

MONMOUTH REAL ESTATE INVESTMENT CORP
Form S-11
May 04, 2012

As filed with the Securities and Exchange Commission on May 4, 2012

Registration Statement No.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM S-11

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

**MONMOUTH REAL ESTATE INVESTMENT
CORPORATION**

(Exact name of registrant as specified in its governing instruments)

**Monmouth Real Estate Investment Corporation
Juniper Business Plaza, Suite 3-C, 3499 Route 9 North,
Freehold, New Jersey 07728
732-577-9996**

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Eugene W. Landy, Esquire
President
Juniper Business Plaza, Suite 3-C, 3499 Route 9 North,
Freehold, New Jersey 07728
732-577-9996

(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 the effective date of this registration statement.

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 for 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, check the following box.

Eugene W. Landy, Esquire President Juniper Business Plaza, Suite 3-C, 3499 Route 9 North, Freehold, New Jersey

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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

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee ⁽¹⁾
% Series B Cumulative Redeemable Preferred Stock, \$0.01 par value per share	\$ 57,500,000	\$ 6,589.50

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the offering price of Series B Preferred Stock that may be purchased by the underwriters upon the exercise of their overallotment option.

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 the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

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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 it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus
Subject to Completion, dated May 4, 2012

Shares

% Series B Cumulative Redeemable Preferred Stock
(Liquidation Preference \$25.00 Per Share)

Monmouth Real Estate Investment Corporation is offering _____ shares of our _____ % Series B Cumulative Redeemable Preferred Stock, which we refer to in this prospectus as the Series B Preferred Stock. We have granted the underwriters an option to purchase up to _____ additional shares of Series B Preferred Stock to cover overallocments, if any.

We intend to pay cumulative dividends on the Series B Preferred Stock from (and including) May _____, 2012, in the amount of \$ _____ per share each year, which is equivalent to _____ % of the \$25.00 liquidation preference per share. Dividends will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year (provided that, if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day), beginning on September _____, 2012, to the holders of record on the applicable record date. The Series B Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and will remain outstanding indefinitely unless redeemed or otherwise repurchased. Except in limited circumstances relating to our qualification as a real estate investment trust for federal income tax purposes, or REIT, and as described below, the Series B Preferred Stock is not redeemable prior to May _____, 2017. On and after May _____, 2017, we may at our option redeem any or all of the outstanding shares of Series B Preferred Stock, at a cash redemption price per share of \$25.00 plus all accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date.

In addition, upon the occurrence of a Change of Control (as defined below) or during any period of time (whether before or after May _____, 2017) that both (i) the Series B Preferred Stock is not listed on the New York Stock Exchange, or the NYSE, the NYSE Amex or the Nasdaq Stock Market, or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the NASDAQ, and (ii) we are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, but any Series B Preferred Stock is outstanding, which we refer to in this prospectus as a Delisting Event, we may, subject to certain conditions and at our option, redeem the Series B Preferred Stock, in whole or in part, within 120 days after the first date on which the Change of Control occurred or 90 days after the Delisting Event, for a cash redemption price per share of Series B Preferred Stock equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date.

Upon the occurrence of a Delisting Event or a Change of Control, each holder of Series B Preferred Stock will have the right (subject to our election to redeem the Series B Preferred Stock in whole or in part, as described above, prior to the applicable conversion date) to convert all or part of the shares of Series B Preferred Stock held by such holder on the applicable conversion date into a number of shares of our common stock, par value \$0.01 per share, or common

stock, per share of Series B Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of \$25.00 plus the amount of any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the applicable conversion date (unless the applicable conversion date is after a record date set for payment of a dividend on the Series B Preferred Stock and prior to the corresponding payment date for such dividend, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Share Price (as defined below); and

, or the Share Cap, subject to certain adjustments;

in each case, on the terms and subject to the conditions described in this prospectus, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus.

Holders of the Series B Preferred Stock generally have no voting rights unless we fail to pay dividends for six or more quarterly periods, whether or not consecutive, and except in connection with certain amendments to our charter and other specified events. The Series B Preferred Stock will rank on a parity with our 7.625% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, or the Series A Preferred Stock, and senior to our common stock with respect to dividend rights and rights upon liquidation, dissolution or winding up.

No current market exists for the Series B Preferred Stock. We intend to apply to list the Series B Preferred Stock on the NYSE under the symbol MNR-PRB. We expect trading of the shares on the NYSE to commence within the 30-day period after the initial issuance of the Series B Preferred Stock.

There are restrictions on ownership of the Series B Preferred Stock intended to preserve our qualification as a REIT. See Description of Stock Restrictions on Ownership and Transfer.

	Per share	Total
Public offering price	\$	\$
Underwriting discounts	\$	\$
Proceeds, before expenses, to us	\$	\$

We have granted the underwriters the right to purchase up to additional shares of the Series B Preferred Stock from us at the public offering price, less the underwriting discount, within 30 days after the date of this prospectus to cover over-allotments, if any.

Investing in the Series B Preferred Stock involves risks. See Risk Factors beginning on page 7 of this prospectus. You should also read carefully the risk factors described in our Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, before investing in the Series B Preferred Stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of the Series B Preferred Stock on or about , 2012, only in book-entry form through the facilities of The Depository Trust Company.

BMO Capital Markets

The date of this prospectus is , 2012

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You should rely only on the information contained in or incorporated by reference into this prospectus and any free writing prospectus prepared by us. We have not, and the underwriters have not, authorized anyone to provide you with additional information or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, shares of the Series B Preferred Stock only in jurisdictions where offers and sales are permitted.

You should assume that the information contained in or incorporated by reference into this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It does not contain all of the information that you should consider before investing in the Series B Preferred Stock. You should read carefully the more detailed information set forth under Risk Factors and the other information included in this prospectus, and the information incorporated by reference into this prospectus, including our audited consolidated financial statements and the accompanying notes in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011. Except where the context suggests otherwise, the terms our company, we, us and our refer to Monmouth Real Estate Investment Corporation, a Maryland corporation, together with its consolidated subsidiaries. Unless otherwise indicated, the information in this prospectus assumes no exercise of the underwriters' overallotment option.

Our Company

Monmouth Real Estate Investment Corporation is a Maryland corporation that has elected to qualify as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Code, for federal income tax purposes. Our predecessor completed its initial public offering in December 1968.

Currently, we seek to invest in well-located, modern, industrial buildings leased to investment grade tenants pursuant to long-term net leases. We derive our income primarily from real estate rental operations. As of December 31, 2011, our property portfolio consisted of 69 rental properties, which included 68 industrial properties and one shopping center, located in 25 states and totaled approximately 8 million square feet. All of these properties are wholly-owned with the exception of two properties in New Jersey, in which we own a majority interest. All of our properties are leased on a net basis, except an industrial park in Monaca, Pennsylvania, and a shopping center located in Somerset, New Jersey. A concentration of our properties are leased to Federal Express Corporation, or FDX, or one of its subsidiaries, and as of December 31, 2011, approximately 3.5 million square feet, or approximately 43% of our property, was leased to FDX, or one of its subsidiaries. In addition, we invest in both debt and equity securities of other REITs. Our securities portfolio, to the extent not pledged to secure our borrowings, provides us with liquidity and additional income potential.

We allocate certain general and administrative expenses between us and UMH Properties, Inc., or UMH, a REIT which focuses its investments on manufactured home communities, based on use or services provided. We currently have 14 employees, some of whom also render services to UMH. Allocations of salaries and benefits of shared employees and certain overhead are made annually between us and UMH based on the amount of the employees' time dedicated to each company, and other expenses are allocated based upon usage by each company. These allocations are reviewed by our audit committee.

Shares of our common stock and our 7.625% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, trade on the New York Stock Exchange, or NYSE, under the trading symbols MNR and MNR.PRA, respectively.

Our principal executive offices are located at Juniper Business Plaza, Suite 3-C, 3499 Route 9 North, Freehold, New Jersey 07728, and our telephone number is (732) 577-9996. Our website can be accessed at www.mreic.com.

Information contained on our website is not a part of this prospectus.

Recent Developments

During the second quarter of fiscal 2012, we purchased one industrial property totaling approximately 235,000 square feet, for approximately \$16.5 million. We have entered into agreements to acquire two industrial properties in Texas and one industrial property in Oklahoma, subject to due diligence which we are currently conducting. The combined purchase price for these three properties will be approximately \$32.0 million. We have made deposits of \$900,000 on these acquisitions. Subject to the completion of satisfactory due diligence, we anticipate closing these three transactions during the second half of fiscal 2012 or the first half of fiscal 2013. The funds for all of these acquisitions are expected to come from our available line of credit, mortgages, other bank borrowings and proceeds from private or public placements of additional common or preferred stock. As of May 1, 2012, we had \$11.5 million available under our line of credit. To the extent that funds or appropriate properties are not available, few or no acquisitions may be made.

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The Offering

Issuer

Monmouth Real Estate Investment Corporation, a Maryland corporation.

Securities Offered

shares (shares if the underwriters' overallotment option is exercised in full) of our % Series B Cumulative Redeemable Preferred Stock, par value \$0.01 per share.

Dividend Rate and Payment Dates

A holder of the Series B Preferred Stock will be entitled to receive cumulative cash dividends at the fixed rate of \$ per share each year, which is equivalent to % of the \$25.00 liquidation preference per share, per year.

Dividends will be payable quarterly in arrears on the fifteenth day of March, June, September and December of each year (except that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid or set apart for payment on the next succeeding business day). Dividends will accumulate and be cumulative from, and including, the date of original issuance, which is expected to be May , 2012. The first dividend will be payable on September , 2012 in the amount of \$ per share to the persons who are the holders of record of the Series B Preferred Stock at the close of business on the corresponding record date, which we expect will be August 15, 2012. Dividends on the Series B Preferred Stock will continue to accumulate even if any law or our agreements prohibit the current payment of dividends, we do not have earnings or funds legally available to pay the dividends or we do not declare the dividends. See Description of the Series B Preferred Stock Dividends.

Liquidation Preference

If we liquidate, dissolve or wind up, holders of the Series B Preferred Stock will be entitled to receive \$25.00 per share plus an amount equal to any accumulated but unpaid dividends thereon (whether or not declared) to, but not including, the date of such payment before any payment is made to the holders of our common stock. See

Description of the Series B Preferred Stock Liquidation Preference.

Optional Redemption

The Series B Preferred Stock is not redeemable by us prior to May , 2017, except pursuant to provisions of our charter relating to restrictions on ownership and transfer of our stock or in limited circumstances relating to the preservation of our qualification as a REIT for federal income tax purposes and as set forth under the heading

Special Optional Redemption below. On and after May , 2017, we may, at our option, redeem the Series B Preferred Stock, in whole or in part, from time to time, for a cash redemption price per share equal to \$25.00 plus all accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date.

Special Optional Redemption

Upon the occurrence of a Delisting Event (as defined below), we may, at our option and subject to certain conditions, redeem the Series B Preferred Stock, in whole or in part, within 90 days after the Delisting Event, for a cash redemption price per share of Series B Preferred Stock equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared), to, but not including, the redemption date.

Upon the occurrence of a Change of Control (as defined below), we may, at our option and subject to certain conditions, redeem the Series B Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for a cash redemption price per share of Series B Preferred Stock equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date.

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A **Delisting Event** occurs when, after the original issuance of the Series B Preferred Stock, both (i) the Series B Preferred Stock is not listed on the NYSE, the NYSE Amex or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the NASDAQ, and (ii) we are not subject to the reporting requirements of the Exchange Act, but any Series B Preferred Stock is outstanding.

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

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions, of shares of our stock entitling that person to exercise more than 50% of the total voting power of all outstanding shares of our stock entitled to vote generally in the election of directors (and such a person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE Amex or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the NASDAQ.

Shares of Series B Preferred Stock designated for redemption will not be eligible to be converted upon the occurrence of a Delisting Event or Change of Control as described below.

Conversion Rights

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

the quotient obtained by dividing (i) the sum of \$25.00 plus the amount of any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the applicable conversion date (unless the applicable conversion date is after a record date set for payment of a dividend on the Series B Preferred Stock and on or prior to the corresponding dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Share Price (as defined below); and

, or the Share Cap, subject to adjustments to the Share Cap for any splits, subdivisions or combinations of the common stock;

in each case, on the terms and subject to the conditions described in this prospectus, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus. See **Description of the Series B Preferred Stock** **Conversion Rights**.

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The Common Share Price for any Change of Control will be (i) if the consideration to be received in the Change of Control by holders of shares of common stock is solely cash, the amount of cash consideration per share of common stock, and (ii) if the consideration to be received in the Change of Control by holders of shares of common stock is other than solely cash, the average of the closing price per share of the common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control. The Common Share Price for any Delisting Event will be the average of the closing price per share of common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Delisting Event. The consideration that may be received upon conversion of shares of Series B Preferred Stock in the event of a Delisting Event or a Change of Control may be subject to adjustment and the receipt of alternative consideration if, in connection with the Change of Control or Delisting Event, shares of common stock are converted into or exchanged for cash, securities or other property or assets (including any combination thereof), as more fully described under the caption Description of the Series B Preferred Stock Conversion Rights.

If we provide proper notice of redemption of shares of Series B Preferred Stock, holders of shares of Series B Preferred Stock called for redemption will not have any right to convert such shares in connection with the Delisting Event or the Change of Control, as applicable, and any shares of Series B Preferred Stock subsequently selected for redemption that have been tendered for conversion will be redeemed on the related redemption date instead of converted on the applicable conversion date.

Except as provided above in connection with a Delisting Event or a Change of Control, or in connection with the restrictions on ownership and transfer of our stock contained in our charter, the Series B Preferred Stock is not convertible into or exchangeable for any other securities or property.

Notwithstanding any other provision of the Series B Preferred Stock, no holder of the Series B Preferred Stock will be entitled to convert such Series B Preferred Stock into shares of common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to exceed the restrictions on ownership and transfer of our stock contained in our charter. See Description of Stock Restrictions on Ownership and Transfer. No Maturity, Sinking Fund or Mandatory Redemption

The Series B Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series B Preferred Stock will remain outstanding indefinitely unless we decide, at our option, to exercise our redemption right or, under circumstances where the holders of the Series B Preferred Stock have a conversion right, such holders decide to convert the Series B Preferred Stock.

Restriction on Ownership and Transfer

In order to ensure that we remain a qualified REIT, our charter provides that no person may own, or be deemed to own by virtue of the attribution rules of the Code, more than 9.8%, in value or in number of shares (whichever is more restrictive), of our outstanding stock (other than shares of our excess stock), subject to certain exceptions. In addition, no person may own, or be deemed to own, shares of our stock (other than shares of our excess stock) that would result in shares of

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our stock being owned by fewer than 100 persons, our being closely held within the meaning of Section 856 of the Code or our otherwise failing to qualify as a REIT under the Code. See Description of Stock Restrictions on Ownership and Transfer.

Ranking

The Series B Preferred Stock will rank, as to dividend rights and rights upon liquidation, dissolution or winding up, (1) senior to our common stock and to all other equity securities issued by us other than equity securities referred to in clauses (2) and (3) below; (2) on a parity with the Series A Preferred Stock and any class or series of equity securities classified by our board of directors in the future, the terms of which specifically provide that such equity securities rank on a parity with the Series B Preferred Stock with respect to rights to payment of dividends and distribution of assets upon our liquidation, dissolution or winding up; (3) junior to any class or series of equity securities classified by our board of directors in the future, the terms of which specifically provide that such class or series ranks senior to the Series B Preferred Stock with respect to rights to payment of dividends and distribution of assets upon our liquidation, dissolution or winding up; and (4) effectively junior to all of our existing and future indebtedness (including indebtedness convertible into common stock or preferred stock) and to the indebtedness of our existing subsidiaries and any future subsidiaries.

Further Issuances

We may classify and issue additional shares of Series B Preferred Stock ranking on a parity and ratably with the Series B Preferred Stock offered by this prospectus in all respects, so that such additional shares of Series B Preferred Stock will form a single series with the Series B Preferred Stock offered by this prospectus and will have the same terms.

Voting Rights

Holders of the Series B Preferred Stock will generally have no voting rights. However, if we do not pay dividends on the Series B Preferred Stock for six or more quarterly periods (whether or not declared or consecutive), holders of the Series B Preferred Stock (voting separately as a class with all other classes and series of our preferred stock ranking on a parity with the Series B Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred, including the Series A Preferred Stock, and are exercisable) will have the exclusive power to elect two additional directors to serve on our board of directors until all accumulated and unpaid dividends on the Series B Preferred Stock and each such other class or series of preferred stock have been fully paid or declared and set apart for payment. In addition, we may not authorize or issue any class or series of equity securities ranking senior to the Series B Preferred Stock as to dividends or distributions upon liquidation (including securities convertible into or exchangeable for any such senior equity securities) or amend our charter (whether by merger, consolidation or otherwise) to materially and adversely change the terms of the Series B Preferred Stock without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series B Preferred Stock, voting separately as a class with all other similarly-affected classes and series of our preferred stock ranking on a parity with the Series B Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred and are exercisable. See Description of the Series B Preferred Stock Voting Rights.

Information Rights

During any period during which we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and any shares of Series B Preferred Stock are outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series B Preferred Stock as their names and addresses

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appear in our record books and without cost to such holders, copies of the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which we would be required to file such periodic reports if we were an accelerated filer within the meaning of the Exchange Act, and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series B Preferred Stock.

Listing

No current market exists for the Series B Preferred Stock. We intend to apply to list the Series B Preferred Stock on the NYSE under the symbol MNR-PRB. We expect trading on the NYSE will commence within 30 days after the initial issuance of the Series B Preferred Stock. We cannot assure you that our listing application will be approved.

Form

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

Use of Proceeds

We intend to use the net proceeds from this offering to purchase properties in the ordinary course of our business and for general corporate purposes. See Use of Proceeds.

Risk Factors

You should read carefully the Risk Factors beginning on page 7 of this prospectus as well as the risk factors relating to our business that are incorporated by reference in this prospectus for certain considerations relevant to investing in the Series B Preferred Stock.

Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

The following table sets forth our consolidated ratio of earnings to combined fixed charges and preferred stock dividends for the three months ended December 31, 2011, and for each of the last five fiscal years.

	Three Months Ended December 31, 2011	Year Ended September 30,				
		2011	2010	2009	2008	2007
Ratio of earnings to combined fixed charges and preferred stock dividends	1.9x	1.6x	1.5x	1.0x	1.1x	1.3x

For the purpose of computing these ratios, earnings have been calculated by adding fixed charges, excluding capitalized interest, to pre-tax income from continuing operations. Fixed charges consist of interest costs, whether expensed or capitalized, the estimated interest component of rental expenses and amortization. Preferred stock dividends are the amount of pre-tax earnings that are required to pay the dividends on outstanding preferred securities.

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RISK FACTORS

An investment in the Series B Preferred Stock involves risks. In evaluating an investment in the Series B Preferred Stock, you should carefully consider the following risks, the risks described in our Annual Report on Form 10-K for the year ended September 30, 2011, as well as the other information and data set forth in this prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to the Series B Preferred Stock. The occurrence of any of these risks could materially and adversely affect our business, financial condition, liquidity, results of operations, prospects and our ability to make cash dividends to holders of the Series B Preferred Stock, which could cause you to lose all or a significant portion of your investment in the Series B Preferred Stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See Cautionary Note Regarding Forward-Looking Statements.

Risks Relating to This Offering

There is no established market for the Series B Preferred Stock, and the liquidity of the Series B Preferred Stock could be substantially affected by various factors.

The Series B Preferred Stock is a new issue of securities with no established trading market. We intend to apply to list the Series B Preferred Stock on the NYSE. We cannot assure you that our listing application will be approved by the NYSE. Even if approved for listing by the NYSE, an active trading market on the NYSE for the Series B Preferred Stock may not develop or last, in which case, the trading price of the Series B Preferred Stock could be adversely affected. If an active trading market does develop on the NYSE, the Series B Preferred Stock may trade at prices higher or lower than its initial offering price.

The liquidity of any market for the Series B Preferred Stock that may develop will depend on many factors, including:

- prevailing interest rates;
- the market for similar securities;
- general economic conditions;
- the number of holders of the Series B Preferred Stock;
- the interests of securities dealers in making a market in the Series B Preferred Stock;
- our financial condition, results of operations and prospects; and
- the matters discussed in the prospectus under the captions Risk Factors and Forward-Looking Statements.

We have been advised by the underwriters that they intend to make a market in the Series B Preferred Stock, but they are not obligated to do so and may discontinue market-making at any time without notice.

We may incur additional indebtedness, which may harm our financial position and cash flow and potentially impact our ability to pay dividends on the Series B Preferred Stock.

Our governing documents do not limit us from incurring additional indebtedness and other liabilities. As of December 31, 2012, we and our subsidiaries had outstanding approximately \$24.3 million of unsecured indebtedness (exclusive of intercompany debt, trade payables, dividends payable, accrued expenses and other liabilities) and approximately \$226.3 million of secured indebtedness. We may incur additional indebtedness and become more highly leveraged, which could harm our financial position and potentially limit our cash available to pay dividends. As a result, we may not have sufficient funds remaining to satisfy our dividend obligations relating to the Series B Preferred Stock if we incur additional indebtedness.

The Series B Preferred Stock is subordinate to our debt, and your interests could be diluted by the issuance of additional preferred stock, including additional Series B Preferred Stock, and by other transactions.

The Series B Preferred Stock is subordinate to all of our existing and future debt, including subordinated debt. As described below, our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends on our preferred stock, including the Series B Preferred Stock. The issuance of additional preferred stock on a parity with or senior to the Series B Preferred Stock would dilute the interests of the holders of the Series B Preferred Stock, and any issuance of preferred stock senior to the Series B Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on

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the Series B Preferred Stock. The affirmative vote of the holders of at least two-thirds of the outstanding shares of Series B Preferred Stock is required for us to authorize or issue shares of a class or series of preferred stock with rights to distributions or upon liquidation that are senior to the Series B Preferred Stock; however, the terms of the Series B Preferred Stock do not restrict our ability to incur additional indebtedness or issue shares of preferred stock on a parity with the Series B Preferred Stock. The Series B Preferred Stock does not contain any provision affording the holders of the Series B Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, that might adversely affect the holders of the Series B Preferred Stock, so long as (and subject to exception) the terms of the Series B Preferred Stock are not materially and adversely affected.

The market price of the Series B Preferred Stock could be substantially affected by various factors.

The market price of the Series B Preferred Stock will depend on many factors, which may change from time to time, including:

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

trading prices of common and preferred equity securities issued by REITs and other real estate companies; the annual yield from distributions on the Series B Preferred Stock as compared to yields on other financial instruments;

general economic and financial market conditions;

government action or regulation;

the financial condition, performance and prospects of us and our competitors;

changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;

our issuance of additional preferred equity or debt securities; and

actual or anticipated variations in quarterly operating results of us and our competitors.

As a result of these and other factors, investors who purchase the Series B Preferred Stock in this offering may experience a decrease, which could be substantial and rapid, in the market price of the Series B Preferred Stock, including decreases unrelated to our operating performance or prospects.

The Series B Preferred Stock has not been rated.

We have not sought to obtain a rating for the Series B Preferred Stock. One or more rating agencies could, however, independently determine to issue a rating, which, if issued, could adversely affect the market price of the Series B Preferred Stock. In addition, we may elect in the future to obtain a rating of the Series B Preferred Stock, which could adversely impact the market price of the Series B Preferred Stock. Ratings reflect only the views of the rating agency or agencies issuing the ratings, and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in the judgment of its analysts circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series B Preferred Stock.

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

Your voting rights as a holder of Series B Preferred Stock will be limited. Our common stock is the only class of our securities that carries full voting rights. Voting rights for holders of the Series B Preferred Stock exist primarily with respect to the ability to elect two additional directors to our board of directors in the event that six quarterly dividends (whether or not consecutive) payable on the Series B Preferred Stock are in arrears and with respect to voting on amendments to our charter that materially and adversely affect the terms of the Series B Preferred Stock or create

additional classes or series of our stock senior to the Series B Preferred Stock with respect to distributions or upon liquidation. Other than the limited circumstances described in this prospectus, holders of the Series B Preferred Stock will not have any voting rights. See Description of the Series B Preferred Stock Voting Rights.

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

Upon a Change of Control, holders of the Series B Preferred Stock will have the right (subject to our special optional redemption right) to convert all or part of their Series B Preferred Stock into shares of common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Series B Preferred Stock. See Description of the Series B Preferred Stock Special Optional Redemption and Conversion Rights. Upon such a conversion, holders will not be entitled to receive more than shares of common stock per share of Series B Preferred Stock. If the Common Share Price is less than \$ (which is approximately % of the per-share closing sale price of the common stock on May , 2012), subject to adjustment, holders will receive a maximum of shares of common stock per share of the Series B Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Series B Preferred Stock. In addition, those features of the Series B Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a change in control of our company under circumstances that otherwise could provide the holders of shares of common stock and the Series B Preferred Stock with the opportunity to realize a premium over the then current market price or that holders may otherwise believe is in their best interests.

We may not be able to pay dividends regularly.

Our ability to pay dividends in the future is dependent on our ability to operate profitably and to generate cash from our operations and the operations of our subsidiaries. We may not be able to pay dividends on a regular quarterly basis in the future.

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

Our ability to pay dividends on the Series B Preferred Stock is limited by the laws of Maryland. Under the Maryland General Corporation Law, or the MGCL, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities. Accordingly, we may not make a distribution on the Series B Preferred Stock if, after giving effect to the distribution, we may not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities.

If our leases are not respected as true leases for federal income tax purposes, we would fail to qualify as a REIT.

To qualify as a REIT, we must, among other things, satisfy two gross income tests, under which specified percentages of our gross income must be passive income, such as rent. For the rent paid pursuant to our leases, to qualify for purposes of the gross income tests, the leases must be respected as true leases for federal income tax purposes and not be treated as service contracts, joint ventures or some other type of arrangement. We believe that our leases will be respected as true leases for federal income tax purposes. However, there can be no assurance that the Internal Revenue Service, or the IRS, will agree with this view. If the leases are not respected as true leases for federal income tax purposes, we would not be able to satisfy either of the two gross income tests applicable to REITs, and we would most likely lose our REIT status.

Failure to make required distributions would subject us to additional tax.

In order to qualify as a REIT, we must, among other requirements, distribute, each year, to our stockholders at least 90% of our taxable income, excluding net capital gains. To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed income. In addition, we will incur a 4% nondeductible excise tax on the amount, if any, by which our distributions (or deemed distributions) in any year are less than the sum of:

85% of our ordinary income for that year;
95% of our capital gain net earnings for that year; and
100% of our undistributed taxable income from prior years.

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We intend to pay out our income to our stockholders in a manner intended to satisfy the distribution requirement. Differences in timing between the recognition of income and the related cash receipts or the effect of required debt amortization payments could require us to borrow money or sell assets to pay out enough of our taxable income to satisfy the distribution requirement and to avoid corporate income tax.

We may not have sufficient cash available from operations to pay distributions, and, therefore, distributions may be made from borrowings.

The actual amount and timing of distributions will be determined by our board of directors in its discretion and typically will depend on the amount of cash available for distribution, which will depend on items such as current and projected cash requirements and tax considerations. As a result, we may not have sufficient cash available from operations to pay distributions as required to maintain our status as a REIT. Therefore, we may need to borrow funds to make sufficient cash distributions in order to maintain our status as a REIT, which may cause us to incur additional interest expense as a result of an increase in borrowed funds for the purpose of paying distributions.

Disruptions in the financial markets could affect our ability to obtain financing on reasonable terms and have other adverse effects on us and the market price of the Series B Preferred Stock.

Over the last several years, the United States stock and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks and debt securities to fluctuate substantially and the spreads on prospective debt financings to widen considerably. More recently, the financial crisis in Europe (which relates primarily to concerns that certain European countries may be unable to pay their national debt) has had a similar, although less pronounced, effect. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Unrest in certain Middle Eastern countries and the resultant increase in petroleum prices have added to the uncertainty in the capital markets. Continued uncertainty in the stock and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may negatively affect our ability to acquire properties and otherwise pursue our investment strategy. A prolonged downturn in the stock or credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our investment strategy accordingly. These types of events in the stock and credit markets may make it more difficult or costly for us to raise capital through the issuance of the common stock, preferred stock or debt securities. The potential disruptions in the financial markets may have a material adverse effect on the market value of the common stock and preferred stock, including the Series B Preferred Stock offered pursuant to this prospectus, and the return we receive on our properties and investments, as well as other unknown adverse effects on us or the economy in general.

If the common stock is delisted, your ability to transfer or sell your shares of the Series B Preferred Stock may be limited and the market value of the Series B Preferred Stock will likely be materially and adversely affected.

Other than in connection with a Change of Control, the Series B Preferred Stock does not contain provisions that are intended to protect you if the common stock is delisted from the NYSE. Since the Series B Preferred Stock has no stated maturity date, you may be forced to hold your shares of the Series B Preferred Stock and receive stated dividends on the Series B Preferred Stock when, as and if authorized by our board of directors and declared by us with no assurance as to ever receiving the liquidation value thereof. In addition, if the common stock is delisted from the NYSE, it is likely that the Series B Preferred Stock will be delisted from the NYSE as well. Accordingly, if the common stock is delisted from the NYSE, your ability to transfer or sell your shares of the Series B Preferred Stock may be limited and the market value of the Series B Preferred Stock will likely be materially and adversely affected.

Certain of our senior executive officers and other personnel also devote time to managing UMH, which may reduce the time they spend managing our company.

Certain of our officers and directors, and certain other employees, also serve as officers, directors or employees of UMH. These individuals' responsibilities to our company and to UMH could reduce the amount of time they spend managing our company or create competition for the time and efforts of these individuals.

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We issued shares of our common stock under our Registration Statement on Form S-3 for our Dividend Reinvestment and Stock Purchase Plan when we were not eligible to use Form S-3, which may result in claims for rescission and other damages.

Due to the late filing of a Form 8-K, we temporarily lost our eligibility to register securities on a Form S-3 on December 12, 2011. Despite this ineligibility, we issued approximately 859,000 shares of common stock under our Form S-3 registration statement for our Dividend Reinvestment and Stock Purchase Plan, or our DRIP, in December 2011, January 2012 and February 2012. The aggregate purchase price of these shares was approximately \$7.4 million. We have discontinued issuances under this registration statement. The purchasers of the shares issued pursuant to our DRIP when we were not eligible to issue shares Form S-3 could bring claims against us for rescission and other damages under federal or state securities laws.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference, include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events, performance and underlying assumptions and other statements that are not historical facts. You can identify forward-looking statements by their use of forward-looking words, such as may, will, anticipate, expect, believe, intend, plan, should, seek or the negative use of those words, but the absence of these words does not necessarily mean that a statement is not forward-looking.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described in this prospectus under the headings Prospectus Summary and Risk Factors, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations as included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, which are incorporated by reference into this prospectus. These and other risks, uncertainties and factors could cause our actual results to differ materially from those included in any forward-looking statements we make. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from our expectations include, among others:

the ability of our tenants to make payments under their respective leases, our reliance on certain major tenants and our ability to re-lease properties that are currently vacant or that become vacant;

our ability to obtain suitable tenants for our properties;

changes in real estate market conditions, economic conditions in the industrial sector and general economic conditions;

the inherent risks associated with owning real estate, including local real estate market conditions, governing laws and regulations and illiquidity of real estate investments;

our ability to sell properties at an attractive price;

our ability to repay debt financing obligations;

our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us;

the loss of any member of our management team;

our ability to comply with debt covenants;

our ability to integrate acquired properties and operations into existing operations;

continued availability of proceeds from our issuances of debt or equity securities;

the availability of other debt and equity financing alternatives;

market conditions affecting our debt and equity securities;

changes in interest rates under our current credit facilities and under any additional variable rate debt arrangements that we may enter into in the future;

our ability to implement successfully our selective acquisition strategy;

our ability to maintain internal controls and procedures to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in accordance with all rules and regulations, and any potential fraud or embezzlement is thwarted or detected;

changes in federal or state tax rules or regulations that could have adverse tax consequences;

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declines in the market prices of our investment securities; and
our ability to qualify as a REIT for federal income tax purposes.

You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering of the Series B Preferred Stock, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ million, or approximately \$ million if the underwriters exercise their overallotment option in full.

We intend to use the net proceeds from this offering to purchase properties in the ordinary course of our business and for general corporate purposes. Until we use the net proceeds from this offering, they may be deposited in interest bearing cash accounts or invested in readily marketable, short-term securities (including money market accounts or other investments that may not be investment grade), which are consistent with maintaining our qualification as a REIT. These temporary investments are expected to provide a lower net return than we hope to achieve from our investments in properties.

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MARKET PRICE OF OUR COMMON STOCK AND DISTRIBUTIONS

Our common stock is traded on the NYSE under the symbol MNR. The following table sets forth, for the periods indicated, the high, low and last sale prices in dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated. You should read this table together with information contained in Part II, Item 5 of our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, which is incorporated herein by reference.

Fiscal 2012	High	Low	Last	Distributions
First Quarter	\$ 9.48	\$ 7.51	\$ 9.15	\$ 0.15

U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and 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 net taxable income. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income and excise tax, we intend to make regular quarterly distributions of all or substantially all of our net taxable income to holders of our common stock out of assets legally available therefor.

We intend to make future regular quarterly distributions to holders of our common stock. However, any distributions we make in the future will be at the discretion of our board of directors and will depend upon, among other things, our actual results of operations, financial conditions, economic conditions, debt covenants, funding or margin requirements under credit facilities, repurchase agreements or other secured and unsecured borrowing agreements, applicable provisions of the MGCL and such other factors as our board of directors deems relevant.

Our earnings and financial condition will be affected by various factors, including the net interest and other income from our portfolio, our operating expenses and any other expenditures. For more information regarding risk factors that could materially adversely affect our earnings and financial condition, see Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, which is incorporated by reference into this prospectus.

Although we currently do not intend to do so, to the extent that in respect of any calendar year, cash available for distribution is less than our net taxable income, we could be required to sell assets or borrow funds to make cash distributions or make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities. We will generally not be required to make distributions with respect to activities conducted through any domestic taxable REIT subsidiary, or TRS, that we form following the completion of this offering. For more information, see Material United States Federal Income Tax Considerations Taxation of the Company as a REIT General.

We anticipate that our distributions generally will be taxable as ordinary income to our stockholders, although a portion of the distributions may be designated by us as qualified dividend income or capital gain or may constitute a return of capital. In addition, a portion of such distributions may be taxable stock dividends payable in our shares. We will furnish annually to each of our stockholders a statement setting forth distributions paid during the preceding year and their characterization as ordinary income, return of capital, qualified dividend income or capital gain. For more information, see Material United States Federal Income Tax Considerations Taxation of the Company as a REIT General.

TABLE OF CONTENTS**CAPITALIZATION**

The following table sets forth (1) our actual capitalization as of December 31, 2011 and (2) our capitalization as of December 31, 2011 on a pro forma basis to give effect to (A) the sale of the Series B Preferred Stock in this offering at an offering price of \$25.00 per share after deducting underwriting discounts and estimated offering expenses payable by us. You should read this table together with Use of Proceeds and Selected Financial Data, included elsewhere in this prospectus, as well as our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, which are incorporated by reference into this prospectus.

	December 31, 2011	
	Actual	As Adjusted
	(In thousands, except per share data)	
	(Unaudited)	
Debt:		
Notes payable and other secured loans	\$250,631	
Stockholders' equity:		
Series A Preferred stock, \$0.01 par value per share, 2,139,750 shares authorized, issued and outstanding actual and as adjusted	53,494	
Series B Preferred stock, \$0.01 par value per share, no shares authorized, issued and outstanding, actual; shares authorized and shares issued and outstanding as adjusted ⁽¹⁾		
Excess stock, \$0.01 par value per share, 5,000,000 shares authorized, No shares issued and outstanding actual and as adjusted		
Common stock, \$0.01 par value per share, 50,000,000 shares authorized, 39,652,808 shares issued and outstanding actual and 39,652,808 as adjusted ⁽²⁾	396	
Additional paid in capital	201,479	
Accumulated Other Comprehensive Income	1,257	
Loans to Officers, Directors and Key Employees ⁽³⁾	(1,083)	
Total MREIC Shareholders' Equity	255,543	
Non-controlling interest	22	
Total stockholders' equity	255,565	
Total capitalization	\$506,196	\$

(1) Excludes up to shares of Series B Preferred Stock issuable by us upon exercise of the underwriters' overallotment option.

(2) Excludes 929,342 shares of common stock reserved for future issuance under the Monmouth Real Estate Investment Corporation 2007 Stock Option and Stock Award Plan.

(3) Includes (a) a loan made on April 30, 2002 to Mr. Eugene W. Landy, our President and Chief Executive Officer, which had a principal balance of approximately \$984,000 on December 31, 2011, which was repaid in full on April 11, 2012 and (b) a loan made on April 30, 2002 to Mr. Samuel A. Landy, one of our directors, which had a principal balance of approximately \$98,000 on December 31, 2011, which was repaid in full on February 16, 2012.

TABLE OF CONTENTS**SELECTED FINANCIAL DATA**

You should read the following selected financial data in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011, which are incorporated into this prospectus by reference.

The following table sets forth our selected financial and other information for the periods and as of the dates indicated.

	Three Months Ended		Year Ended September 30,				
	December 31, 2011 (unaudited)	2010	2011	2010	2009	2008	2007
INVESTING DATA:							
and Reimbursement	\$ 12,795,474	\$ 12,036,868	\$ 48,141,484	\$ 45,212,822	\$ 41,318,498	\$ 39,148,259	\$ 28,237,400
(Loss) on Securities	2,788,458	2,808,022	5,238,203	2,609,149	(6,601,460)	(3,660,283)	156,723
and Dividend	949,326	726,608	3,100,327	2,510,909	2,502,253	1,871,262	1,467,440
Expenses	7,312,390	6,983,402	26,371,825	24,156,744	21,338,477	20,494,612	15,217,300
(Loss) on Sale of						6,790,616	4,634,560
ent Property							
Expense	3,853,718	3,834,684	14,870,906	14,822,725	13,897,398	13,138,767	8,969,080
from Continuing	5,367,150	4,753,412	15,237,283	11,353,411	1,983,416	3,725,859	5,699,800
Operations	19,628	61,177	265,868	(138,159)	(176,532)	7,436,780	5,117,830
Income	5,386,778	4,814,589	15,503,151	11,215,252	1,806,884	11,162,639	10,842,300
Income (Loss)							
Attributable to MREIC s	4,346,218	3,766,377	11,338,979	8,486,301	(868,313)	8,501,551	8,947,880
from Shareholders							
from Continuing							
Operations Per Share	0.14	0.14	0.43	0.37	0.07	0.15	0.27
	0.14	0.14	0.43	0.37	0.07	0.15	0.27
Income (Loss) per							
Share	0.12	0.11	0.32	0.28	(0.03)	0.35	0.41
	0.12	0.11	0.32	0.28	(0.03)	0.35	0.41
BALANCE SHEET							
Assets	\$ 511,506,877	\$ 476,619,744	\$ 476,986,836	\$ 454,118,797	\$ 394,994,437	\$ 389,077,597	\$ 366,908,000
State Investments,	441,211,089	409,672,987	409,023,556	389,588,435	345,880,581	346,605,272	321,409,000
Long Term Notes Payable	222,385,462	215,197,188	211,614,170	210,577,861	192,050,283	191,947,632	174,352,000
	8,790,000	8,940,000	8,915,000	13,990,000	13,990,000	14,990,000	14,990,000

ordinated							
ible Debentures							
A 7.625%							
ative Redeemable	53,493,750	53,493,750	53,493,750	33,062,500	33,062,500	33,062,500	33,062,500
nd Stock							
shareholders Equity	255,565,172	232,643,768	234,542,672	215,512,472	164,891,150	159,910,964	167,214,000
FLOW DATA:							
h Provided (Used)							
ng Activities	\$5,761,916	\$4,218,409	\$22,126,819	\$18,995,659	\$19,591,455	\$17,438,835	\$13,224,200
ng Activities	(32,379,418)	(13,694,877)	(30,247,168)	(55,701,769)	(11,655,914)	(39,831,002)	(25,526,800)
ng Activities	28,958,498	10,500,065	7,682,604	37,439,775	(7,202,915)	16,345,092	21,668,400
R INFORMATION:							
e Number of							
n Shares	37,392,682	34,024,384	35,083,457	30,371,217	24,981,427	24,131,497	21,050,800
ding Basic							
rom Operations*	\$7,449,765	\$6,595,637	\$22,876,729	\$19,108,910	\$9,152,310	\$11,397,238	\$11,606,900
vidends Per							
n Share	0.30	0.30	0.60	0.60	0.60	0.60	0.60

Funds from operations (FFO), is defined as net income, excluding gains (or losses) from sales of depreciable assets, plus depreciation and amortization of intangible assets. FFO should be considered as a supplemental measure of operating performance used by REITs. We believe that FFO is helpful to investors as one of several measures of the performance of a REIT. FFO excludes historical cost depreciation as an expense and may facilitate the comparison of REITs which have different cost basis. The items excluded from FFO are significant components in understanding our financial performance.

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FFO (1) does not represent cash flow from operations as defined by generally accepted accounting principles; (2) should not be considered as an alternative to net income as a measure of operating performance or cash flows from operating, investing and financing activities; and (3) is not an alternative to cash flow as a measure of liquidity. FFO, as calculated by us, may not be comparable to similarly entitled measures reported by other REITs.

Our FFO is calculated as follows:

	Three Months Ended December 31,		Year Ended September 30,				
	2011	2010	2011	2010	2009	2008	2007
Net Income	\$5,386,778	\$4,814,589	\$15,503,151	\$11,215,252	\$1,806,884	\$11,162,639	\$10,792,936
Less: Net (Income) Loss to Noncontrolling Interest	(20,755)	(28,407)	(84,953)	(207,737)	(153,983)	(139,744)	24,702
Less: Preferred Dividend	(1,019,805)	(1,019,805)	(4,079,219)	(2,521,214)	(2,521,214)	(2,521,344)	(1,869,753)
(Gain) Loss on Sale of Investment Property ^(A)						(6,790,616)	(4,634,564)
Depreciation	2,785,655	2,531,185	10,312,807	9,282,829	8,553,869	7,892,129	6,302,512
Depreciation Related to Discontinued Operations		3,859	38,551	123,983	23,118	135,056	255,405
Amortization of Lease Intangible Asset	317,892	294,216	1,186,392	1,215,797	1,443,636	1,659,118	735,682
FFO	\$7,449,765	\$6,595,637	\$22,876,729	\$19,108,910	\$9,152,310	\$11,397,238	\$11,606,920

(A) Consists of the gain on sale of the Franklin, MA and Ramsey, NJ properties in 2008 and the gain on sale of the South Brunswick, NJ property in 2007. These gains are included in discontinued operations.

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BUSINESS AND PROPERTIES

Overview

Monmouth Real Estate Investment Corporation is a Maryland corporation that has elected to qualify as a REIT under Sections 856 through 860 of the Code for federal income tax purposes. Our predecessor completed its initial public offering in December 1968.

Shares of our common stock and our 7.625% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, trade on the NYSE under the trading symbols MNR and MNR.PRA, respectively.

Business and Growth Strategies

Currently, we seek to invest in well-located, modern, industrial buildings leased to investment grade tenants pursuant to long-term net leases. We derive our income primarily from real estate rental operations. Our strategy is to obtain a favorable yield spread between the income from the net-leased industrial properties and cost of capital. In addition, management believes that investments in well-located industrial properties provide a potential for long-term capital appreciation. Although we seek to lease our properties to tenants who have investment-grade credit ratings, a concentration of our properties are leased to FDX and to FedEx Ground Package Systems, Inc., a wholly-owned subsidiary of FDX. FedEx Ground's credit is not rated, but management believes that FedEx Ground's credit quality is at least equal to that of FDX.

Competition

We compete with other investors in real estate for attractive investment opportunities. These investors include other equity REITs, limited partnerships, syndications and private investors, among others. Competition in the market areas in which we operate is significant and affects our ability to acquire or expand properties, occupancy levels, rental rates and operating expenses of certain properties. Management has built relationships with merchant builders that have historically provided us with investment opportunities that fit our investment policy.

Corporate Information

We allocate certain general and administrative expenses between us and UMH Properties, Inc., or UMH, a REIT which focuses its investments on manufactured home communities, based on use or services provided. We currently have 14 employees, some of whom also render services to UMH. Allocations of salaries and benefits of shared employees and certain overhead are made annually between us and UMH based on the amount of the employees' time dedicated to each company, and other expenses are allocated based upon usage by each company. We share with UMH the following types of expenses:

salaries, benefits and related employment expenses;
rent and utilities;
office supplies and equipment; and

other miscellaneous expenses, such as service contracts for office equipment.

At the beginning of each calendar year, members of senior management of the Company and UMH determine the relative amount of each expense item that will be allocated to each company. The amount of Eugene W. Landy's

salary, bonus, benefit and other employment expenses allocated to us is approved each year by our compensation committee. Salary, benefit and other employment expenses are allocated to each company based on the amount of time each other employee is estimated to work for the company, on the basis of historical practices and projected need. Other expenses are allocated based upon the usage by each company. The allocation is then reviewed by each company's audit committee. If senior management feels it to be appropriate, based on actual events, the allocations are adjusted during the year. Reimbursement of these shared expenses is made on a monthly basis. There is no written agreement between us and UMH relating to this arrangement

Our principal executive offices are located at Juniper Business Plaza, Suite 3-C, 3499 Route 9 North, Freehold, New Jersey 07728, and our telephone number is (732) 577-9996. Our website can be accessed at www.mreic.com.
Information contained on our website is not a part of this prospectus.

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As of December 31, 2011, our property portfolio consisted of 69 rental properties, which included 68 industrial properties and one shopping center, located in 25 states and totaled approximately 8 million square feet. All of these properties are wholly-owned with the exception of two properties in New Jersey, in which we own a majority interest.

All of our properties are leased on a net basis, except an industrial park in Monaca, Pennsylvania, and a shopping center located in Somerset, New Jersey. A concentration of our properties are leased to Federal Express Corporation, or FDX, or one of its subsidiaries, and as of December 31, 2011, approximately 3.5 million square feet, or approximately 43% of our property, was leased to FDX, or one of its subsidiaries.

The following table highlights certain information regarding our real estate portfolio:

Portfolio Information:	Three Months	Year Ended	
	Ended December 31,	2011	2010
Number of Rental Properties	Q1 2011 69	2011 66	2010 63
Total Square Footage	8,032,000	7,532,000	6,971,000
Average Occupancy Rate	97%	97%	96%
Average Effective Annual Rent Per Occupied Square Foot	\$5.59	\$5.59	\$5.81
Weighted Average Lease Expiration (years)	5.3	5.1	4.9

The following table summarizes certain information concerning our real estate investments by location as of December 31, 2011:

State	Number of Properties	Square Footage	Mortgage Balance on Property in State
Tennessee	3	898,915	\$ 20,878,667
Florida	9	783,668	37,415,203
Illinois	7	720,416	19,272,537
Missouri	4	654,073	7,033,333
South Carolina	3	510,560	13,378,753
North Carolina	4	455,067	5,294,046
Texas	5	527,301	28,234,325
Pennsylvania	1	291,474	
Georgia	3	307,660	11,181,998
Virginia	4	305,770	6,468,295
Arizona	1	288,211	5,796,581
Ohio	5	687,093	26,732,321
Michigan	2	265,371	13,672,799
Kansas	2	219,280	4,775,328
New York	3	230,381	1,566,810
Maryland	1	149,384	8,079,766
Wisconsin	1	139,564	1,790,248

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Colorado	2	138,235	4,807,984
New Jersey	2	102,173	2,532,438
Nebraska	1	88,140	829,531
Mississippi	2	62,340	
Minnesota	1	59,425	
Alabama	1	56,698	1,622,734
Connecticut	1	54,812	1,021,765
Iowa	1	36,150	
Total	69	8,032,161	\$ 222,385,462

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In fiscal 2012, 12 leases totaling 1,301,769 square feet were, or approximately 18% of square footage, originally scheduled to expire. As of December 31, 2011, we have extended the following 8 leases which had been scheduled to expire during fiscal 2012:

Property	Tenant	Square Footage	Former Average Rent Per Square Foot	Previous Lease Expiration	Renewal Average Rent Per Square Foot	New Lease Expiration	Renewal Term (years)
Ft Myers, FL	FedEx	87,500	\$4.45	10/31/11	\$4.61	10/31/14	3.0
Monroe, NC	HD Supply	160,000	3.71	10/31/11	3.65	10/31/16	5.0
Elgin, IL	Ryerson	89,052	6.90	1/31/12	5.68	1/31/17	5.0
Orangeburg, NY	Keebler	50,400	7.00	2/28/12	7.00	2/28/13	1.0
Newington, CT	Kellogg	54,812	6.54	2/29/12	6.54	2/28/13	1.0
Tolleson, AZ	Western Container Carlisle	288,211	4.33	4/30/12	4.26	4/30/17	5.0
Edwardsville, KS	Transportation Products	179,280	3.77	5/31/12	3.84	5/31/13	1.0
Kansas City, MO	Keebler	65,067	5.66	7/31/12	5.38	7/31/15	3.0
Total weighted Average			\$4.72		\$4.59		3.6

We have been informed that two leases totaling 174,892 square feet (or approximately 13% of the 2012 renewals) will not be renewed. The two properties are a 68,385 square foot building in Tampa, Florida leased to Kellogg and a 106,507 square foot building in Winston Salem, North Carolina leased to FDX.

The following table summarizes our contractual lease expirations for the next ten years:

Fiscal Year	Property Count	Square Footage	% of Total Square Footage	Annual Rent	% of Total Annual Rent	Rent Per Square Foot Occupancy	Lease Exp. Term (years)	Undepreciated Cost	Mortgage Balance
2012	5	367,487	4.6	1,935,000	4.4	\$5.50	0.3	22,421,821	3,324,704
2013	10	875,089	10.9	4,280,000	9.8	4.89	1.3	48,504,513	19,980,421
2014	3	183,540	2.3	1,126,000	2.6	6.13	2.1	12,006,906	3,361,969
2015	7	846,968	10.5	4,450,000	10.2	5.25	3.3	49,283,057	24,248,196
2016	3	633,471	7.9	2,274,000	5.2	3.59	4.1	29,311,554	7,813,017
2017	14	1,702,690	21.2	10,644,000	24.4	6.25	5.2	131,140,977	58,371,699
2018	6	549,391	6.8	4,408,000	10.1	8.02	6.5	49,333,378	22,059,305
2019	7	1,100,231	13.7	6,761,000	15.5	6.15	7.4	78,961,879	38,959,969
2021	4	271,835	3.4	1,720,000	3.9	6.33	9.7	20,075,775	13,092,354
2022	4	591,053	7.4	3,159,000	7.2	5.34	10.2	36,651,523	19,134,493
2023	1	30,332	0.4	142,000	0.3	4.68	10.9	1,787,943	1,092,590
2024	2	447,627	5.6	1,828,000	4.2	4.08	12.4	19,755,126	10,354,780
Various	2	334,247	4.2	969,000	2.2	4.08	1.5	4,222,215	

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Vacant	1	98,200	1.2					7,277,744	591,965
Total as of 12/31/11	69	8,032,161	100.0%	\$43,696,000	100.0%	\$5.59	5.3 Yrs	\$510,734,411	\$222,385,462

* Various relates to our multi-tenant properties, which have leases that range from month-to-month to expirations in 2018.

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The following is a summary of our contractual obligations as of September 30, 2011:

Contractual Obligations	Total	Less than 1 year	1 3 years	3 5 years	More than 5 years
Mortgage Notes Payable	\$ 211,614,170	\$ 20,104,107	\$ 49,040,789	\$ 52,908,224	\$ 89,561,050
Debentures	8,915,000		3,770,000	5,145,000	
Purchase of Property	35,719,000	35,719,000			
Retirement Benefits	683,726	50,000	100,000	100,000	433,726
Total	\$ 256,931,896	\$ 55,873,107	\$ 52,910,789	\$ 58,153,224	\$ 89,994,776

Mortgage notes payable represents the principal amounts outstanding by scheduled maturity. Interest is payable on these mortgages at fixed rates ranging from 5.22% to 8.48%, with a weighted average of 6.44%. The above table does not include our obligation under our line of credit and margin loans.

Debentures represent the repayment of the 8% Convertible Subordinated debentures of \$3,770,000 due October 2013 (fiscal 2014) and \$5,145,000 in April 2015.

Purchase of property represents the purchase price of four industrial properties under contract as of September 30, 2011. One acquisition for approximately \$19.6 million was completed on October 11, 2011. A second was completed on October 18, 2011 for approximately \$5 million. The third was completed on November 10, 2011 for approximately \$6 million. The fourth was completed on December 20, 2011.

Retirement benefits represent post-retirement benefits that are unfunded and therefore will be paid from our assets. The liability is being accrued and expensed over the payment terms.

Recent Developments

During the second quarter of fiscal 2012, we purchased one industrial property totaling approximately 235,000 square feet, located in Olive Branch, Mississippi, for approximately \$16.5 million. This property is net leased for 10 years to Anda Pharmaceuticals, Inc., a distribution division of Watson Pharmaceuticals, Inc.

We have entered into agreements to acquire two industrial properties in Texas and one industrial property in Oklahoma, subject to due diligence which we are currently conducting. The combined purchase price for these three properties will be approximately \$32.0 million. We have made deposits of \$900,000 on these acquisitions. Subject to satisfactory due diligence, we anticipate closing these three transactions during the second half of fiscal 2012 or the first half of fiscal 2013. The funds for these acquisitions are expected to come from our available line of credit, mortgages, other bank borrowings and proceeds from private or public placements of additional common or preferred stock. As of May 1, 2012, we had \$11.5 million available under our line of credit.

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to interest rate changes primarily as a result of our line of credit, margin loans and long-term debt used to maintain liquidity and fund capital expenditures and acquisitions of our real estate investment portfolio. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve our objectives, we borrow primarily at fixed rates.

The following table sets forth information as of December 31, 2011, concerning our long-term debt obligations, including principal payments by scheduled maturity, weighted average interest rates and estimated fair value:

Long Term Debt: Fixed Rate	Fiscal	Carrying Value	Average Interest Rate	Fair Value
	2012	\$ 201,537	8.48 %	
	2013	19,768,462	6.33	
	2014	3,572,022	6.28	
	2015	2,649,610	5.71	
	2016	21,586,928	6.91	
	Thereafter	174,606,903	6.22	
	Total	\$ 222,385,462	6.29 %	\$ 230,100,000

We have \$8,790,000 in 8% debentures outstanding as of December 31, 2011, with \$3,770,000 due in October 2013 and \$5,020,000 due in April 2015.

We also have a variable rate unsecured line of credit with Capital One, N.A., or our credit line, maturing in March 2013 of \$20,000,000. As of December 31, 2011, the outstanding balance was \$15,500,000. The interest rate on our credit line is based on LIBOR plus 200 basis points for the initial \$15,000,000 of our credit line and LIBOR plus 250 basis points for the remaining \$5,000,000. Interest is due monthly. The interest rate was 2.37% as of December 31, 2011.

Additionally, we obtain margin loans, secured by our marketable securities. The balance outstanding on the margin loan was \$1,455,856 as of December 31, 2011. The interest rate on our margin account is the bank's margin rate, which was 2.0% as of September 30, 2011 and 2010 and 2.0% as of December 31, 2011. The value of our marketable securities as of December 31, 2011 was \$44,949,635.

We also invest in both debt and equity securities of other REITs and are primarily exposed to equity price risk from adverse changes in market rates and conditions. All securities in our investment portfolio are classified as available for sale and are carried at fair value.

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INVESTMENT POLICIES AND POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of our investment policies and our policies with respect to certain other activities, including financing matters and conflicts of interest. These policies may be amended or revised from time to time at the discretion of our board of directors, without stockholder approval. Any change to any of these policies by our board of directors, however, would be made only after a thorough review and analysis of that change, in light of then-existing business and other circumstances, and then only if, in the exercise of its business judgment, our board of directors believes that it is in our best interests to do so. We intend to disclose any changes in our investment policies in periodic reports that we file or furnish under the Exchange Act. We cannot assure you that our investment objectives will be attained.

Investments in Real Estate or Interests in Real Estate

Our primary investment policy is to seek to invest in well-located, modern, industrial properties leased to investment-grade tenants on long-term net leases. Our strategy is to obtain a favorable yield spread between the income from the net-leased industrial properties and cost of capital.

We intend to engage in future investment activities in a manner that is consistent with the requirements applicable to REITs for federal income tax purposes. Our management team identifies and negotiates acquisition and other investment opportunities, subject to the approval of our board of directors.

We may enter into joint ventures from time to time, if we determine that doing so would be the most cost-effective and efficient means of investing or for other strategic purposes. Equity investments may be subject to existing mortgage financing and other indebtedness, or such financing or indebtedness may be incurred in connection with acquiring investments. Any such financing or indebtedness will have priority over our equity interest in such property. Investments are also subject to our policy not to be treated as an investment company under the Investment Company Act of 1940, as amended, or the 1940 Act.

We do not have a specific policy to acquire assets primarily for capital gain or primarily for income. From time to time, we may make investments that support our objectives but do not provide current cash flow. We believe investments that do not generate current cash flow may be, in certain instances, consistent with achieving sustainable long-term growth for our stockholders.

We do not have any specific policy as to the amount or percentage of our assets that will be invested in any specific asset, other than our compliance with tax rules applicable to REITs. Additionally, no limits have been set on the concentration of investments in any one geographic location or industrial property. We currently anticipate that our real estate investments will continue to be concentrated in long-term, net-leased industrial properties. We anticipate that our real estate investments will continue to be diversified in terms of geographic market.

Investments in Real Estate Mortgages

While we emphasize equity real estate investments in well-located, modern industrial properties, leased to investment grade tenants pursuant to long-term net leases. We may selectively acquire loans secured by industrial properties or entities that own industrial properties to the extent that those investments are consistent with our qualification as a

REIT. We do not intend to originate any secured or unsecured real estate loans or purchase any debt securities as a stand-alone, long-term investment, but, in limited circumstances, we may from time to time provide a short-term loan to an industrial property owner as a means of securing an acquisition opportunity. The mortgages in which we may invest may be first-lien mortgages or subordinate mortgages secured by industrial properties. The subordinated loans in which we may invest may include loans secured by a pledge of ownership interests in an entity owning an industrial property or group of industrial properties.

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

Although our primary investment policy is to seek to invest in well-located, modern, industrial buildings leased to investment grade tenants pursuant to long-term net leases, we invest in common and preferred equity securities and debt securities of other REITs. We acquire securities of other REITs where management believes that yields on such investments will exceed the risk-adjusted return on our target industrial properties, consistent with our REIT qualification requirements. We believe that this securities portfolio provides us with an attractive opportunity for liquidity and additional income potential and serves as a proxy for real estate when suitable acquisitions are not available. We may purchase securities on margin when the interest and dividend yields exceed our cost of capital, and we may use derivative instruments to mitigate interest rate risk. Under normal market conditions, we seek to limit the market value of the portfolio from time to time to approximately 10% of the greater of the total value of our assets or the total market value of our stock. There are no limitations on the amount or percentage of our total

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assets that may be invested in any one issuer. We do not intend that our investments in securities will require us to register as an investment company under the 1940 Act, and we would intend to divest such securities before any such registration would be required.

Investments in Other Securities

Other than as described above, we do not intend to invest in any additional securities such as bonds, preferred stocks or common stock.

Dispositions

We do not currently intend to dispose of any of our properties, although we may do so in the future if, based upon management's periodic review of our portfolio, our board of directors determines that such action would be in our best interests.

See Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2011 and incorporated by reference herein.

Financings and Leverage Policy

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 or for other strategic purposes. We may use the proceeds of our borrowings to acquire assets, to refinance existing debt or for general corporate purposes.

Although we are not required to maintain any particular leverage ratio, 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 intend to use leverage prudently, 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, with the ultimate objective of becoming an issuer of investment grade debt. 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. Our board of directors may from time to time modify its views regarding the appropriate amount of debt financing 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. See Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 and our Quarterly Report on Form 10-Q for the quarterly

period ended December 31, 2011 and incorporated by reference herein.

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 qualification as a REIT and other applicable statutes and regulations.

Equity Capital Policies

To the extent that our board of directors determines to obtain additional capital, we may issue debt or equity securities, retain earnings (subject to provisions in the Code requiring distributions of income to maintain REIT qualification) or pursue a combination of these methods.

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Existing stockholders will have no preemptive right to common or preferred stock 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 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, preferred 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.

Conflict of Interest Policy

We adopted a code of ethics that prohibits conflicts of interest between our officers, employees and directors on the one hand, and us on the other hand, except in compliance with the policy. Waivers of our code of ethics will be required to be disclosed in accordance with the NYSE and SEC requirements. In addition, we have adopted corporate governance guidelines to assist our board of directors in the exercise of its responsibilities and to serve our interests and those of our stockholders. In addition, our board of directors is subject to certain provisions of Maryland law, which are also designed to eliminate or minimize conflicts. However, there can be no assurance 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 of directors, and our board of directors or 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 of stock 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 as of the time it is authorized, approved or ratified.

Policies with Respect to Other Activities

We have the 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. We may offer shares of our common stock, preferred stock or other debt or equity securities in exchange for cash, real estate assets or other investment targets, and to repurchase or otherwise re-acquire shares of our common stock, preferred stock or other debt or equity securities.

Our board of directors has the power, without further stockholder approval, to increase the number of authorized shares of our common stock or preferred stock and authorize us to issue additional shares of common stock or preferred stock, in one or more series, in any manner, and on the terms and for the consideration, it deems appropriate. See Description of the Series B Preferred Stock and Description of Stock Description of Common Stock. We have not adopted a specific policy governing the issuance of senior securities at this time. However, any authorization or issuance of senior equity securities would require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of preferred stock (voting separately). Any convertible debt securities that we may issue are not considered to be equity securities for these purposes. The Series B Preferred Stock will rank junior to all of our existing and future indebtedness.

We do not currently intend to underwrite securities for other issuers, although we may do so in the future if, based upon management's periodic review of our portfolio, our board of directors determines that such action would be in our best interests.

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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.

Business Opportunities

Pursuant to Maryland law, each director is obligated to offer to us any business opportunity (with certain limited exceptions) that comes to such director in his or her capacity as a director and which we reasonably could be expected to have an interest in pursuing.

Reporting Policies

We make available to our stockholders our annual reports, including our audited financial statements. We are subject to the information reporting requirements of the Exchange Act. Pursuant to those requirements, we are required to file annual and periodic reports, proxy statements and other information, including audited financial statements, with the SEC. See [Where You Can Find More Information](#) and [Incorporation by Reference](#).

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The following tables set forth the beneficial ownership of (a) shares of our common stock and Series A Preferred Stock, as of March 7, 2012, by (i) each of our named executive officers, (ii) each of our directors and (iii) all of our executive officers and directors as a group and (b) shares of our common stock as of March 7, 2012 by each person known by us to be the beneficial owner of five percent or more of such shares.

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. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock or Series A Preferred Stock subject to options or other rights held by that person that are exercisable or will become exercisable within 60 days after the date of this prospectus, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. Each person named in the tables has sole voting and investment power with respect to all of the shares shown as beneficially owned by such person, except as otherwise set forth in the notes to the table. Unless context requires otherwise, references to shares are references to shares of our common stock. Unless otherwise indicated, the address of each named person is c/o Juniper Business Plaza, Suite 3-C, 3499 Route 9 North, Freehold, New Jersey 07728.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾		Percentage of Shares Outstanding ⁽²⁾	
	Common	Series A	Common	Series A
Oakland Financial Corporation 34200 Mound Road Sterling Heights, Michigan 48310	3,282,347	(3)	8.17	%
Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	2,956,927	(4)	7.36	%
BlackRock Inc. 40 East 52 nd Street New York, New York 10022	2,873,485	(5)	7.15	%
FMR LLC (Fidelity) 82 Devonshire Street Boston, Massachusetts 02109	2,034,525	(6)	5.07	%

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾		Percentage of Shares Outstanding ⁽²⁾	
	Common	Series A	Common	Series A
Anna T. Chew	354,927	(7)	*	*
Daniel D. Cronheim	86,247		*	*
Catherine B. Elflein	8,038		*	*
Neal Herstik	8,627		*	*
Matthew I. Hirsch	62,140		*	*
Eugene W. Landy	1,176,792	(8)	2.89	%

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Samuel A. Landy	281,242	(9)		*	*
Michael P. Landy	371,078	(10)		*	*
Allison Nagelberg	20,239	(11)		*	*
Scott Robinson	8,038	(12)		*	*
Eugene D. Rothenberg	84,228			*	*
Maureen E. Vecere	150,875	(13)		*	*
Stephen B. Wolgin	28,850	(14)	10,000	*	*
Directors and Officers as a group	2,641,321		10,000	6.42 %	*

*

Less than 1%.

(1) Except as indicated in the footnotes to these tables and pursuant to applicable community property laws, we believe that the persons named above have sole voting and investment power with respect to all shares listed.

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- (2) Based on the number of shares outstanding on March 7, 2012, which was 40,167,375 shares of common stock and 2,139,750 shares of Series A Preferred Stock.
- Based on Schedule 13D filed on May 5, 2011 with the SEC by Oakland Financial Corporation, or Oakland, Liberty Bell Agency, Inc., or Liberty Bell, and Cherokee Insurance Company, or Cherokee, as of April 30, 2011, Oakland owns 52,369, Liberty Bell owns 394,590, Cherokee owns 2,665,063, Erie Manufactured Home Properties, LLC, owns 86,531, Apache Ventures, LLC, owns 79,326, and Matthew T. Maroun owns 4,469. This filing with the SEC
- (3) by Oakland indicates that Oakland shares voting and dispositive power with respect to those shares with Liberty Bell, Cherokee, Erie Manufactured Homes and Apache Ventures, LLC, all of which are wholly-owned subsidiaries of Oakland. Matthew T. Moroun is the Chairman of the Board and controlling stockholder of Oakland, Liberty Bell and Cherokee.
- Based on Schedule 13F filed on February 10, 2012, with the SEC, Vanguard Group, Inc., as of December 31, 2011,
- (4) owns 2,956,927 shares. This filing with the SEC by Vanguard Group, Inc., indicates that Vanguard has sole voting power with respect to 50,477 shares, sole dispositive power with respect to 2,906,450 shares, and shared dispositive power with respect to 50,477 shares.
- Based on Schedule 13F filed on February 10, 2012, with the SEC, BlackRock Inc., as of December 31, 2011, owns
- (5) 2,873,485 shares. This filing with the SEC by BlackRock Inc. indicates that BlackRock has sole voting and dispositive power with respect to those shares.
- Based on Schedule 13G/A filed on February 14, 2012 with the SEC FMR LLC, as of December 31, 2011, owns
- (6) 2,034,525 shares. This filing with the SEC by FMR LLC indicates that FMR LLC has sole voting power with respect to 0 shares, and sole dispositive power with respect to 2,034,525 shares.
- Includes (a) 121,336 shares owned jointly with Ms. Chew's husband; and (b) 20,493 shares held in Ms. Chew's 401(k) Plan. As a co-trustee of the UMH 401(k) Plan, Ms. Chew has shared voting power over the shares held by
- (7) the UMH 401(k) Plan. She, however, disclaims beneficial ownership of all of the shares held by the UMH 401(k) Plan, except for the 20,493 shares held by the UMH 401(k) Plan for her benefit. Includes 213,100 shares issuable upon exercise of a Stock Option.
- Includes (a) 150,913 shares owned by Mr. Landy's wife; (b) 234,427 shares held in the E.W. Landy Profit Sharing Plan of which Mr. Landy is a trustee and has shared voting and dispositive power; (c) 192,294 shares held in the E.W. Landy Pension Plan over which Mr. Landy has shared voting and dispositive power; (d) 13,048 shares held in Landy Investments Ltd., over which Mr. Landy has shared voting and dispositive power; (e) 111,200 shares held in
- (8) the Eugene W. and Gloria Landy Family Foundation, a charitable trust, over which Mr. Landy has shared voting and dispositive power; and (f) 24,828 shares in Juniper Plaza Associates; and (g) 19,152 shares held in Windsor Industrial Park Associates, over which Mr. Landy has shared voting and dispositive power. Includes 487,750 shares issuable upon the exercise of stock options. Excludes 65,000 shares issuable upon the exercise of a stock option.
- Includes (a) 20,788 shares owned by Mr. Landy's wife; (b) 38,762 shares held in a custodial account for Mr. Landy's minor child under the New Jersey Uniform Transfers to Minors Act with respect to which he disclaims any beneficial interest but he has sole dispositive and voting power; (c) 24,379 shares in the Samuel Landy Family
- (9) Limited Partnership; and (d) 46,978 shares held in the UMH 401(k) Plan. As a co-trustee of the UMH 401(k) Plan, Mr. Landy has shared voting power over the shares held by the UMH 401(k) Plan. He, however, disclaims beneficial ownership of all of the shares held by the UMH 401(k) Plan, except for the 46,978 shares held by the UMH 401(k) Plan for his benefit.
- Includes (a) 17,720 shares owned by Mr. Landy's wife; and (b) 116,294 shares held in custodial accounts for Mr.
- (10) Landy's minor children under the New Jersey Uniform Transfer to Minors Act in which he disclaims any beneficial interest but has power to vote; and (c) 8,298 shares held in Mr. Landy's 401(k) Plan. Includes 119,650 shares issuable upon the exercise of a stock option.
- Includes 1,240 shares held in custodial accounts for Ms. Nagelberg's minor children under the New Jersey
- (11) Uniform Transfers to Minors Act with respect to which she disclaims any beneficial interest but she has sole dispositive and voting power.

(12) Includes 5,000 shares issuable upon the exercise of a stock option.

(13) Includes (a) 3,581 shares held in custodial accounts for Ms. Vecere's minor children under the New Jersey Uniform Transfers to Minors Act with respect to which she disclaims any beneficial interest but she has sole dispositive and voting power, and (b) 241 shares held in Ms. Vecere's 401(k) Plan. Includes 127,600 shares issuable upon the exercise of a stock option.

(14) Includes (a) 1,957 shares owned by Mr. Wolgin's wife, and (b) 373 shares held in custodial accounts for Mr. Wolgin's minor children under the New Jersey Uniform Transfer to Minors Act in which he disclaims any beneficial interest but has the power to vote. Mr. Wolgin also owns 10,000 shares of the Series A Preferred Stock.

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DESCRIPTION OF THE SERIES B PREFERRED STOCK

*The following summary of the terms of the Series B Preferred Stock does not purport to be complete and is subject to and qualified in its entirety by reference to the MGCL, our charter, including the articles supplementary designating the Series B Preferred Stock and our bylaws, copies of which are exhibits to the registration statement of which this prospectus is a part. See *Where You Can Find More Information* and *Incorporation by Reference*.*

General

Our authorized stock consists of 77,139,750 shares, of which 70,000,000 shares are classified as common stock, par value \$0.01 per share, or common stock, 5,000,000 shares are classified as excess stock, par value \$0.01 per share, or excess stock, and 2,139,750 shares are classified as 7.625% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share, or Series A Preferred Stock. Our board of directors has reclassified of our authorized and unissued shares of common stock as shares of a series of preferred stock designated as % Series B Cumulative Redeemable Preferred Stock and fixed the terms of the Series B Preferred Stock as described below. Prior to completion of this offering, we will file articles supplementary reflecting this reclassification and setting forth the terms of the Series B Preferred Stock.

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

Ranking

The Series B Preferred Stock will rank, with respect to rights to the payment of dividends, and the distribution of assets upon our liquidation, dissolution or winding up:

- (1) senior to all classes and series of our common stock and to all other equity securities issued by us other than equity securities referred to in (2) and (3) below;
on a parity with the Series A Preferred Stock and any class or series of equity securities classified by our board of directors in the future, the terms of which specifically provide that such equity securities rank on a parity with the
- (2) Series B Preferred Stock with respect to rights to payment of dividends and distribution of assets upon our liquidation, dissolution or winding up;
junior to any class or series of equity securities classified by our board of directors in the future, the terms of which
- (3) specifically provide that such class or series ranks senior to the Series B Preferred Stock with respect to rights to payment of dividends and distribution of assets upon our liquidation, dissolution or winding up; and
- (4) effectively junior to all of our existing and future indebtedness (including indebtedness convertible to the common stock or preferred stock) and the indebtedness of our existing subsidiaries and any future subsidiaries.

Dividends

Holders of the Series B Preferred Stock will be entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of \$ per share each year, which is equivalent to % of the \$25.00 liquidation preference per share, per year. Dividends on the Series B Preferred Stock will accumulate daily and be cumulative from and including May , 2012, the date on which we first issue shares of Series B Preferred Stock. Dividends on the Series B Preferred Stock will be payable quarterly in arrears on the fifteenth day of March, June, September and December (each, a dividend

payment date) to holders of record on the applicable record date; except that if any dividend payment date is not a business day, as defined in the articles supplementary, then the dividend which would otherwise have been payable on that dividend payment date may be paid or set aside for payment on the next succeeding business day and no interest, additional dividends or other sums will accrue on the amount so payable for the period from that dividend payment date to the next succeeding business day. The first dividend payable on the Series B Preferred Stock will be payable on September , 2012 in the amount of \$ per share, and that dividend will be paid to the persons who are the holders of record of the Series B Preferred Stock at the close of business on the corresponding record date, which we expect will be August 15, 2012.

Any dividend payable on the Series B Preferred Stock, including for any partial dividend period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends are payable to holders of record of Series B Preferred Stock as they appear in the transfer agent s records at the close of business on the

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applicable record date, which will be the date that our board of directors designates as the record date for the payment of a dividend that is not more than 30 nor fewer than 10 days prior to the applicable dividend payment date.

Our board of directors will not authorize, and we will not pay or set apart for payment, any dividend on the Series B Preferred Stock at any time that:

the terms and conditions of any of our agreements, including any agreement relating to our indebtedness, prohibit such authorization, payment or setting apart for payment;

the terms and conditions of any of our agreements, including any agreement relating to our indebtedness, provide that such authorization, payment or setting apart for payment would constitute a breach of, or a default under, such agreement; or

the law restricts or prohibits the authorization, payment or setting apart for payment.

Notwithstanding the foregoing, dividends on the Series B Preferred Stock will accumulate whether or not:

the terms and conditions of any law or any of our agreements, including any agreement relating to our indebtedness, prohibit the current payment of dividends on the Series B Preferred Stock;

we have earnings;

there are funds legally available for the payment of the dividends; or

the dividends are declared by us.

No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series B Preferred Stock which may be in arrears, and holders of the Series B Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series B Preferred Stock will first be credited against the earliest accumulated but unpaid dividend due with respect to such shares which remains payable.

Future distributions on our common stock and preferred stock, including the Series B Preferred Stock offered pursuant to this prospectus, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, any debt service requirements and any other factors our board of directors deems relevant. Accordingly, we cannot guarantee that we will be able to make cash distributions on our preferred stock or what the actual distributions will be for any future period.

We will not declare or pay or set aside for payment any dividends (other than a dividend paid in shares of common stock or any other class or series of our equity securities that ranks junior to the Series B Preferred Stock as to dividends and upon liquidation, dissolution or winding up) or declare or make any other distribution of cash or other property on our common stock or any other class or series of our equity securities that ranks junior to or on a parity with the Series B Preferred Stock as to dividends and other distributions (including the Series A Preferred Stock) or redeem, purchase or otherwise acquire for any consideration, or make any funds available for a sinking fund for the redemption of, any shares of common stock or any other class or series of our equity securities that ranks junior to or on a parity with the Series B Preferred Stock as to dividends and other distributions (except by conversion into or exchange for shares of common stock or any other class or series of our equity securities that ranks junior to the Series B Preferred Stock as to dividends and upon liquidation, dissolution or winding up and except for the redemption of shares of our equity securities pursuant to the provisions of our charter relating to the restrictions upon ownership and transfer of our equity securities), unless we also have paid or declared and set aside for payment full cumulative dividends on the Series B Preferred Stock for all past dividend periods.

If we do not declare and either pay or set aside for payment full cumulative dividends on the Series B Preferred Stock and any other class or series of our equity securities that ranks on a parity, as to dividends, with the Series B Preferred

Stock (including the Series A Preferred Stock), the amount which we have declared will be allocated pro rata to the holders of the Series B Preferred Stock and each such other class or series of our equity securities, so that the amount declared for each share of Series B Preferred Stock and for each share of such other class or series of our equity securities is proportionate to the accumulated and unpaid dividends on those shares.

If, for any taxable year, we elect to designate as capital gain dividends (as defined in Section 857 of the Code) a portion, which we refer to as the Capital Gains Amount, of the dividends not in excess of our earnings and profits that are paid or made available for the year to the holders of all classes and series of our equity securities,

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or the Total Dividends, then the portion of the Capital Gains Amount that will be allocable to the holders of the Series B Preferred Stock will be the Capital Gains Amount multiplied by a fraction, the numerator of which will be the total dividends (within the meaning of the Code) paid or made available to the holders of the Series B Preferred Stock for the year and the denominator of which will be the Total Dividends.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of the then-outstanding shares of Series B Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders, subject to the preferential rights of the holders of any class or series of our equity securities that we may issue ranking senior to the Series B Preferred Stock with respect to the distribution of assets upon liquidation, dissolution or winding up, a liquidation preference of \$25.00 per share plus an amount equal to any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the date of payment, before any distribution or payment may be made to holders of common stock or any other class or series of our equity securities ranking, as to liquidation rights, junior to the Series B Preferred Stock. If, upon our voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the full amount of the liquidating distributions on all outstanding shares of Series B Preferred Stock and the corresponding amounts payable on all outstanding shares of each other class or series of our equity securities ranking on a parity with the Series B Preferred Stock in the distribution of assets (including the Series A Preferred Stock), then the holders of the Series B Preferred Stock and each such other class or series of our equity securities will share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled. Holders of the Series B Preferred Stock will be entitled to written notice of any voluntary or involuntary liquidation, dissolution or winding up no fewer than 30 days and no more than 60 days prior to the first payment date of any such liquidating distribution. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of the Series B Preferred Stock will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other entity or the sale, lease, transfer or conveyance of all or substantially all of our property or business will not be deemed to constitute our liquidation, dissolution or winding up.

In determining whether a distribution (other than upon voluntary or involuntary dissolution) by dividend, redemption or other acquisition of shares of our stock or otherwise is permitted under the MGCL, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of the holders of the Series B Preferred Stock will not be added to our total liabilities.

Optional Redemption

The Series B Preferred Stock is not redeemable by us prior to May , 2017, except under the circumstances described in the next paragraph below, pursuant to the provisions of our charter relating to restrictions on ownership and transfer of our stock and under the circumstances described under Special Optional Redemption.

We may redeem any or all of the outstanding shares of Series B Preferred Stock at any time, whether before or after May , 2017, for a cash redemption price per share equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a record date set for the payment of a dividend on the Series B Preferred Stock and on or prior to the corresponding dividend payment date, in which case the amount of such accrued and unpaid dividend will not be included in the redemption price), without interest, upon the giving of notice, as provided below, if our board of directors determines that such redemption is necessary to preserve our status as a REIT for federal income tax purposes.

On and after May , 2017, we will have the option to redeem the Series B Preferred Stock, in whole or in part, from time to time, for a cash redemption price per share equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a record date set for the payment of a dividend on the Series B Preferred Stock and on or prior to the corresponding dividend payment date, in which case the amount of such accrued and unpaid dividend will not be included in the redemption price), without interest, upon the giving of notice, as provided below.

Special Optional Redemption

During any period of time (whether before or after May , 2017) that both (i) the Series B Preferred Stock is not listed or quoted on the NYSE, the NYSE Amex or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the NASDAQ and (ii) we are not subject to the reporting requirements of the Exchange Act, but any shares of Series B Preferred Stock are outstanding

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(which we refer to collectively as a Delisting Event), we will have the option to redeem the Series B Preferred Stock, in whole or in part, within 90 days after the date of the Delisting Event, for a cash redemption price per share equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a record date set for the payment of a dividend on the Series B Preferred Stock and on or prior to the corresponding dividend payment date, in which case the amount of such accrued and unpaid dividend will not be included in the redemption price), upon the giving of notice, as provided below.

Upon the occurrence of a Change of Control (as defined below), we will have the option to redeem the Series B Preferred Stock, in whole or in part and within 120 days after the first date on which such Change of Control occurred, for a cash redemption price per share equal to \$25.00 plus any accumulated and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a record date set for the payment of a dividend on the Series B Preferred Stock and on or prior to the corresponding dividend payment date, in which case the amount of such accrued and unpaid dividend will not be included in the redemption price), upon the giving of notice, as provided below.

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

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions, of shares of our stock entitling that person to exercise more than 50% of the total voting power of all outstanding shares of our stock entitled to vote generally in the election of directors (and such a person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE Amex or the NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or the NASDAQ.

If, prior to the date fixed for conversion of Series B Preferred Stock in connection with a Delisting Event or Change of Control, as described more fully below, we provide notice of redemption of shares of Series B Preferred Stock (whether pursuant to our optional redemption right or our special optional redemption rights), holders of such shares of Series B Preferred Stock will not be