in Incorporation of Certain Documents by Reference. This summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus.

The Company

We are a fully-integrated REIT that focuses primarily on ownership and operation of grocery-anchored shopping centers straddling the Washington D.C. to Boston corridor. We derive substantially all of our revenues from rents and operating expense reimbursements received pursuant to long-term leases. At June 30, 2016, we owned and managed a portfolio of 62 operating properties (excluding properties held for sale) totaling approximately 9.6 million square feet of gross leasable area, or GLA. We conduct our business and own all of our properties through our operating partnership, in which we owned at June 30, 2016 an approximate 99.6% economic interest, and are its sole general partner. Our principal executive offices are located at 44 South Bayles Avenue, Port Washington, NY 11050, our telephone number is (516) 767-6492 and our website address is www.cedarrealtytrust.com. The contents of our website are not a part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Portfolio Transactions

On May 4, 2016, we acquired Glenwood Village, located in Bloomfield, New Jersey. The purchase price for the property, which was unencumbered, was $19.5 million.

On February 25, 2016, we acquired Shoppes at Arts District, located in Hyattsville, Maryland. The purchase price for the property was $20.5 million, of which $8.5 million was funded from the assumption of a mortgage loan payable bearing interest at the rate of 5.2% per annum and maturing in April 2022.

On February 11, 2016, we sold Liberty Marketplace, located in Dubois, Pennsylvania, at a sales price of $15.0 million.

Debt Transactions

On July 1, 2016, we repaid a $4.6 million mortgage loan secured by Hamburg Square, located in Hamburg, Pennsylvania.

On June 26, 2016, we repaid a $10.0 million mortgage loan secured by West Bridgewater Plaza, located in West Bridgewater, Massachusetts.

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On May 3, 2016, we refinanced an existing $40.3 million mortgage loan payable secured by Franklin Village Plaza with a new $50.0 million mortgage loan payable, bearing interest at the rate of 3.9% per annum and maturing in June 2026.

On April 26, 2016, we closed a new $100 million unsecured term loan maturing April 26, 2023 (none of which was borrowed at closing). Proceeds from the term loan can be drawn at any time from closing until October 26, 2016. Interest on borrowings under the term loan can range from LIBOR plus 165 to 225 bps (165 bps on April 26, 2016), based on our leverage ratio. Additionally, we entered into a forward interest rate swap agreement which will convert the LIBOR rate to a fixed rate for the term loan beginning November 1, 2016 through its maturity. As a result, the effective fixed interest rate will be 3.2%, based on our leverage ratio at March 31, 2016.

On March 10, 2016, we repaid a $953,000 mortgage loan secured by Gold Star Plaza, located in Shenandoah, Pennsylvania.

Preliminary Results for the Three Months Ended June 30, 2016

We are currently in the process of finalizing our consolidated financial results for the three months ended June 30, 2016. Based on preliminary unaudited information, we expect each of net income, Funds from Operations, or FFO, and Operating FFO, for the three months ended June 30, 2016 to be in the following range:

	Range Three Months Ended June 30, 2016	
Estimated net income, per diluted share	**$ 0.01**	**$ 0.02**
Estimated real estate depreciation and amortization, per diluted share	0.13	0.13
Funds From Operations (FFO) per diluted share	**0.13**	**0.14**
Estimated acquisition costs per diluted share	0.01	0.01
Operating Funds From Operations (Operating FFO), per diluted share*	**$ 0.14**	**$ 0.15**

* Based on 85,694,000 weighted average number of diluted shares of common stock. Individual items may not add up to total due to rounding and omission of immaterial reconciling items.

In addition, we expect:

Same-property net operating income, or NOI, to increase approximately 1.5%, excluding redevelopments, and approximately 0.6%, including redevelopments, compared to the same prior period in 2015.

Signed 30 comparable leases for 131,600 square feet with a positive lease spread of 8.4% on a cash basis. The average new rent on these comparable leases is $15.65 per square foot compared to the previous rent of $14.52 per square foot.

Total portfolio and same-property portfolio to be 91.2% and 91.6% leased, respectively, at June 30, 2016, compared to 93.2% and 93.6% leased, respectively, at June 30, 2015. The decrease in leased percentages are primarily the result of four anchor vacancies that occurred in the fourth quarter of 2015.

We have not yet completed the preparation of our financial statements for the quarter ended June 30, 2016. The preliminary financial data included above has been prepared by us, and our independent registered public accounting firm has not audited, reviewed, compiled or performed any procedures with respect to this information. Our independent registered public accounting firm is in the process of conducting its review of our financial statements for the three months ended June 30, 2016. This review could result in changes to the preliminary results indicated above. No assurance can be made that our actual results for the three months ended June 30, 2016 will be consistent with the foregoing estimates and you should not view these estimates as a substitute for full interim financial statements prepared in accordance with generally accepted accounting principles, or GAAP.

FFO is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. We presents FFO in accordance with the definition adopted by the National Association of Real Estate Investments Trusts, or NAREIT. NAREIT generally defines FFO as net income attributable to common shareholders (determined in accordance with GAAP), excluding gains (losses) from sales of real estate properties, impairment provisions on real estate properties, plus real estate related depreciation and amortization, and adjustments for partnerships and joint ventures to reflect FFO on the same basis. We consider FFO to be an appropriate measure of our financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than other depreciable assets.

We also consider Operating FFO to be an additional meaningful financial measure of financial performance because it excludes items we believe are not indicative of our core operating performance, such as acquisition costs, amounts relating to early extinguishment of debt and preferred stock redemption costs, management transition costs and certain redevelopment costs. We believe Operating FFO further assists in comparing our performance across reporting periods on a consistent basis by excluding such items.

FFO and Operating FFO should be reviewed with GAAP net income (loss) attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand our operating performance. FFO and Operating FFO do not represent cash generated from operating activities and should not be considered as an alternative to net income attributable to common shareholders or to cash flow from operating activities. Our computations of FFO and Operating FFO may differ from the computations utilized by other REITs and, accordingly, may not be comparable to such REITs.

Same-property NOI is a widely-used non-GAAP financial measure for REITs that the Company believes, when considered with financial statements prepared in accordance with GAAP, is useful to investors as it provides an indication of the recurring cash generated by the Company s properties by excluding certain non-cash revenues and expenses, as well as other infrequent items such as lease termination income which tends to fluctuate more than rents from year to year. Properties are included in same-property NOI if they are owned and operated for the entirety of both periods being compared, except for properties undergoing significant redevelopment and expansion until such properties have stabilized, and properties classified as held for sale. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from same-property NOI. The most directly comparable GAAP financial measure is consolidated operating income. Same-property NOI should not be considered as an alternative to consolidated operating income prepared in accordance with GAAP or as a measure of liquidity. Further, same-property NOI is a measure for which there is no standard industry definition and, as such, it is not consistently defined or reported on among the Company s peers, and thus may not provide an adequate basis for comparison between REITs.

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The Offering

The following is a brief summary of certain terms of this offering. It does not contain all the information that may be important to you. For a more complete description of the terms of the forward sale agreement and the terms of our common stock, see Underwriting Forward Sale Agreements in this prospectus supplement and Description of Common Stock in the accompanying prospectus, respectively.

Issuer	Cedar Realty Trust, Inc.
Shares of Common Stock Offered by the Forward Seller	5,000,000 shares of common stock, par value $0.06 per share (5,750,000 shares if the underwriter s option to purchase additional shares is exercised in full)(1)
Shares of Common Stock and Operating Partnership Units to be Outstanding After This Offering	85,692,846 shares/operating partnership units (85,692,846 shares/operating partnership units if the underwriter s option to purchase additional shares is exercised in full)
Shares of Common Stock and Operating Partnership Units to be Outstanding After Settlement of the Forward Sale Agreement Assuming Full Physical Settlement	90,692,846 shares/operating partnership units (91,442,846 shares/operating partnership units if the underwriter s option to purchase additional shares is exercised in full)(2)
Use of Proceeds	We will not initially receive any proceeds from the sale of the shares of common stock offered by this prospectus supplement, unless an event occurs that requires us to sell shares of common stock to the underwriter in lieu of the forward seller selling shares of common stock to the underwriter. We expect to receive net proceeds of approximately $ million (after deducting fees and estimated expenses related to the forward sale agreement), subject to certain adjustments pursuant to the forward sale agreement, only upon full physical settlement of the forward sale agreement, which we expect to occur no later than July , 2017.(2)

(1) The forward seller has advised us that it or its affiliate intends to acquire the shares of common stock to be sold under this prospectus supplement through borrowings from third-party share lenders. Subject to the occurrence of certain events, we will not be obligated to deliver shares of common stock, if any, under the forward sale agreement until final settlement of the forward sale agreement, which we expect will occur no later than July , 2017. Except in certain circumstances, we have the right to elect cash settlement or net share settlement under the forward sale agreement. See Underwriting Forward Sale Agreement in this prospectus supplement for a description

of the forward sale agreement.

(2) Calculated as of July , 2016 (assuming that the forward sale agreement is fully physically settled based on the initial forward sale price of $ per share by the delivery of 5,000,000 shares of our common stock (or 5,750,000 if the underwriter s option to purchase additional shares is exercised in full)). The forward sale price is subject to adjustment pursuant to the terms of the forward sale agreement, and any net proceeds to us are subject to settlement of the forward sale agreement. Unless the federal funds rate increases substantially prior to the settlement of the forward sale agreement, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sale agreement.

We intend to contribute any net proceeds received upon the settlement of the forward sale agreement (or upon our sale of our shares of common stock to the underwriter in lieu of the forward seller selling our shares of common stock to the underwriter) to our operating partnership. Our operating partnership presently intends to use all the net proceeds received upon the settlement of the forward sale agreement for general working capital and other corporate purposes, including the repayment of outstanding indebtedness and the acquisition of additional properties. Pending such use, any net proceeds will be used to temporarily repay amounts outstanding under our revolving credit facility. See Use of Proceeds.

Accounting Treatment of the Transaction	Before the issuance of common stock, if any, upon physical or net share settlement of the forward sale agreement, we expect that the shares issuable upon settlement of the forward sale agreement will be reflected in our diluted earnings per share, FFO per share, and dividends per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share, FFO per share and dividends per share is deemed to be increased by the excess, if any, of the number of shares of common stock that would be issued upon full physical settlement of the forward sale agreement over the number of shares of common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). Consequently, prior to physical or net share settlement of the forward sale agreement and subject to the occurrence of certain events, we anticipate there will be no dilutive effect on our earnings per share, FFO per share or dividends per share except during periods when the average market price of our common stock is above the applicable forward sale price. However, if we physically or net share settle the forward sale agreement, the delivery of shares of common stock would result in an increase in the number of shares outstanding and dilution to our earnings per share and FFO per share.
Restrictions on Ownership	To assist us in complying with certain federal income tax requirements applicable to REITs, our charter and bylaws contain certain restrictions relating to the ownership and transfer of our common stock, including an ownership limit of 9.9% of our total outstanding common stock.
Risk Factors	See Risk Factors beginning on page S-7 of this prospectus supplement and on beginning on page 13 of our Annual Report on Form 10-K for the year ended December 31, 2015, for risks you should consider before purchasing shares of our common stock.
NYSE Symbol	CDR

Conflicts of Interest	All of the proceeds of this offering (excluding proceeds paid to us with respect to any shares of common stock that we may sell to the underwriter in lieu of the forward seller selling our shares of

	common stock to the underwriter) will be paid to the forward purchaser, which is an affiliate of the underwriter. As a result, an affiliate of the underwriter will receive the net proceeds of this offering.
	An affiliate of the underwriter is a lender under our revolving credit facility. To the extent that any net proceeds are used to repay amounts outstanding under our revolving credit facility, such lender will receive a share of such net proceeds used to repay amounts outstanding under this facility. See Underwriting Conflicts of Interest.

The number of shares of common stock to be outstanding after this offering is based on 85,340,790 shares outstanding as of July 25, 2016, including 3,280,813 treasury shares. The number of outstanding operating partnership units held by parties other than us after this offering is based on 352,056 units outstanding as of July 25, 2016. Subject to the limitations in our operating partnership s partnership agreement, the operating partnership units are exchangeable for shares of our common stock on a one-to-one basis.

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RISK FACTORS

An investment in our common stock involves a number of risks. Before making an investment decision to purchase our common stock, you should carefully consider all of the risks described in this prospectus supplement and beginning on page 13 of our Annual Report on Form 10-K for the year ended December 31, 2015, as well as the other information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. If any of these risks actually occurs, our business, financial condition, results of operations, liquidity and prospects could be materially adversely affected. If this were to occur, the value of our common stock could decline significantly and you may lose all or part of your investment.

Risks Related to Our Common Stock

You may experience significant dilution as a result of this offering and additional issuances of our securities, which could harm the market price of our common stock.

This offering may have a dilutive effect on our earnings per share and FFO per share. The actual amount of dilution from this offering, or from any future offering of common or preferred stock, will be based on numerous factors, particularly the use of proceeds and the return expected to be generated by such investment, and cannot be determined at this time. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market pursuant to this offering or otherwise, as a result of the perception or expectation that such sales could occur.

Our board of directors is authorized, without shareholder approval, to issue additional common or preferred stock or securities convertible into or exchangeable for equity securities. We may, from time to time and at any time, seek to offer and sell common or preferred stock or other securities based on market conditions and other factors that may be beyond our control.

Holders of our debt or preferred stock have liquidation and other rights that are senior to the rights of the holders of our common stock. Any future issuance of debt or preferred stock could adversely affect the market price of our common stock.

As of June 30, 2016, we had approximately $692.5 million of debt outstanding and approximately 7.9 million shares of Series B Preferred Stock were issued and outstanding. Holders of our debt and preferred stock have liquidation rights and other rights that are senior to the rights of holders of our common stock. Upon any voluntary or involuntary liquidation, dissolution or winding up, payment will be made to holders of our debt and preferred stock before any payment is made to the holders of our common stock. This will reduce the amount of our assets, if any, available for distribution to holders of our common stock. The decision to issue debt and preferred stock is dependent on market conditions and other factors that may be beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future issuances. Any such future issuance could reduce the market price of our common stock.

Risks Related to the Forward Sale Agreement

Settlement provisions contained in the forward sale agreement could result in substantial dilution to our earnings per share and FFO per share or result in substantial cash payment obligations.

The forward purchaser will have the right to accelerate the forward sale agreement (with respect to all or any portion of the transaction under the forward sale agreement that the forward purchaser determines is affected by such event) and require us to settle on a date specified by the forward purchaser if:

the forward purchaser is unable to, or would incur a materially increased cost to, establish, maintain or unwind its hedge position with respect to the forward sale agreement;

the forward purchaser determines that it is unable, or it is commercially impracticable for it, to continue to borrow a number of shares of our common stock equal to the number of shares underlying the

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forward sale agreement or that, with respect to borrowing such number of shares, it would incur a cost that is greater than the borrow cost specified in the forward sale agreement, subject to a prior notice requirement;

we declare a dividend or distribution on our common stock with a cash value in excess of a specified amount per calendar quarter, or with an ex-dividend date prior to the anticipated ex-dividend date for such cash dividend;

certain ownership thresholds applicable to the forward purchaser are exceeded;

there is a public announcement of any event or transaction that, if consummated, would result in a merger event, tender offer, nationalization, delisting or change in law (in each case, as determined pursuant to the terms of the forward sale agreement); or

certain other events of default, termination events or other specified events occur, including, among other things, any material misrepresentation made by us in connection with entering into the forward sale agreement, a market disruption event during a specified period that lasts for more than at least eight scheduled trading days or a change in law (as such terms are defined in the forward sale agreement).

The forward purchaser s decision to exercise its right to accelerate the settlement of the forward sale agreement will be made irrespective of our need for capital. In such cases, we could be required to issue and deliver shares of our common stock under the physical settlement provisions of the forward sale agreement or, if we so elect and the forward purchaser so permits our election, net share settlement provisions of the forward sale agreement irrespective of our capital needs, which would result in dilution to our earnings per share and FFO per share.

We expect that the forward sale agreement will settle no later than July , 2017. However, the forward sale agreement may be settled earlier in whole or in part at our option, subject to the satisfaction of certain conditions. The forward sale agreement will be physically settled by delivery of shares of our common stock, unless we elect to cash settle or net share settle the forward sale agreement, subject to the satisfaction of certain conditions. Upon physical settlement or, if we so elect, net share settlement of the forward sale agreement, delivery of shares of our common stock in connection with such physical settlement or, to the extent we are obligated to deliver shares of common stock, net share settlement will result in dilution to our earnings per share and FFO per share. If we elect cash settlement or net share settlement with respect to all or a portion of the shares of our common stock underlying the forward sale agreement, which we may do except in certain circumstances, we expect the forward purchaser (or an affiliate thereof) to purchase a number of shares of our common stock necessary to satisfy its or its affiliate s obligation to return the shares of our common stock borrowed from third parties in connection with sales of shares of our common stock under this prospectus supplement. In addition, the purchase of shares of our common stock in connection with the forward purchaser or its affiliate unwinding its hedge positions could cause the price of shares of our common stock to increase over such time (or prevent a decrease over such time), thereby increasing the amount of cash we would owe to the forward purchaser (or decreasing the amount of cash that the forward purchaser would owe us) upon a cash settlement of the forward sale agreement or the number of shares of our common stock we would deliver to the forward purchaser (or decreasing the number of shares of our common stock that the forward purchaser would deliver to us) upon net share settlement of the forward sale agreement.

The forward sale price that we expect to receive upon physical settlement of the forward sale agreement will be subject to adjustment on a daily basis based on a floating interest rate factor equal to the federal funds rate less a spread and will be subject to decrease on each of certain dates based on amounts related to expected dividends on shares of our common stock during the term of the forward sale agreement. If the federal funds rate is less than the spread on any day, the interest factor will result in a daily reduction of the forward sale price. As of the date of this prospectus supplement, the federal funds rate was less than the spread. If the market value of shares of our common stock during the relevant valuation period under the forward sale agreement is above the relevant forward sale price, in the case of cash settlement, we would pay the forward purchaser under the forward sale agreement an amount in cash equal to the difference or, in the case of net share settlement, we would deliver to the forward purchaser a number of shares of our common stock having a value equal to the difference. Thus, we could be responsible for a potentially substantial cash payment in the case of cash settlement. See Underwriting Forward Sale Agreement for information on the forward sale agreement.

In case of certain bankruptcy or insolvency events, the forward sale agreement will automatically terminate, and we would not receive any proceeds from the sale of shares of our common stock that have not theretofore been settled.

If we file for or consent to a proceeding seeking a judgment in bankruptcy or insolvency or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors rights, or we or a regulatory authority with jurisdiction over us presents a petition for our winding-up or liquidation, and we consent to such a petition, the forward sale agreement will automatically terminate. If the forward sale agreement so terminates, we would not be obligated to deliver to the forward purchaser any shares of our common stock not previously delivered, and the forward purchaser would be discharged from its obligation to pay the relevant forward sale price per share in respect of any shares of our common stock not previously settled. Therefore, to the extent that there are any shares of our common stock with respect to which the forward sale agreement has not been settled at the time of the commencement of any such bankruptcy or insolvency proceedings, we would not receive the relevant forward sale price per share in respect of those shares.

The U.S. federal income tax treatment of the cash that we might receive from cash settlement of the forward sale agreement is unclear and could jeopardize our ability to meet the REIT qualification requirements.

In the event that we elect to settle the forward sale agreement for cash and the settlement price is below the forward sale price, we would be entitled to receive a cash payment from the forward purchaser. Under Section 1032 of the Internal Revenue Code of 1986, as amended, or the Code, generally, no gains and losses are recognized by a corporation in dealing in its own shares, including pursuant to a securities futures contract, as defined in the Code by reference to the Securities Exchange Act of 1934, as amended, or the Exchange Act. Although we believe that any amount received by us in exchange for shares of our common stock would qualify for the exemption under Section 1032 of the Code, because it is not entirely clear whether the forward sale agreement qualifies as a securities futures contract, the U.S. federal income tax treatment of any cash settlement payment we receive is uncertain. In the event that we recognize a significant gain from the cash settlement of the forward sale agreement, we might not be able to satisfy the gross income requirements applicable to REITs under the Code. In that case, we may be able to rely upon the relief provisions under the Code in order to avoid the loss of our REIT status. Even if the relief provisions apply, we will be subject to a 100% tax on the greater of (i) the excess of 75% of our gross income (excluding gross income from prohibited transactions) over the amount of such income attributable to sources that qualify under the 75% test or (ii) the excess of 95% of our gross income (excluding gross income from prohibited transactions) over the amount of such gross income attributable to sources that qualify under the 95% test, as discussed in the accompanying prospectus under Material Federal Income Tax Considerations Taxation of Our Company and Income Tests, multiplied in either case by a fraction intended to reflect our profitability. In the event that these relief provisions were not available, we could lose our REIT status under the Code.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act and, as such, may involve known and unknown risks, uncertainties and other factors which may cause the Company s actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the

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Company s future plans, strategies and expectations, are generally identifiable by use of the words may , will , should , estimates , projects , anticipates , believes , expects , intends , future , and words of similar import, or the nega Factors which could cause actual results to differ materially from current expectations include, but are not limited to: adverse general economic conditions in the United States and uncertainty in the credit and retail markets; financing risks, such as the inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, tenant bankruptcies, adverse impact of internet sales demand, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; risks endemic to real estate and the real estate industry generally; the impact of the Company s level of indebtedness on operating performance; inability of tenants to meet their rent and other lease obligations; adverse impact of new technology and e-commerce developments on the Company s tenants; competitive risk; risks related to the geographic concentration of the Company s properties in the Washington D.C. to Boston corridor; the effects of natural and other disasters; the inability of the Company to realize anticipated returns from its redevelopment activities; and the risk factors discussed under Part I, Item 1A, Risk Factors in the Company s Annual Report on Form 10-K for the year ended December 31, 2015.

For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements in this prospectus supplement, the accompanying prospectus and in documents incorporated by reference in this prospectus supplement and the accompanying prospectus, see the section entitled Risk Factors in this prospectus supplement and the accompanying prospectus and in documents incorporated by reference into this prospectus supplement and the accompanying prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2015. We do not intend, and disclaim any duty or obligation, to update or revise any forward-looking statements set forth or incorporated by reference in this prospectus supplement to reflect any change in expectations, change in information, new information, future events or other circumstances on which such information may have been based.

USE OF PROCEEDS

We will not initially receive any proceeds from the sale of common stock offered by this prospectus supplement, unless an event occurs that requires us to sell common stock to the underwriter in lieu of the forward seller selling our common stock to the underwriter. Assuming full physical settlement of the forward sale agreement at an initial forward sale price of $ per share (which is the price at which the underwriter has agreed to buy the common stock offered hereby) and that the underwriter has not exercised its option to purchase additional shares of our common stock, we expect to receive net proceeds of approximately $ million (after deducting fees and estimated expenses related to the forward sale agreement), subject to certain adjustments pursuant to the forward sale agreement, upon settlement of the forward sale agreement. We expect that settlement will occur no later than July , 2017. The forward sale price that we expect to receive upon physical settlement of the forward sale agreement will be subject to adjustment on a daily basis based on a floating interest rate factor equal to the federal funds rate less a spread and will be subject to decrease on each of certain dates based on amounts related to expected dividends on shares of our common stock during the term of the forward sale agreement. If the federal funds rate is less than the spread on any day, the interest factor will result in a daily reduction of the forward sale price. As of the date of this prospectus supplement, the federal funds rate was less than the spread. Unless the federal funds rate increases substantially prior to the settlement of the forward sale agreement, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sale agreement.

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We intend to contribute any net proceeds received upon the settlement of the forward sale agreement (or upon our sale of shares of common stock to the underwriter in lieu of the forward seller selling our shares of common stock to the underwriter) to our operating partnership. Our operating partnership presently intends to use all the net proceeds received upon the settlement of the forward sale agreement for general working capital and other corporate purposes, including the repayment of outstanding indebtedness and the acquisition of additional properties. Pending such use, any net proceeds will be used to temporarily repay amounts outstanding under our revolving credit facility.

If, however, we elect to cash settle the forward sale agreement, we would expect to receive an amount of net proceeds that is significantly lower than the estimate described above, and we may not receive any net proceeds (or may owe cash to the forward purchaser). If we elect to net share settle the forward sale agreement in full, we would not receive any proceeds from the forward purchaser, and we may owe shares of common stock to the forward purchaser in certain circumstances.

We have a $310 million credit facility comprised of a $50 million term loan maturing in February 2020 and a $260 million revolving credit facility maturing in February 2019. The revolving credit facility may be extended for an additional one-year period at our option. Under an accordion feature, the facility can be increased to $750 million, subject to customary conditions and lending commitments. At June 30, 2016, we had approximately $92.0 million outstanding on our revolving credit facility with a weighted-average interest rate of 1.8%. Borrowings under the revolving credit facility bear interest at a rate of LIBOR plus 135 basis points and can range from LIBOR plus 135 to 195 basis points based on our leverage ratio.

An affiliate of the underwriter is a lender under our revolving credit facility. To the extent that the net proceeds are used to repay amounts outstanding under our revolving credit facility, such lender will receive a share of the net proceeds used to repay amounts outstanding under this facility. See Underwriting Conflicts of Interest.

SUPPLEMENTAL MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

This summary supplements and should be read together with the general discussion of the tax considerations in the accompanying prospectus under the title Material Federal Income Tax Considerations. To the extent any information set forth under the title Material Federal Income Tax Considerations in the accompanying prospectus is inconsistent with this supplemental information, this supplemental information will apply and supersede the information in the accompanying prospectus. This supplemental information is provided on the same basis and subject to the same qualifications as are set forth in the first four paragraphs under the title Material Federal Income Tax Considerations in the accompanying prospectus as if those paragraphs were set forth in this prospectus supplement.

Discussion of our former counsel s tax opinion applies with respect to our new counsel.

The discussion of the tax opinion following the first sentence of paragraph 3 under Material Federal Income Tax Considerations Taxation of our Company applies *mutatis mutandis* to the opinion of Goodwin Procter LLP.

The Internal Revenue Service recently delayed the implementation date for parts of the Foreign Account Tax Compliance Act.

On September 18, 2015, the Internal Revenue Service issued a Notice with respect to the legislation (the Foreign Account Tax Compliance Act or FATCA) discussed in Material Federal Income Tax Considerations Backup Withholding, FATCA Tax, and Information Reporting. This Notice extended the date on which withholding begins for gross proceeds withholding to January 1, 2019.

Prospective investors should consult their tax advisors regarding all aspects of FATCA.

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Recent legislation modifies the rules applicable to partnership tax audits.

The discussion under Material Federal Income Tax Considerations Tax Aspects of Our Operating Partnership, the Subsidiary Partnerships and the Limited Liability Companies General is supplemented by inserting the paragraph below at the end of that subsection:

A recent law change enacted under the Bipartisan Budget Act of 2015, effective for taxable years beginning after December 31, 2017, requires our operating partnership and any subsidiary partnership to pay the hypothetical increase in partner-level taxes (including interest and penalties) resulting from an adjustment of partnership tax items on audit or in other tax proceedings, unless the partnership elects an alternative method under which the taxes resulting from the adjustment (and interest and penalties) are assessed at the partner level. Many uncertainties remain as to the application of these rules, including the application of the alternative method to partners that are REITs, and the impact they will have on us. However, it is possible, that partnerships in which we invest may be subject to U.S. federal income tax, interest and penalties in the event of a U.S. federal income tax audit as a result of these law changes.

Recent legislation modifies several of the REIT rules discussed in the accompanying prospectus.

On December 18, 2015, Congress enacted the Protecting Americans from Tax Hikes Act of 2015. This legislation modifies a number of rules pertaining to qualification as a REIT and the taxation of REITs and their shareholders, including, among others, the following changes to certain rules described in the disclosure set forth in the accompanying prospectus:

For tax years beginning after December 31, 2017, not more than 20% of our total assets may be represented by securities of one or more taxable REIT subsidiaries. At this time, the securities we own in our taxable REIT subsidiaries do not, in the aggregate, exceed 20% of the total value of our assets.

A 100% excise tax is imposed on redetermined TRS service income, which is income of a taxable REIT subsidiary attributable to services provided to, or on behalf of, its associated REIT and which would otherwise be increased on distribution, apportionment, or allocation under Section 482 of the Code (i.e., as a result of a determination that the income was not arm s length).

For taxable years beginning after December 31, 2015, the exclusion of certain hedging income from the REIT gross income tests is expanded to include income from hedges of previously acquired hedges that a REIT entered to manage risk associated with liabilities or property that have been extinguished or disposed.

For taxable years beginning after December 31, 2015, for purposes of the REIT asset tests, debt instruments issued by publicly offered REITs will constitute real estate assets. However, unless such a debt instrument is secured by a mortgage or otherwise would have qualified as a real estate asset under prior law, (i) interest income and gain from such a debt instrument is not qualifying income for purposes of the 75% gross income test and (ii) all such debt instruments may represent no more than 25% of the value of our total assets.

For taxable years beginning after December 31, 2015, certain obligations secured by a mortgage on both real property and personal property will be treated as a qualifying real estate asset and give rise to qualifying income for purposes of the 75% gross income test if the fair market value of such personal property does not exceed 15% of the total fair market value of all such property.

For distributions made in taxable years beginning after December 31, 2014, the preferential dividend rules no longer to apply to us.

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Additional exceptions to the rules under the Foreign Investment in Real Property Tax Act (FIRPTA) were introduced for non-U.S. persons that constitute qualified shareholders (within the meaning of Section 897(k)(3) of the Code) or qualified foreign pension funds (within the meaning of Section 897(l)(2) of the Code).

After February 16, 2016, the FIRPTA withholding rate under Section 1445 of the Code for dispositions of U.S. real property interests is increased from 10% to 15%.

The maximum stock ownership of the REIT that a non-U.S. shareholder may hold to avail itself of the FIRPTA exception for shares regularly traded on an established securities market is increased from 5% to 10%.

For assets we acquired from a C corporation in a carry-over basis transaction, the recognition period during which we could be subject to corporate tax on any built-in gains recognized on the sale of such assets is permanently reduced from 10 years to 5 years.

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UNDERWRITING

In this offering, under the terms and subject to the conditions set forth in an underwriting agreement dated the date of this prospectus supplement among us, the forward seller, the forward purchaser and the underwriter, the forward seller has agreed, at our request, to borrow from third parties and sell to the underwriter an aggregate of 5,000,000 of shares of our common stock in connection with the execution of a forward sale agreement between us and the forward purchaser, and the underwriter has agreed to purchase such shares of our common stock at $ per share.

The underwriter is offering shares of our common stock subject to its acceptance of such shares from the forward seller or, in certain circumstances described herein, us, and subject to prior sale. The underwriting agreement provides that the obligation of the underwriter to purchase the shares included in this offering is subject to the approval of legal matters by counsel and to other conditions. The underwriter is obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if it purchases any of the shares.

The underwriter proposes to offer the shares of our common stock offered hereby from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt of acceptance by it and subject to its right to reject any order in whole or in part. The underwriter may effect such transactions by selling the shares of our common stock to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of shares of our common stock for whom they may act as agents or to whom they may sell as principal.

If we physically settle the forward sale agreement based upon the initial forward sale price, we expect to receive net proceeds of approximately $ million (assuming that the underwriter has not exercised its option to purchase additional shares of our common stock and after deducting fees and estimated expenses related to the forward sale agreement), subject to certain adjustments as described below, upon settlement of the forward sale agreement, which settlement we expect will occur no later than July , 2017.

We have agreed to indemnify the underwriter, the forward seller and the forward purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriter, the forward seller or the forward purchaser may be required to make in respect of those liabilities.

The expenses of this offering payable by us are estimated at $150,000.

Option to Purchase Additional Shares

We have granted an option to the underwriter, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 750,000 additional shares of common stock at $ per share. Any shares issued under the option will be issued on the same terms and conditions as the other shares that are the subject of this offering. If such option is exercised, such additional shares of common stock will be sold by the forward seller to the underwriter (except in certain circumstances contemplated below), and we will enter into an additional forward sale agreement with the forward purchaser in respect of the number of shares of common stock that are subject to the exercise of the underwriter s option. In such event, if the forward purchaser determines, in its commercially reasonable judgment, that the forward seller is unable, after using commercially reasonable efforts, to borrow and deliver for sale on the anticipated closing date for the exercise of such option the full number of shares of common stock with respect to which such option has been exercised, or if the forward purchaser, in its sole judgment, determines that the forward seller would incur a share loan cost in excess of a specified threshold to do so, then the number of shares of common stock to which the additional forward sale

agreement relates will be reduced to the number that the forward seller can so borrow and deliver. In the event that the number of shares of common stock to which the additional forward sale agreement relates is so reduced, the commitment of the underwriter to purchase shares of common stock from the forward seller and the forward seller s or its affiliate s obligation to borrow such shares of common stock for delivery and sale to the underwriter, as described above, will be replaced with the commitment to purchase from us and our corresponding obligation to issue directly to the underwriter all or such portion of the number of shares of common stock not borrowed and delivered by the forward seller. In such event, the underwriter will have the right to postpone the closing date for the exercise of such option for two business days to effect any necessary changes to the documents or arrangements.

No Sales of Similar Securities

We, our executive officers and directors have agreed that, with some exceptions, for a period of 45 days from the date of this prospectus supplement, we and they will not, without the prior written consent of the underwriter, dispose of or hedge any shares of our common stock or any securities convertible or exchangeable for our common stock. The underwriter in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

Price Stabilization, Short Positions

Until the distribution of the shares of our common stock offered hereby is completed, the rules of the Securities and Exchange Commission, or the SEC, may limit the underwriter from bidding for and purchasing shares of our common stock. However, the underwriter may engage in transactions that have the effect of stabilizing the price of the shares of our common stock, such as purchases and other activities that peg, fix or maintain that price.

In connection with this offering, the underwriter may bid for or purchase and sell shares of our common stock in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriter of a greater number of shares of our common stock than it is required to purchase in this offering.

Covered short sales are sales made in an amount not greater than the underwriter s option to purchase additional shares described above. The underwriter may close out any covered short position by either exercising its option or purchasing shares in the open market. In determining the source of shares of our common stock to close out the covered short position, the underwriter will consider, among other things, the price of shares of our common stock available for purchase in the open market as compared to the price at which it may purchase shares of our common stock through its option to purchase additional shares. Naked short sales are sales in excess of the option. The underwriter must close out any naked short position by purchasing shares of our common stock in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of shares of our common stock in the open market after pricing that could adversely affect investors who purchase shares in this offering.

Similar to other purchase transactions, the underwriter s purchases to cover short sales and other activities may have the effect of raising or maintaining the market price of shares of our common stock or preventing or retarding a decline in the market price of shares of our common stock. As a result, the price of shares of our common stock may be higher than the price that might otherwise exist in the open market. The underwriter may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of shares of our common stock. In addition, neither we nor the underwriter makes any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

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Forward Sale Agreement

We entered into a forward sale agreement with an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which affiliate we refer to in this capacity as the forward purchaser, relating to an aggregate of 5,000,000 shares of our common stock. In connection with the execution of the forward sale agreement and at our request, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as agent for its affiliated forward purchaser, which we refer to in this capacity as the forward seller, is borrowing from third parties and selling to the underwriter in this offering an aggregate of 5,000,000 shares of our common stock. If the forward purchaser determines, in its commercially reasonable judgment, that the forward seller is unable, after using commercially reasonable efforts, to borrow and sell the full number of such shares to be sold by it pursuant to the terms of the underwriting agreement, or if the forward purchaser, in its sole judgment, determines that the forward seller would incur a share loan cost in excess of a specified threshold to do so, we will issue and sell directly to the underwriter the number of shares of our common stock not so borrowed and delivered by the forward seller, and the number of shares underlying the forward sale agreement will be decreased by the number of shares of our common stock that we so issue and sell. Under any such circumstance, the commitment of the underwriter to purchase shares of our common stock from the forward seller, as described above, will be replaced with the commitment to purchase from us the relevant number of shares not borrowed and delivered by the forward seller. In such event, the underwriter will have the right to postpone the closing date for two business days to effect any necessary changes to the documents or arrangements.

We will receive an amount equal to the net proceeds from the sale of the borrowed shares of our common stock sold in this offering, subject to certain adjustments pursuant to the forward sale agreement, at the applicable forward sale price (as described below), from the forward purchaser upon full physical settlement of the forward sale agreement. We will only receive such proceeds if we elect to fully physically settle the forward sale agreement.

We expect the forward sale agreement to settle no later than July , 2017, subject to acceleration by the forward purchaser upon the occurrence of certain events. On a settlement date, if we decide to physically settle the forward sale agreement, we will issue shares of our common stock to the forward purchaser under the forward sale agreement at the then-applicable forward sale price. The forward sale price initially will be $ per share, which is the price at which the underwriter has agreed to buy the shares of our common stock offered hereby. The forward sale agreement provides that the forward sale price will be subject to adjustment on a daily basis based on a floating interest rate factor equal to the federal funds rate less a spread and will be subject to decrease on each of certain dates based on amounts related to expected dividends on shares of our common stock during the term of the forward sale agreement. If the federal funds rate is less than the spread on any day, the interest factor will result in a daily reduction of the forward sale price. As of the date of this prospectus supplement, the federal funds rate was less than the spread. Unless the federal funds rate increases substantially prior to the settlement of the forward sale agreement, we expect to receive less than the initial forward sale price per share upon physical settlement of the forward sale agreement.

Before settlement of the forward sale agreement, we expect that the shares of our common stock issuable upon settlement of the forward sale agreement will be reflected in our diluted earnings per share, FFO and dividends per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share, FFO and dividends per share is deemed to be increased by the excess, if any, of the number of shares of our common stock that would be issued upon full physical settlement of the forward sale agreement over the number of shares of our common stock that could be purchased by us in the market (based on the average market price during the period) using the proceeds receivable upon full physical settlement (based on the adjusted forward sale price at the end of the reporting period). Consequently, prior to physical or net share settlement of the forward sale agreement and subject to the occurrence of certain events, we anticipate there will be no dilutive effect on our earnings per share or FFO per share, except during periods when the average market price of shares of our common stock is above the applicable forward sale price. However, if we decide to physically or net share settle the forward sale agreement, any delivery of our shares by us upon physical or net share settlement of the forward sale agreement will result in dilution to our earnings per share and FFO per share.

Except under certain circumstances described below, we have the right to elect physical, cash or net share settlement under the forward sale agreement. Although we expect to settle the forward sale agreement entirely by delivering shares of our common stock in connection with full physical settlement, we may, subject to certain conditions, elect cash settlement or net share settlement for all or a portion of our obligations. For example, we may conclude that it is in our interest to cash settle or net share settle the forward sale agreement if we have no then-current use for all or a portion of the net proceeds that we would receive upon physical settlement. In addition, subject to certain conditions, we may elect to accelerate the settlement of all or a portion of the number of shares of our common stock underlying the forward sale agreement. In the event that we elect to cash settle, the settlement amount will be generally related to (1) (a) the average of the volume-weighted average price of shares of our common stock on each exchange business day during the relevant valuation period under the forward sale agreement minus (b) the applicable forward sale price, multiplied by (2) the number of shares of our common stock underlying the forward sale agreement subject to cash settlement. In the event we elect to net share settle, the settlement amount will be generally related to (1) (a) the weighted average price at which the forward purchaser or its affiliate purchases shares of our common stock during the relevant valuation period for such settlement under the forward sale agreement minus (b) the applicable forward sale price, multiplied by (2) the number of shares of our common stock underlying the forward sale agreement subject to such net share settlement. If this settlement amount is a negative number, the forward purchaser will pay us in cash the absolute value of that amount (in the case of cash settlement) or deliver to us a number of shares of our common stock having a value equal to the absolute value of such amount (in the event of net share settlement). If this settlement amount is a positive number, we will pay the forward purchaser in cash that amount (in the case of cash settlement) or deliver to the forward purchaser a number of shares of our common stock having a value equal to such amount (in the event of net share settlement). In connection with any cash settlement or net share settlement, we would expect the forward purchaser or its affiliate to purchase shares of our common stock in secondary market transactions for delivery to third-party share lenders in order to close out its or its affiliate s hedge position in respect of the forward sale agreement. The purchase of shares of our common stock in connection with the forward purchaser or its affiliate unwinding its hedge positions could cause the price of shares of our common stock to increase over time (or prevent a decrease over time), thereby increasing the amount of cash we owe to the forward purchaser (or decreasing the amount of cash that the forward purchaser owes us) upon cash settlement or increasing the number of shares of our common stock that we are obligated to deliver to the forward purchaser (or decreasing the number of shares of our common stock that the forward purchaser is obligated to deliver to us) upon net share settlement. See Risk Factors Risks Related to the Forward Sale Agreement in this prospectus supplement.

The forward purchaser will have the right to accelerate the forward sale agreement (with respect to all or any portion of the transaction under the forward sale agreement that the forward purchaser determines is affected by such event) and require us to settle on a date specified by the forward purchaser if: (1) the forward purchaser is unable to, or would incur a materially increased cost to, establish, maintain or unwind its hedge position with respect to the forward sale agreement; (2) the forward purchaser determines that it is unable to, or it is commercially impracticable for it to, continue to borrow a number of shares of our common stock equal to the number of shares underlying the forward sale agreement or that, with respect to borrowing such number of shares, it would incur a cost that is greater than the borrow cost specified in the forward sale agreement, subject to a prior notice requirement; (3) we declare a dividend or distribution on shares of our common stock with a cash value in excess of a specified amount per calendar quarter, or with an ex-dividend date prior to the anticipated ex-dividend date for such cash dividend; (4) certain ownership thresholds applicable to the forward purchaser are exceeded; (5) there is a public announcement of any event or transaction that, if consummated, would result in a merger event, tender offer, nationalization, delisting or change in law (in each case, as determined pursuant to the terms of the forward sale agreement); or (6) certain other events of default, termination events or other specified events occur, including, among other things, any material misrepresentation made by us in connection with entering into the forward sale agreement, a market disruption event during a specified period that lasts for more than at least eight scheduled trading days or a change in law (as such terms are defined in the forward sale agreement). The forward purchaser s decision to exercise its right to accelerate the settlement of the forward sale agreement will be made irrespective of our need for capital. In such cases, we could be required to issue and deliver shares of our common stock under the physical settlement provisions of the forward sale agreement or, if we so elect and the forward purchaser so permits our election, net share settlement provisions of the forward sale agreement irrespective of our capital needs, which would result in dilution to our earnings per share, FFO and dividends per share. In