

LEXINGTON REALTY TRUST
Form S-3ASR
December 24, 2015

As filed with the Securities and Exchange Commission on December 23, 2015.

Registration No. 333-

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

FORM S-3

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Lexington Realty Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

13-3717318
(I.R.S. Employer
Identification Number)

**One Penn Plaza, Suite 4015
New York, NY 10119
(212) 692-7200**

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

T. Wilson Eglin
Chief Executive Officer and President
Lexington Realty Trust
One Penn Plaza, Suite 4015
New York, NY 10119
(212) 692-7200

With copies to:

Elizabeth H. Noe, Esq.
Paul Hastings LLP
1170 Peachtree Street
Suite 100
Atlanta, Georgia 30309
(404) 815-2287

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of
this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment
plans, please check the following box.

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 of 1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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 registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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Title of each class of securities to be registered	Amount to be registered ⁽¹⁾⁽²⁾	Proposed maximum offering price per unit ⁽²⁾	Proposed maximum aggregate offering price ⁽²⁾	Amount of Registration Fee
Shares of beneficial interest classified as common stock, par value \$0.0001 per share	3,344,489	\$ 8.18	\$27,357,920.02	\$2,754.94

This Registration Statement shall also cover any additional shares of beneficial interest classified as common stock, par value \$0.0001 per share (common shares), which become issuable under the registrant's Amended and Restated

(1) Dividend Reinvestment and Direct Share Purchase Plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of common shares.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low reported sales prices for the registrant's common shares, as reported on the New York Stock Exchange on December 17, 2015, which was within five business days prior to the date of filing of this registration statement.

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Prospectus

3,344,489 Common Shares

Lexington Realty Trust

**Amended and Restated Dividend Reinvestment and
Direct Share Purchase Plan
Common Shares of Beneficial Interest Classified as
Common Stock**

We are Lexington Realty Trust, a self-managed and self-administered real estate investment trust, or REIT, that acquires, owns and manages a diversified portfolio of equity and debt investments in single-tenant commercial properties and land. Our executive offices are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015, and our telephone number is (212) 692-7200.

We originally established our Dividend Reinvestment Plan on September 29, 2000 and further amended and restated such plan on January 14, 2003 and August 11, 2006, and further amended such plan on April 5, 2007. On November 21, 2008, we revised our Dividend Reinvestment Plan pursuant to the Amended and Restated Dividend Reinvestment and Direct Share Purchase Plan, which we have further revised as of the date of this prospectus and which we refer to as the plan. This prospectus describes the plan, as it has been amended and restated to date.

There are two components of the plan:

The dividend reinvestment component of the plan provides to holders of our shares of beneficial interest classified as common stock, par value \$0.0001 per share, or common shares, whom we refer to as our shareholders, a simple and convenient method to purchase common shares by reinvesting in common shares all of the dividends paid with respect to all of their common shares. We refer to shareholders as current investors. We no longer allow holders of units of limited partner interest in Lepercq Corporate Income Fund L.P., our operating partnership subsidiary, to participate in the dividend reinvestment component of the plan with respect to their units.

The direct share purchase component of the plan permits our current investors and new investors to make optional cash purchases of our common shares in an economical and convenient manner.

The common shares purchased for the accounts of the participants under the plan will be purchased, at our discretion, either directly from us or in the open market, or through a combination of these two options. The price of the common shares purchased directly from us for the accounts of the participants under the plan will be the average of the daily high and low sales prices of our common shares on the New York Stock Exchange five trading days prior to the date that such shares are purchased less a discount, if any, of up to 5%. The price of the common shares purchased on the open market will be the weighted-average purchase price of the specific batch for such shares purchased by the administrator. Effective as of February 1, 2016, we have elected open market purchases. As a result, there will be no discount on purchases from February 1, 2016 until we change this election.

Computershare Trust Company, N.A., or a successor selected by us, is the administrator of the plan, whom we refer to as the administrator.

You may enroll in the plan either (1) online at www.computershare.com/investor or (2) by completing and returning an enrollment form to the administrator. Further information on enrolling in the plan is available beginning on page 6 of this prospectus.

Our common shares trade on the New York Stock Exchange under the symbol LXP . On December 22, 2015, the last reported sale price of our common shares, as reported on the New York Stock Exchange, was \$8.12 per common share.

YOU SHOULD BE AWARE THAT AN INVESTMENT IN OUR COMMON SHARES INVOLVES VARIOUS RISKS. SEE RISK FACTORS BEGINNING ON PAGE 4 OF THIS PROSPECTUS.

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 date of this prospectus is December 23, 2015

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ABOUT THIS PROSPECTUS

All references to the Company, we, our and us in this prospectus mean Lexington Realty Trust and all entities owned or controlled by us except where it is made clear that the term means only the parent company. All references to the operating partnership in this prospectus mean Lepercq Corporate Income Fund, L.P. which is our operating partnership subsidiary. The term you refers to a prospective participant in the plan.

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, which we refer to as the SEC or the Commission. You should rely only on the information or representations provided in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date of such prospectus or supplement.

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CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION

This prospectus and the information incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and as such may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words may, will, should, expect, anticipate, estimate, believe, intend, project, or the negative of these words or other similar terms. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

changes in economic conditions generally and the real estate market specifically;
adverse developments with respect to our tenants;
impairments in the value of our real estate investments;
legislative/regulatory/accounting changes including changes to laws governing the taxation of real estate investment trusts, or REITs;

any material legal proceedings;
availability of debt and equity capital;
increases in real estate construction costs;
competition;
changes in interest rates;

supply and demand for properties in our current and proposed market areas;
a downgrade in our credit ratings; and
the other risk factors set forth in our Annual Report on Form 10-K filed on February 26, 2015, the section entitled Risk Factors beginning on page 4 of this prospectus and the other documents incorporated by reference herein, including documents that we file with the SEC in the future that are incorporated by reference herein.

These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference in this prospectus. We caution you that any forward-looking statement reflects only our belief at the time the statement is made. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, levels of activity, performance or achievements.

Except as required by law, we undertake no obligation to update any of the forward-looking statements to reflect events or developments after the date of this prospectus.

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PROSPECTUS SUMMARY

This summary highlights selected information about us. Because this is a summary, it may not contain all of the information that is important to you. Before making a decision to invest in our common shares, you should carefully read this entire prospectus and the documents incorporated by reference in this prospectus, as provided in WHERE YOU CAN FIND MORE INFORMATION on page 37 of this prospectus, especially the RISK FACTORS beginning on page 4 of this prospectus for a discussion of factors you should carefully consider before making an investment decision.

The Company

We are a self-managed and self-administered REIT formed under the laws of the State of Maryland that owns a diversified portfolio of equity and debt investments in single-tenant commercial properties and land. A majority of these properties and all land interests are subject to net or similar leases, where the tenant bears all or substantially all of the costs, including cost increases, for real estate taxes, utilities, insurance and ordinary repairs. We also provide investment advisory and asset management services to investors in the single-tenant area.

We elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Code, commencing with our taxable year ended December 31, 1993. If we qualify for taxation as a REIT, we generally will not be subject to federal corporate income taxes on our net income that is currently distributed to shareholders.

Our principal executive offices are located at One Penn Plaza, Suite 4015, New York, New York 10119-4015 and our telephone number is (212) 692-7200.

Summary of the Plan

We originally established our Dividend Reinvestment Plan on September 29, 2000 and further amended and restated such plan on January 14, 2003 and August 11, 2006, and further amended such plan on April 5, 2007. On November 21, 2008, we revised the Dividend Reinvestment Plan pursuant to the Amended and Restated Dividend Reinvestment and Direct Share Purchase Plan, which we have further revised as of the date of this prospectus. This prospectus describes the plan, as it has been amended and restated to date.

The plan is a simple and convenient common share purchase program available for current investors to increase their holdings of our common shares and for new investors to make an initial investment in our common shares. Current investors can reinvest in our common shares all of the dividends paid with respect to all of their common shares. We refer to such investments as dividend reinvestments. Additionally, current investors as well as new investors may make optional cash payments, which we refer to as optional cash investments, to purchase common shares pursuant to the plan. We refer to shareholders and new investors who enroll in the plan as participants.

This prospectus relates to authorized and unissued common shares registered for issuance under the plan. We suggest that you read this prospectus carefully and retain it for future reference.

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RISK FACTORS

Investing in our securities involves risks and uncertainties that could affect us and our business as well as the real estate industry generally. You should carefully consider the risks described and discussed under the caption "Risk Factors" included in our Annual Report on Form 10-K filed on February 26, 2015, which is incorporated by reference in this prospectus, and the risks described below and in any other documents incorporated by reference in this prospectus, including without limitation any updated risks included in our subsequent periodic reports. These risks could materially affect our business, results of operations or financial condition and cause the value of our common shares to decline. You could lose all or part of your investment. These risk factors may be amended, supplemented or superseded from time to time by risk factors contained in any prospectus supplement or post-effective amendment we may file or in other reports we file with the SEC in the future. In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance.

Set forth below are specific risks you should consider in connection with purchases of our common shares under the plan.

Your investment in the plan is not protected from losses.

Your investment in the plan is no different from any investment in common shares held by you. If you choose to participate in the plan, then you should recognize that none of us, our subsidiaries and affiliates, nor the plan administrator can assure you of a profit or protect you against loss on the common shares that you purchase under the plan. You bear the risk of loss in value and enjoy the benefits of gains with respect to all your common shares. You need to make your own independent investment and participation decisions consistent with your situation and needs. None of us, our subsidiaries and affiliates, nor the administrator can guarantee liquidity in the markets, and the value and marketability of your shares may be adversely affected by market conditions. Your ability to liquidate or otherwise dispose of common shares in the plan is subject to the terms of the plan and the withdrawal procedures thereunder. You may not be able to withdraw or sell your common shares in the plan in time to react to market conditions.

Plan accounts are not insured or protected by the Securities Investor Protection Corporation or any other entity and are not guaranteed by the Federal Deposit Insurance Corporation or any government agency.

We, our affiliates and the administrator will have limited liability to you with respect to the plan.

Neither we, our subsidiaries, our affiliates, nor the administrator will be liable for any act, or for any failure to act, as long as we or they have made good faith efforts to carry out the terms of the plan, as described in this prospectus and on the forms that are designed to accompany each investment, sale or activity.

The purchase price for common shares purchased or sold under the plan will vary.

The purchase price for any common shares that you purchase or sell under the plan will vary and cannot be predicted. Common shares purchased or sold under the plan may have a price that is different from (more or less than) the price

that you would obtain in the open market. See Questions 18 and 24 as provided in DESCRIPTION OF THE PLAN, beginning on page 6 of this prospectus.

You will not earn any interest on your dividends or cash pending investment.

No interest will be paid on dividends, cash or other funds held by the administrator pending investment or disbursement.

The market price for our common shares varies, and you should purchase common shares for long-term investment only.

Although our common shares are currently traded on the New York Stock Exchange, or the NYSE, we cannot assure you that there will, at any time in the future, be an active trading market for our common shares. Even if there is an active trading market for our common shares, we cannot assure you that you will be able to sell all of your common shares at one time or at a favorable price, if at all. As a result, you should participate in the plan only if you are capable of, and seeking, to make a long-term investment in our common shares.

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You may incur tax obligations without receiving cash with which to pay those obligations.

If you reinvest dividends under the plan, you will be treated for federal income tax purposes as having received a dividend on the Investment Date, as defined in the plan, which may give rise to a tax payment obligation without providing you with cash to pay such tax when it becomes due. See Question 39, as provided in DESCRIPTION OF THE PLAN, beginning on page 6 of this prospectus, for a description of federal income tax consequences of participating in the plan.

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DESCRIPTION OF THE PLAN

The plan, as follows, is arranged in a question and answer format:

Purpose of the Plan

1. What is the purpose of the plan?

The plan provides current investors with a simple and convenient method to purchase our common shares by reinvesting in our common shares all of the dividends paid with respect to all of their common shares. The plan also provides our current investors and new investors with the opportunity to make purchases of our common shares in a simple and convenient manner.

The plan is primarily intended for the benefit of long-term investors, and not for the benefit of individuals or institutions who engage in short-term trading activities that could cause aberrations in the overall trading volume of our common shares. From time to time, financial intermediaries may engage in positioning transactions in order to benefit from any discount we may offer from the market price for common shares acquired under the plan. These transactions may cause fluctuations in the trading volume of our common shares. We reserve the right to modify, suspend or terminate participation in this plan, at any time, by otherwise eligible investors in order to eliminate practices which we determine, in our sole discretion, to be inconsistent with the purposes of the plan or for any other reason.

Participation

2. Who is eligible to enroll in the plan?

The plan is open to current investors and new investors. A current investor who has common shares registered in a name other than his or her own, such as that of a broker, bank nominee or trustee, may participate in the plan by (i) requesting that his or her bank, broker or trustee transfer some or all of his or her common shares into his or her own name in order to participate in the plan directly or (ii) depositing some or all of his or her common shares with the administrator for safekeeping. A new investor may participate in the plan by purchasing common shares through the plan.

3. Are there any restrictions on who is eligible to enroll in the plan other than those described above?

Foreign Law Restrictions. Citizens or residents of countries other than the United States and its territories and possessions should make certain that participation in the plan will not violate local laws, including those governing taxes, currency and exchange controls, registration of equity securities, foreign investments and related matters.

REIT Qualification Restrictions. We may terminate, by written notice at any time, any participant's individual participation in the plan if we determine, in our sole discretion, that such participation would be in violation of the Ownership Limit, as set forth in and defined in our Declaration of Trust. To the extent that the reinvestment of dividends under the plan would cause a participant or any other person to exceed the Ownership Limit or otherwise violate our Declaration of Trust, such reinvestment will be void ab initio. Any such participant will be entitled to receive cash dividends, without interest, in lieu of such reinvestment.

Exclusion from Plan for Short-Term Trading or Other Practices. Participants should not use the plan to engage in short-term trading activities that could change the normal trading volume of the common shares. If a participant does engage in short-term trading activities, we may prevent that participant from continuing to participate in the plan.

We reserve the right to modify, suspend or terminate participation in the plan by otherwise eligible current investors in order to eliminate practices which we determine, in our sole discretion, to be inconsistent with the purposes or operation of the plan or which may adversely affect the market price of our common shares.

Restrictions at Our Discretion. In addition to the restrictions described above, we reserve the right to prevent you from participating in the plan for any other reason. We have the sole discretion to exclude you from, or terminate your participation in, the plan.

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4. How do I enroll in the plan?

You may enroll in the plan (i) online through the administrator's website at www.computershare.com/investor or (ii) by completing an enrollment form, a copy of which may be obtained from the administrator, and mailing it to the administrator at the address listed below. If your common shares are registered in an account bearing more than one name, such as joint tenants, trustees, etc., on the books of our transfer agent, all registered holders must sign the enrollment form. If your common shares are registered in more than one account on the books of our transfer agent, you should sign and return a separate enrollment form with respect to each account you wish to have enrolled in the plan.

If you are already enrolled in the plan, you need not take any further action at this time to continue your participation. However, if you would like to make an optional cash investment through the plan to increase your holdings of our common shares, you may return the transaction stub from your plan statement along with your check and mail it to the administrator in the envelope provided.

A participant who wishes to make regular monthly investments may authorize monthly recurring automatic deductions from their U.S. bank account.

You may obtain an enrollment form at any time by contacting the administrator at:

Computershare Trust Company, N.A.
P.O. Box 30170
College Station, TX 77842-3170
Telephone: 1-800-850-3948

By signing and returning an enrollment form for the dividend reinvestment component of the plan, a participant will be deemed to have elected to automatically reinvest in our common shares all of the dividends paid with respect to all common shares registered in his or her name on the books of our transfer agent, including dividends paid with respect to common shares purchased for his or her account under the plan.

5. When may I join the plan?

A current investor or new investor may enroll in the plan at any time.

Participation in the dividend reinvestment feature of the plan will begin with the first dividend after properly enrolling online or after receipt by the administrator of a properly completed and executed enrollment form. If you enroll prior to the record date for a dividend payment, your election to reinvest dividends will begin with that dividend payment. If you enroll on or after any such record date, reinvestment of dividends will begin on the dividend payment date following the next record date if you are still a shareholder of record. Dividends are expected to be paid in January, April, July and October in each year. The record date for dividends is generally the last day of the month immediately preceding the payment date.

Participation in the optional cash investment component will begin after properly enrolling online or after receipt by the administrator of a properly completed and executed enrollment form. Optional cash investments will be made as directed by the participant at enrollment, subject to the terms of the plan.

Administration

6. Who administers the plan?

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Computershare Trust Company, N.A., or a successor selected by us, will administer the plan for the participants, keep records, send statements of accounts to the participants, answer any questions the participants may have and perform other duties related to the plan. All costs of administering the plan are paid by us. The administrator makes all purchases of common shares for the participants' accounts under the plan.

If you have questions regarding the plan, please write to the administrator at the following address:

Computershare Trust Company, N.A.
P.O. Box 30170
College Station, TX 77842-3170

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Or call the administrator at:

1-800-850-3948 if you are inside the United States or Canada,

1-201-680-6578 for International telephone inquiries, or

1-800-368-0328 for the hearing impaired (TDD).

An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Time, Monday through Friday (except holidays).

Include your name, address, daytime telephone number, account key, Investor Identification Number and reference Lexington Realty Trust on all written correspondence.

In addition, you may visit the Computershare Trust Company, N.A. website at www.computershare.com/investor. At this website, you can enroll in the plan, obtain information, and perform certain transactions on your plan account. In order to access your account online, you will need to register.

7. What kind of reports will be sent to a participant?

As soon as practicable after each Investment Date, a statement of account will be mailed to each participant by the administrator. These statements will provide a record of the cost of the common shares purchased for the participant's account under the plan, the number of common shares purchased pursuant to the plan and the total number of common shares in the participant's account as of that date. The statement will also include specific cost basis information in accordance with applicable law. These statements are the participants' continuing record of current activity and should be retained for tax purposes. In addition, each participant will receive a copy of all communications sent to our shareholders, including any annual and quarterly reports to shareholders, proxy statements and dividend income information for tax reporting purposes. Participants should be aware that it is important to retain all statements received as a fee may be incurred when requesting that the administrator supply past history.

8. What are our responsibilities and the responsibilities of the administrator under the plan?

In administering the plan, neither we nor the administrator, nor any agent for either us or them will:

be liable for any act done in good faith or required by applicable law, or for any good faith omission to act, including, without limitation, any claim of liability (i) arising out of failure to terminate a participant's account upon such participant's death prior to receipt by the administrator of notice in writing of such death, (ii) with respect to the prices and times at which common shares are purchased or sold (except for prices specified for day limit orders or GTC limit orders) for a participant, or (iii) with respect to any fluctuation in market value before or after any purchase or sale of common shares; or

have any duties, responsibilities or liabilities, except as expressly set forth in the plan.

Since we have delegated all responsibility for administering the plan to the administrator, we specifically disclaim any responsibility for any of the administrator's actions or omissions to act in connection with the administration of the plan. None of our trustees, officers, employees or shareholders will have any personal liability under the plan.

We and the administrator will be entitled to rely on completed forms and the proof of due authority to participate in the plan without further responsibility of investigation or inquiry.

The administrator may resign as administrator of the plan at any time, in which case we will appoint a successor administrator. In addition, we may replace the administrator with a successor administrator at any time.

9. What are the responsibilities of a participant under the plan?

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The common shares purchased for a participant's account under the plan may revert to the state in which he or she lives in the event that such common shares are deemed, under such state's laws, to have been abandoned. For this reason, participants should notify the administrator promptly of any change of address. The administrator will address account statements and other communications to each participant at the last address of record provided by him or her to the administrator.

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A participant will have no right to draw checks or drafts against his or her account under the plan or to instruct the administrator with respect to any common shares or cash held in his or her account except as expressly provided herein.

Dividends

10. When are dividends paid?
Dividends are expected to be paid in January, April, July and October.

We cannot assure you that we will declare or pay dividends in the future, and nothing contained in the plan obligates us to do so. However, we intend to continue qualifying as a REIT and therefore must distribute to our shareholders a minimum of 90% of taxable income. The plan does not represent a guarantee of future dividends.

No interest will be paid on dividends pending reinvestment under the terms of the plan.

11. May a participant reinvest less than the full amount of his or her dividends?
No, a participant may only elect to reinvest all of the dividends paid with respect to all of the common shares that he or she holds.

12. Will a participant be credited with dividends paid in respect of common shares purchased for his or her account under the plan?
Yes. A participant is the record holder of the common shares purchased for his or her account under the plan, and therefore is entitled to all dividends we pay in respect of the common shares held in his or her account on the applicable record date, less any applicable tax withholding requirements imposed on us. The administrator will receive all such dividends, credit such dividends to the participant's account based on the number of whole and fractional common shares held in the participant's account on the applicable record date and automatically reinvest such dividends in additional whole and fractional common shares for the participant's account under the plan.

Cash Investments

13. How can I make an initial optional cash investment?
If you do not currently own any of our common shares, or you are an existing shareholder that is not enrolled in the plan and your common shares are not registered in your name, you can participate by making an initial optional cash investment through the plan for as little as \$250 and up to a maximum of \$250,000, unless we grant you a waiver of this amount. Your initial investment can be made using one of the following options:

Via online enrollment by:

Authorizing one-time online bank debit (minimum of \$250) from your U.S. bank account;
Authorizing a minimum of five recurring monthly automatic deductions of at least \$50.00 from your U.S. bank account; or

Opening your account online and sending your initial investment of \$250 or more.

Via the initial enrollment form:

Making one payment (minimum of \$250) by personal check payable to Computershare/Lexington Realty Trust in U.S. dollars and drawn on a U.S. bank; or

Authorizing a minimum of five recurring monthly automatic deductions of at least \$50.00 from your U.S. bank account.

14. How can I make an additional optional cash investment?

Once you are enrolled in the plan, you may purchase additional common shares through optional cash investments. Optional cash investments may not be less than \$50.00, and the total of all optional cash investments may not exceed \$250,000 in any calendar year, unless we grant you a waiver of this amount. There is no obligation either to make an optional cash investment or to invest the same amount of cash for each investment.

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Check. You may make optional monthly cash investments by sending a personal check to the administrator payable to *Computershare/Lexington Realty Trust* in U.S. dollars and drawn on a U.S. bank. To facilitate processing of your investment, please use the transaction stub attached to your plan statement. Mail your investment and transaction stub to the address specified on the stub. The administrator will not accept cash, money orders, traveler's checks or third party checks.

One-Time Online Bank Debit. At any time, you may make optional monthly cash investments through the administrator's website, *www.computershare.com/investor*, by authorizing a one-time online bank debit from an account at a U.S. bank or financial institution. You should refer to the online confirmation for the account debit date and investment date.

Recurring Monthly Automatic Withdrawals. As an alternative to sending checks, you may elect to have funds automatically withdrawn from your checking or savings account at a U.S. bank. You may elect the automatic deduction option by completing and signing a direct debit authorization form and returning this form to the administrator, together with a voided blank check or savings account deposit slip for the bank account from which the funds are to be withdrawn. Additional direct debit authorization forms are available through the administrator. You may also enroll online through *www.computershare.com/investor*. Your direct debit authorization forms will be processed and will become effective as promptly as practical. You should allow four to six weeks for the first investment to be initiated using this automatic deduction feature. The amounts you have authorized will be withdrawn from your bank account on the 25th day of each month, or the next succeeding business day if the 25th day falls on a weekend or holiday. You may change the amount of money or terminate automatic deductions by either calling the administrator directly at 1-800-850-3948 or by completing and submitting to Computershare a new direct debit authorization form or online at *www.computershare.com/investor*. You will be responsible for all processing fees and any other costs your bank may charge in connection with deductions from your U.S. bank account.

In the event that any check, electronic funds transfer or other deposit is returned unpaid for any reason, or your designated U.S. bank account does not have sufficient funds for an automatic debit, the administrator will consider the request for investment of that purchase null and void and will immediately remove from your account any shares already purchased in anticipation of receiving those funds. If the net proceeds from the sale of those shares are insufficient to satisfy the balance of the uncollected amounts, the administrator may sell additional shares from your account as necessary to satisfy the uncollected balance. There is a \$35.00 fee for any check or other deposit that is returned unpaid by your bank and for any failed automatic deduction from your designated U.S. bank account. This fee will be collected by the administrator through the sale of the number of shares from your account necessary to satisfy the fee.

15. May I invest more than the plan maximum of \$250,000?

Yes, if you request a waiver of this limit and we grant your waiver request. Upon receipt of a written bid-waiver form from an investor, we will consider waiving the maximum investment limit. Grants of waiver requests will be made in our sole discretion based on a variety of factors, which may include: our current and projected capital needs, prevailing market prices of our common shares and other securities, and general economic and market conditions.

Shares purchased in excess of the plan maximum investment amount will be priced as follows:

Investments for which a waiver has been granted will be made subject to a pricing period, which will generally consist of one (1) to fifteen (15) separate days during which trading of our common shares is reported on the NYSE. Each of these separate days will be an investment date, and an equal proportion of the investment amount will be invested on each trading day during such pricing period, subject to the qualifications listed below. The purchase price for common shares acquired on a particular investment date will be equal to 100%, subject to change as provided below, of the

volume-weighted average price, less any applicable discount, rounded to four decimal places, of our common shares as reported by the NYSE only, obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized before the beginning of

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the pricing period) for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time, up to and including the closing print, for that investment date. Funds for such investments must be received by the administrator not later than the business day before the first day of the pricing period.

We may establish a minimum, or threshold, price for any pricing period that the volume-weighted average price, rounded to four decimal places, of our common shares must equal or exceed during each trading day of the pricing period for investments made pursuant to a waiver request.

If we decide to establish a threshold price for a particular pricing period, the threshold price for any investments made pursuant to a bid-waiver form will be a stated dollar amount that the volume-weighted average price, rounded to four decimal places, of our common shares, as reported by the NYSE for each trading day in the relevant pricing period, must equal or exceed. If the threshold price is not satisfied for a trading day in the pricing period, then that trading day and the trading prices for that day will be excluded from the pricing period.

We will only establish a threshold price if common shares will be purchased directly from us in connection with the relevant pricing period (please see first bullet above). If we have established a threshold price with respect to the relevant pricing period, then we will exclude from the pricing period any trading day that the volume-weighted average price is less than the threshold price and refund that day's proportional investment amount. For example, if the threshold price is not met for two (2) of the trading days in a ten-day pricing period, then we will return 20% of the funds you submitted in connection with your bid-waiver form, without interest, unless we have activated the pricing period extension feature for the pricing period, as described below.

Neither we nor the administrator are required to notify you that a threshold price has been established for any pricing period.

We may elect to activate for any particular pricing period a pricing period extension feature which will provide that the initial pricing period be extended by the number of days that the threshold price is not satisfied, subject to a maximum of five (5) trading days. If we elect to activate the pricing period extension feature and the threshold price is satisfied for any additional day that has been added to the initial pricing period, that day will be included as one of the trading days for the pricing period instead of the day on which the threshold price was not met. For example, if the determined pricing period is fifteen (15) days, and the threshold price is not satisfied for three (3) out of those fifteen (15) days in the initial pricing period, and we had previously announced in the bid-waiver form that the pricing period extension feature was activated, then the pricing period will be automatically extended, and if the threshold price is satisfied on the next three (3) trading days (or a subset thereof), then those three (3) days (or subset thereof) will become investment dates in lieu of the three (3) days on which the threshold price was not met. As a result, because there were fifteen (15) trading days during the initial and extended pricing period on which the threshold price was satisfied, all of the funds that you include with your bid-waiver form will be invested.

Newly issued common shares purchased pursuant to a request for waiver on a bid-waiver form will be posted to participants' accounts within three (3) business days following the end of the applicable pricing period, or, if we elect to activate the continuous settlement feature, within three (3) business days of each separate investment date beginning on the first investment date in the relevant pricing period and ending on the final investment date in the relevant pricing period, with an equal amount being invested on each day, subject to the qualifications set forth above. During any month when we are proposing to grant requests for waiver for one or more investments, we may elect to activate the continuous settlement feature for such investments by announcing in the bid-waiver form that we will be doing so. The purchase price of common shares acquired on each investment date will be equal to the volume-weighted average price obtained from Bloomberg, LP (unless such service is unavailable, in which case we will designate another service to be utilized before the beginning of the pricing period), rounded to four decimal places, for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time, up to and including the closing print, for each of the investment dates during the pricing period, assuming the threshold price is met on that day, less any discount that we may decide to offer. For each pricing period (assuming the threshold price is met on each trading

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day of that pricing period), we would have a separate settlement of each investment date's purchases, each based on the volume-weighted average price for the trading day relating to each of the investment dates during the pricing period. Bid-waiver form request forms and information regarding the establishment of a threshold price, if any, may be obtained by contacting the administrator at 1-800-850-3948.

Common Share Purchases

16. What is the source of common shares to be purchased under the plan?

The administrator will purchase common shares for the accounts of the participants under the plan, at our discretion, either directly from us, on the open market, or through a combination of these two options. Effective February 1, 2016, we have elected open market purchases. We may change the method of purchase at any time without notice to the participants, however, no more often than once per quarter.

17. When will common shares be purchased?

Dividend Reinvestment. Common shares purchased for the accounts of the participants under the dividend reinvestment component of the plan will be purchased on the applicable dividend payment date.

Optional Cash Investment. Common shares purchased for the accounts of the participants under the optional cash investment component of the plan will be purchased as soon as practicable following receipt by the administrator of good funds and at least once every five business days.

The date that common shares are purchased is referred to as the Investment Date.

Notwithstanding the foregoing, neither we nor the administrator shall be liable when conditions, including compliance with the rules and regulations of the SEC, prevent the purchase of common shares or interfere with the timing of purchases. In accordance with applicable law, funds will be returned to participants if not used to purchase common shares: (i) within 35 days of receipt of initial or additional cash investments; or (ii) within 30 days of the dividend date for dividend reinvestments. A participant may withdraw any additional cash investment by written notice received by the administrator at least two (2) business days prior to investment of the funds. **NO INTEREST WILL ACCRUE ON ANY CASH INVESTMENT HELD BY THE ADMINISTRATOR PRIOR TO THE DATE SUCH FUNDS ARE USED TO PURCHASE SHARES.**

In making purchases for a participant's account, the administrator may commingle the participant's funds with those of other participants in the plan.

Neither we nor any participant has any authority or power to direct the time or the price at which any market purchase is completed or as to the selection of a broker or dealer through or from whom such purchases are to be made.

18. What is the price of common shares purchased under the plan?

Common shares purchased directly from us:

When the common shares are purchased directly from us (not including common shares purchased in a waiver request discussed above), the price of the common shares purchased for the accounts of the participants under the plan will be the average of the daily high and low sales prices of our common shares on the NYSE on the five trading days prior to the Investment Date. If there is no trading reported in our common shares on such dates, the purchase price per common share will be determined by us on the basis of such market quotations or other means as we shall deem appropriate.

We may offer up to a 5% discount on the price of common shares purchased from us under the plan. Under no circumstances will the purchase price per common share be less than the current par value of the common shares. No participant shall have any authority or power to direct the time or price at which common shares may be purchased for their account under the plan.

Common shares purchased on the open market:

If we opt to instruct the administrator to purchase common shares on the open market, the administrator may combine a participant's funds with funds of other participants and generally will batch purchase types

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(dividend and optional cash investments) for separate execution by its broker. At the administrator's discretion, these batches may be combined and executed by its broker. The administrator may also direct its broker to execute each purchase type in several batches throughout a trading day. Depending on the number of shares being purchased and current trading volume in the common shares, the administrator's broker may execute purchases for any batch or batches in multiple transactions and over more than one day. If different purchase types are batched, the price per share of the common shares purchased for each participant's account, whether purchased with reinvested dividends, with initial cash investments or with optional cash, shall be the weighted average price of the specific batch for such common shares purchased by the administrator's broker on that Investment Date.

With respect to purchases of common shares that the administrator makes under the plan on the open market, the administrator, or a broker that the administrator selects, will determine the timing, manner and terms of such purchases. When making purchases for an account under the plan, the administrator may commingle your funds with those of other shareholders participating in the plan.

19. How will the number of common shares purchased for a participant's account be determined?
Dividend Reinvestment. The number of common shares to be purchased for a participant's account on each Investment Date will be equal to the total dollar amount to be reinvested for each participant as of that date divided by the applicable purchase price, computed to the sixth decimal place. The total dollar amount to be reinvested for each participant as of any Investment Date will be the sum of (a) the amount of the dividends paid in respect of the common shares held by the participant in his or her own name on the applicable record date, and (b) the amount of the dividends paid in respect of all common shares (including fractional common shares) held in his or her account under the plan on the applicable record date.

The amount to be reinvested will be reduced by any amount we are required to deduct for federal tax withholding purposes. See **UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**, beginning on page 21 of this prospectus.

Optional Cash Investments. The number of common shares to be purchased for a participant's account will be equal to the total dollar amount to be invested divided by the applicable purchase price on the Investment Date, computed to the sixth decimal place.

Safekeeping Service

20. What is the purpose of the plan's Safekeeping Service for certificates and how does it work?
The purpose of the plan's Safekeeping Service is to permit participants to deposit all certificates in their possession which represent common shares held by participants outside of the plan with the administrator for safekeeping. Any such certificates which are deposited with the administrator will be canceled and deposited into the shareholder's account in book entry form. Thereafter, the deposited common shares will be treated in the same manner as common shares purchased through the plan.

21. What are the advantages of the Safekeeping Service?
The Safekeeping Service offers two significant advantages to participants. First, it eliminates the risk associated with loss of certificates which represent common shares held by participants outside of the plan. Second, because common shares deposited for safekeeping are treated in the same manner as common shares purchased through the plan, they may be sold through the plan in a convenient and efficient manner.

22. How may common share certificates be deposited with the administrator?

A participant who wishes to deposit certificates representing common shares held by him or her outside of the plan for safekeeping should send the certificates to the administrator with written instructions to deposit them in his or her account under the plan. **Certificates sent to the administrator should not be endorsed.** The administrator will promptly send a statement to the participant confirming each deposit of certificates.

The administrator recommends that certificates sent to the administrator for safekeeping be sent by registered or certified mail, with return receipt requested, or some other form of traceable mail, and properly insured.

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23. May a participant's common shares remain on deposit if participation in the plan is terminated? Yes. Upon terminating his or her participation in the plan, a participant may elect to receive all common shares held in his or her account under the plan, either in kind or in cash. Otherwise, the administrator would continue to hold the common shares in book-entry for the former participant. See Question 31 below.

Sale of Common Shares Held in the Plan

24. Can the common shares held in a participant's account under the plan be sold through the administrator? Yes. You may instruct the administrator to sell your shares under the plan in one of four ways through a Batch Order, Market Order, Day Limit Order or Good-Till-Cancelled (GTC) Limit Order.

Batch Order: A batch order is an accumulation of all sale requests for a security submitted together as a collective request. Batch orders are submitted on each market day, assuming there are sale requests to be processed. Sale instructions for batch orders received by the administrator will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations), assuming the applicable market is open for trading and sufficient market liquidity exists. All sale requests received in writing will be submitted as batch order sales. The administrator will seek to sell common shares in round lot (100 shares) transactions. For this purpose, the administrator may combine each selling plan participant's common shares with those of other selling participants. In every case of a batch order sale, the proceeds to each selling plan participant for each common share sold will be the weighted average sale price obtained by the administrator's broker-dealer for each aggregate order placed by the administrator and executed by the broker less a transaction fee of \$15.00 per sale and a per share fee of \$0.12.

Market Order: A market order is a request to sell your common shares promptly at the current market price. Market order sales are only available at www.computershare.com/investor, through Investor Centre, or by calling the administrator directly at 1-800-850-3948. Market order sale requests received at www.computershare.com/investor, through Investor Centre, or by telephone will be placed promptly upon receipt during market hours (normally 9:30 a.m. to 4:00 p.m., Eastern Time). Any orders received after 4:00 p.m., Eastern Time, will be placed promptly on the next day the market is open. Depending on the number of common shares being sold and current trading volume in the common shares, a market order may only be partially filled or not filled at all on the trading day on which it is placed, in which case the order, or remainder of the order, as applicable, will be cancelled at the end of such day. To determine if your common shares were sold, you should check your account online at www.computershare.com/investor or call the administrator directly at 1-800-850-3948. If your market order sale was not filled and you still want the common shares sold, you will need to re-enter the sale request. The price shall be the market price of the sale obtained by the administrator's broker, less a transaction fee of \$25.00 per sale and a per share fee of \$0.12.

Day Limit Order: A Day Limit Order is an order to sell your common shares when and if the common shares reach a specific price on a specific day. The order is automatically cancelled if the price is not met by the end of that trading day, or, for orders placed outside of market hours, the next trading day. Depending on the number of common shares being sold and current trading volume in the common shares, your order may only be partially filled, in which case the remainder of your order will be cancelled. The order may be cancelled by the applicable stock exchange, by the administrator at its sole discretion or, if the administrator's broker has not filled the order, at your request made online at www.computershare.com/investor or by calling the administrator directly at 1-800-850-3948. Each day limit order sale will incur a transaction fee of \$25.00 per sale and a per share fee of \$0.12.

Good-Till-Cancelled (GTC) Limit Order: A GTC Limit Order is an order to sell your common shares when and if the price of the common shares reaches a specific price at any time while the order remains open (up to 90 days). Depending on the number of common shares being sold and current trading volume in the common shares, sales may be executed in multiple transactions and may be traded on more than one day. The order, or any unexecuted portion thereof, is automatically cancelled if the price is not met by the end of the order period. The order may be cancelled by the applicable stock exchange, by the administrator at its sole discretion or, if the administrator's broker has not filled the order, at your

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request made online at www.computershare.com/investor or by calling the administrator directly at 1-800-850-3948. Each GTC limit order sale will incur a transaction fee of \$25.00 per sale and a per share fee of \$0.12.

Per share fees include any applicable brokerage commissions the administrator is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share fee. The administrator may, for various reasons, require a sales request to be submitted in writing. Please contact the administrator to determine if there are any limitations applicable to your particular sale request. An additional fee of \$15.00 will be charged if the assistance of a customer service representative is required when selling common shares.

You should be aware that the price of our common shares may rise or fall during the period between a request for sale, its receipt by the administrator, and the ultimate sale on the open market. Instructions for a market order or a batch sale are binding and may not be rescinded.

If you elect to sell shares online at www.computershare.com/investor through the Investor Centre, you may utilize the administrator's international currency exchange service to convert your sale proceeds to your local currency prior to being sent to you. Receiving your sales proceeds in a local currency and having your check drawn on a local bank avoids the time consuming and costly collection process required for cashing U.S. dollar checks. This service is subject to additional terms and conditions and fees, which you must agree to online.

The administrator reserves the right to decline to process a sale if it determines, in its sole discretion, that supporting legal documentation is required. In addition, no one will have any authority or power to direct the time or price at which common shares for the plan are sold (except for prices specified for day limit orders or GTC limit orders), and no one, other than the administrator, will select the broker(s) or dealer(s) through or from whom sales are to be made.

If you want to sell common shares through your own broker, you may request the administrator to transfer common shares electronically from your plan account to your brokerage account. Alternatively, you may request a certificate that you can then deliver to your broker. Issuance of certificates may be subject to an additional fee. Please contact the plan administrator to determine if there is a certificate issuance fee.

Plan participants must perform their own research and must make their own investment decisions. Neither the administrator nor any of its affiliates will provide any investment recommendations or investment advice with respect to transactions made through the plan.

Issuance of Certificates

25. Will certificates be issued for common shares purchased for a participant's account under the plan? Common shares purchased for a participant's account under the plan will be registered in the name of the administrator or its nominee as agent for the participant. The number of common shares purchased for a participant's account under the plan will be shown on the participant's regular statement of account. This service protects against loss, theft or destruction of common share certificates.

No certificates for any number of common shares purchased for a participant's account under the plan will be issued to the participant unless he or she submits a request to the administrator. Such requests will be handled by the administrator, normally within two business days of your request. Any remaining whole common shares and any fractional common shares will continue to be held in the participant's account. Certificates for fractional shares will not be issued under any circumstances. Issuance of certificates may be subject to an additional fee. Please contact the plan administrator to determine if there is a certificate issuance fee.

Common shares which are purchased for a participant's account under the plan may not be pledged, sold or otherwise transferred. If a participant wishes to pledge or transfer such common shares, he or she must request that a certificate for such common shares first be issued in his or her name.

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26. What effect will a request for a certificate have on a participant's account?
 All dividends on the common shares for which a certificate is requested will continue to be reinvested under the plan until the participant files a new enrollment form changing his or her investment election.

Costs

27. What are the costs to the participants in connection with dividend reinvestments and optional cash investments under the plan?

Initial Enrollment Fee	\$10.00 (one-time charge, per account, for first-time (new) investors only)
Optional Cash Investments	
By Check and One-Time Online Bank Debit	\$5.00 per transaction plus \$0.05 per share
By Recurring Monthly Automatic Deductions	\$2.50 per transaction plus \$0.05 per share
Reinvestment of Dividends	5% of the amount reinvested up to a maximum of \$5.00

Per share fees include any applicable brokerage commissions the administrator is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee. The fees are subject to change at any time. This is considered part of the Terms and Conditions of the plan.

28. What are the costs to the participants in connection with the plan's Safekeeping Service?
 There are no costs to participants in connection with the plan's Safekeeping Service.

29. What are the costs to a participant in connection with the sale of common shares purchased for his or her account under the plan?

Sale of Shares of Common Stock (partial or full)	
Batch Order	\$15.00 per transaction plus \$0.12 per share
Market Order	\$25.00 per transaction plus \$0.12 per share
Day Limit Order	\$25.00 per transaction plus \$0.12 per share
GTC Limit Order	\$25.00 per transaction plus \$0.12 per share
Convenience Fees	
CSR Assisted Sale	\$15.00 per transaction

Per share fees include any applicable brokerage commissions the administrator is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee. The fees are subject to change at any time. This is considered part of the Terms and Conditions of the plan.

Termination of Plan Participation

30. How does a participant terminate participation in the plan?

In order to terminate participation in the plan, a participant must notify the administrator by telephone, over the Internet at www.computershare.com/investor or in writing at the address set forth in the response to Question 6 above. After receipt of such notice, the participant will begin to receive his or her dividends as declared, in the usual manner.

31. What happens when a participant terminates his or her participation in the plan?

If the notice of termination is received by the administrator near the record date for a dividend payment, the administrator, in its sole discretion, may either pay such dividend in cash or reinvest it in common shares on behalf of the discontinuing participant. If such dividend is reinvested, the administrator may sell the shares purchased and remit the proceeds to the participant, less any applicable fees. Upon receipt, the administrator, in accordance with your instructions, will either (a) discontinue the reinvestment of the dividends paid on the common shares enrolled and/or held in your plan account, but continue to hold whole shares in book entry

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form on your behalf and issue a cash payment for any cash in lieu of a fractional share less any applicable fees; (b) issue a certificate for the whole shares credited to your plan account and issue a cash payment for any cash in lieu of a fractional share less any applicable fees (see Question 25 above); (c) sell the whole shares credited to your plan account and issue a cash payment for the proceeds plus any cash in lieu of a fractional share, less any applicable fees (see Question 24 above) or (d) electronically transfer your common shares to a stockbroker of choice, or any combination of the foregoing. After a participant terminates participation in the plan, all dividends will be paid to the participant in the usual manner unless the participant re-elects to participate in the plan.

32. When may a shareholder re-elect to participate in the plan?

Generally, a shareholder may re-enroll in the plan at any time. However, the administrator reserves the right to reject any enrollment form on the grounds of excessive joining and withdrawing. Such reservation is intended to minimize unnecessary administrative expenses and to encourage use of the plan as a long-term shareholder investment service.

Additional Information

33. How will common shares purchased for a participant's account under the plan be voted at shareholders' meetings?

Common shares purchased for a participant's account under the plan will be voted at shareholders' meetings as the participant directs. Each participant will receive a proxy voting card for the total of his or her common shares, including common shares held in his or her account under the plan. If no instructions are received, the common shares will not be voted. Common shares held in a participant's account may also be voted in person at such meetings.

34. What happens if we issue a stock dividend or declare a stock split?

In the event of a stock split or a stock dividend payable in common shares, the administrator will receive and credit to each participant's account the applicable number of whole and fractional common shares based both on the number of common shares held in the participant's account under the plan and, with respect to shareholders participating in the plan, the number of common shares registered in the participant's own name as of the record date for the stock dividend or split.

35. What happens if we issue rights to purchase securities to the holders of common shares?

We have never issued rights to holders of common shares to purchase securities. However, participation in any future rights offering will be based both on the number of common shares held in each participant's account under the plan and, with respect to shareholders participating in the plan, the number of common shares registered in the participant's own name as of the record date for the rights offering. Rights applicable to common shares held in a participant's account under the plan will be sold by the administrator and the proceeds of such sale will be credited to the participant's account under the plan and applied to the purchase of common shares on the next reinvestment date. Any participant who wishes to exercise, transfer or sell the rights applicable to the common shares held in the participant's account under the plan must request, prior to the record date for the issuance of any such rights, that the common shares held in the participant's account under the plan be transferred from the participant's account and registered in the participant's name.

36. May the plan be changed or discontinued?

We reserve the right to amend, modify, suspend or terminate the plan, but such action shall have no retroactive effect that would prejudice the interests of the participants. Changes or termination to the plan will not affect a participant's rights as a shareholder in any way and any book-entry shares owned will continue to be credited to a participant's account unless specifically requested otherwise.

The administrator also may terminate your plan account if you do not own at least one whole share. In the event that your plan account is terminated for this reason, a check for the cash value of the fractional share based upon the

then-current market price, less any applicable fees, will be sent to you and your account will be closed.

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37. What law governs the plan?

The terms and conditions of the plan and its operation shall be governed by the laws of the State of Maryland.

38. How is the plan to be interpreted?

Any question of interpretation arising under the plan will be determined by us, and any such determination will be final. Any action taken by us or the administrator to effectuate the plan in the good faith exercise of our or their respective judgment will be binding on all participants.

39. What are the federal income tax consequences of participating in the plan?

If you reinvest dividends under the plan, you will be treated for federal income tax purposes as having received a dividend on the Investment Date, which may give rise to a tax payment obligation without providing you with cash to pay such tax when it becomes due. See **RISK FACTORS** You may incur tax obligations without receiving cash with which to pay those obligations, above. New investors and current investors should consult the general discussion under the caption **UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS** beginning on page 21 for a summary of United States federal income tax considerations related to the ownership of our common shares.

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USE OF PROCEEDS

Proceeds from any newly issued common shares purchased directly from us under the plan will be available for general corporate purposes. We have no basis for estimating either the number of common shares that will ultimately be purchased directly from us, if any, under the plan or the prices at which such shares will be sold. We will not receive any proceeds from any common shares purchased on the open market.

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PLAN OF DISTRIBUTION

Except to the extent the administrator purchases our common shares in open market transactions, we will sell the common shares acquired under the plan directly to the participant. The shares acquired pursuant to the plan may be resold in market transactions on any national securities exchange on which our common shares trade or in privately negotiated transactions. Our common shares are currently listed on the NYSE.

In connection with the administration of the plan, we may be requested to approve investments made pursuant to requests for purchases in excess of the plan maximum investment amount.

Persons who acquire our common shares through the plan and resell them shortly after acquiring them, including coverage of short positions, under certain circumstances, may be participating in a distribution of securities that would require compliance with Regulation M under the Exchange Act and may be considered to be underwriters within the meaning of the Securities Act. We will not extend to any such person any rights or privileges other than those to which they would be entitled as a participant, nor will we enter into any agreement with any such person regarding the resale or distribution by any such person of the common shares so purchased. We may, however, accept investments made pursuant to requests for waiver in connection with purchases in excess of the plan maximum interest amount by such persons.

From time to time, financial intermediaries, including brokers and dealers, and other persons may engage in positioning transactions in order to benefit from any discount we may offer from the market price for common shares acquired under the plan. Those transactions may cause fluctuations in the trading volume of our common shares.

Financial intermediaries and such other persons who engage in positioning transactions may be deemed to be underwriters. We have no arrangements or understandings, formal or informal, with any person relating to the sale of our common shares to be received under the plan. We reserve the right to modify, suspend or terminate participation in the plan by otherwise eligible persons to eliminate practices that are inconsistent with the purpose of the plan.

Subject to the availability of our common shares registered for issuance under the plan, there is no total maximum number of shares that can be issued pursuant to the plan. Participants are required to pay transaction fees, service fees, per share fees or other charges in connection with the purchase of common shares for his or her plan account under the plan and in connection with his or her voluntary sale of shares from his or her plan account.

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UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of federal income tax considerations relating to our qualification and taxation as a REIT and the acquisition, ownership and disposition of our common shares that may be relevant to prospective investors. Paul Hastings LLP has acted as our tax counsel and, subject to the limitations expressed herein, is of the opinion that the statements in this summary, to the extent they constitute summaries of legal matters, are accurate summaries in all material respects. You should be aware that an opinion of counsel is not binding on the Internal Revenue Service, or IRS, or the courts. Prospective investors are urged to consult their own tax advisors regarding the tax considerations relating to an investment in our shares and our qualification and taxation as a REIT in light of their particular circumstances.

The information in this section is based on the Code, existing, temporary and proposed regulations under the Code, the legislative history of the Code, current administrative rulings and practices of the IRS and court decisions, all as of the date hereof. No assurance can be given that future legislation, regulations, administrative interpretations and court decisions will not significantly change current law or adversely affect existing interpretations of current law. Any such change could apply retroactively to transactions preceding the date of the change. In addition, we have not received, and do not plan to request, any rulings from the IRS. Thus no assurance can be provided that the statements set forth herein (which do not bind the IRS or the courts) will not be challenged by the IRS or that such statements will be sustained by a court if so challenged.

Federal Income Tax Considerations Relating to the Plan

Each participant should consult his or her personal tax advisors with specific reference to his or her own tax situation and potential changes in the applicable law as to all federal, state, local, foreign and other tax matters in connection with the reinvestment of dividends or distributions in common shares for his or her account under the plan, his or her tax basis and holding period for common shares purchased for his or her account under the plan and the character, amount and tax treatment of any gain or loss realized on the disposition of common shares in his or her account under the plan. The following is only a brief summary of some of the federal income tax considerations applicable to the plan.

In the case of distributions from us with respect to a shareholder's common shares, a shareholder enrolled in the plan will be treated for federal income tax purposes as having received, on each Investment Date, a distribution from us equal to the fair market value of any common shares purchased for his or her account under the plan. Any discount in price for common shares issued by us for a shareholder's account under the plan will be treated as part of the distribution received. A shareholder will also be treated as having received any cash distributions actually received by him or her with respect to common shares held by him or her outside of the plan.

Participants are required to pay transaction fees, service fees, per share fees or other charges in connection with the purchase of common shares for his or her plan account under the plan and in connection with his or her voluntary sale of shares from his or her plan. Per share fees include any applicable brokerage commissions that the administrator is required to pay.

As in the case of non-reinvested cash distributions, reinvested distributions to shareholders under the plan are taxable as dividend income to the extent of our current and accumulated earnings and profits. Distributions in excess of current and accumulated earnings and profits will not be taxable to a shareholder under the plan to the extent that such

distributions do not exceed the adjusted tax basis of his or her common shares. To the extent that such distributions exceed the adjusted tax basis of his or her common shares, they will be included in his or her income as capital gain.

The tax basis of common shares purchased for a shareholder's account under the plan will be equal to the fair market value of those common shares on the applicable Investment Date. The holding period for common shares purchased for a shareholder's account under the plan generally will begin on the date following the date on which the common shares are purchased for his or her account under the plan.

A participant may recognize a gain or loss upon receipt of a cash payment upon termination of his or her account (see Question 31) or when the common shares held in his or her account are sold at his or her request (see Question 24).

Gain or loss may also be recognized upon the participant's sale or disposition of common shares received from the plan. The amount of any such gain or loss will be the difference between the amount received for the whole or fractional common shares and the tax basis of the common shares.

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Federal Income Tax Considerations Relating to the Company

The following discussion summarizes the material United States federal income tax considerations to you as a prospective holder of our common shares and assumes that you will hold such shares as capital assets (within the meaning of Section 1221 of the Code). This summary does not give a detailed discussion of any state, local or foreign tax considerations. In addition, this discussion is intended to address only those federal income tax considerations that are generally applicable to all of our shareholders. It does not discuss all of the aspects of federal income taxation that may be relevant to you in light of your particular circumstances or to certain types of shareholders who are subject to special treatment under the federal income tax laws including, without limitation, regulated investment companies, insurance companies, tax-exempt entities, financial institutions or broker-dealers, expatriates, persons subject to the alternative minimum tax and partnerships or other pass through entities.

The information in this section is based on the Code, existing, temporary and proposed regulations under the Code, the legislative history of the Code, current administrative rulings and practices of the IRS and court decisions, all as of the date hereof. No assurance can be given that future legislation, regulations, administrative interpretations and court decisions will not significantly change current law or adversely affect existing interpretations of current law. Any such change could apply retroactively to transactions preceding the date of the change. In addition, we have not received, and do not plan to request, any rulings from the IRS. Thus no assurance can be provided that the statements set forth herein (which do not bind the IRS or the courts) will not be challenged by the IRS or that such statements will be sustained by a court if so challenged.