

Power REIT  
Form 424B5  
November 06, 2013

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

**SUBJECT TO COMPLETION**  
**PRELIMINARY PROSPECTUS SUPPLEMENT DATED NOVEMBER 6, 2013**

PROSPECTUS SUPPLEMENT  
(to Prospectus Dated May 10, 2012)

Filed Pursuant to Rule 424(b)(5)  
Commission File No. 333-180693

**POWER REIT**

Up to 150,000 Shares of 7.75% Series A Cumulative Redeemable Perpetual  
Preferred Stock Liquidation Preference \$25.00 Per Share

We are offering up to 150,000 shares of our 7.75% Series A Cumulative Redeemable Perpetual Preferred Stock, liquidation preference \$25.00 per share, which we refer to as the Series A Preferred Stock. We intend to sell the Series A Preferred Stock at a price per share equal to the liquidation amount of \$25.00, subject to possible exceptions. See “Plan of Distribution” in this prospectus supplement .

We will pay cumulative dividends on our Series A Preferred Stock in the amount of \$1.9375 per share each year, which is the equivalent of 7.75% per year of the \$25.00 liquidation preference per share. Dividends on our Series A Preferred Stock will be payable quarterly in arrears on the 15th day of March, June, September and December of each year, commencing March 15, 2014, to holders of record on the applicable record date. The Series A Preferred Stock has no maturity and will remain outstanding indefinitely unless redeemed or otherwise repurchased.

Except in limited circumstances relating to our qualification as a real estate investment trust, or REIT, and as described below, we may not redeem the Series A Preferred Stock prior to November 30, 2018. On and after November 30, 2018, at any time and from time to time, we may redeem the Series A Preferred Stock, in whole or in part, at our option, at a cash redemption price of \$25.00 per share plus all accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.

Currently, no market exists for the Series A Preferred Stock and no market may exist for some time, if ever. Upon the occurrence of a Listing Event (as described herein), we will use our best efforts to (or at an earlier time, in our sole discretion, we may choose to) list the Series A Preferred Stock on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, the NYSE MKT, or NASDAQ. If the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or a successor by October 1, 2018, we will be required to mandatorily redeem the Series A Preferred Stock, in whole and not in part, on November 30, 2018, at a cash redemption price of \$25.00 per share plus all accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.

In addition, upon the occurrence of a Delisting Event or a Change of Control (each as defined herein), we may, subject to certain conditions, at our option, redeem the Series A Preferred Stock, in whole and not in part, within 90 days after any such Delisting Event or within 120 days after any such Change of Control occurred, as applicable, by paying the liquidation preference of \$25.00 per share plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.

If we exercise any of our redemption rights relating to the Series A Preferred Stock, the holders of Series A Preferred Stock will not have the conversion right described below.

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Upon the occurrence of a Delisting Event or a Change of Control, as applicable, each holder of Series A Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date (each as defined herein), as applicable, we provide notice of our election to optionally redeem the Series A Preferred Stock) to convert all or part of the Series A Preferred Stock held by such holder on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, into a number of shares of our common stock, par value \$0.001 per share, for each share of Series A Preferred Stock to be converted, equal to the lesser of: (a) the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends (whether or not declared) to, but not including, the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable (unless the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price (as defined herein) and (b) 5, which we refer to as the Share Cap, subject to certain adjustments and subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

Holders of the Series A Preferred Stock generally have no voting rights, except in the event we fail to pay dividends for six or more quarterly periods, whether or not consecutive, or except with respect to certain specified events. Our Series A Preferred Stock is not subject to any sinking fund. Our Series A Preferred Stock will rank senior to our common stock with respect to dividend rights and rights upon liquidation, dissolution or winding up.

We intend to market the Series A Preferred Stock ourselves and offer and sell it, from time to time, directly to investors, but we may choose to retain one or more placement agents or underwriters to identify and solicit prospective investors; any placement agent or underwriter retained by us may be entitled to receive a fee for its services in connection with sales of Series A Preferred Stock pursuant to this prospectus supplement.

Our common shares are listed on the NYSE MKT under the symbol PW. On November 5, 2013, the closing price of our common shares on the NYSE MKT was \$8.20 per share. As of November 5, 2013, the aggregate market value of our outstanding common shares held by non-affiliates was approximately \$11,858,680, based on a total of 1,446,181 shares held by non-affiliates and the closing price of our shares on the NYSE MKT on November 5, 2013.

During the twelve month period that ends on, and includes, the date of this prospectus supplement, we have sold, pursuant to General Instruction I.B.6. of Form S-3, a total of 22,105 common shares through “at-the-market” offerings, receiving net cash proceeds after fees and expenses of approximately \$220,000.

**AN INVESTMENT IN THE SERIES A PREFERRED STOCK INVOLVES RISKS. SEE “RISK FACTORS” BEGINNING ON PAGE S-7 OF THIS PROSPECTUS SUPPLEMENT AND PAGE 10 OF THE ACCOMPANYING PROSPECTUS, AND UNDER SIMILAR HEADINGS IN DOCUMENTS WE INCORPORATE BY REFERENCE.**

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

The date of this prospectus supplement is [ ], 2013

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ABOUT THIS PROSPECTUS SUPPLEMENT

Unless stated otherwise or unless the context requires otherwise, “Power REIT,” “Company,” “we,” “our” and “us” refer to Power REIT, a Maryland real estate investment trust, and its consolidated subsidiaries, including our operating partnership, if any.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of offering of the Series A Preferred Stock and which supplements information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more general information about us. To the extent there is a conflict between the information contained or incorporated by reference in this prospectus supplement, on the one hand, and the information contained or incorporated by reference in the accompanying prospectus, on the other hand, the information contained or incorporated by reference in this prospectus supplement shall control.

We have not authorized any dealer, salesperson or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus. You should not rely upon any information or representation not contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may authorize to be provided to you. This prospectus supplement, the accompanying prospectus and any related free writing prospectus do not constitute an offer to sell or the solicitation of an offer to buy Series A Preferred Stock, nor do this prospectus supplement, the accompanying prospectus and any related free writing prospectus constitute an offer to sell or the solicitation of an offer to buy Series A Preferred Stock, in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any related free writing prospectus is accurate on any date subsequent to the date set forth on the front of such document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document from which such information is incorporated by reference, even though this prospectus supplement, the accompanying prospectus and any related free writing prospectus is delivered, or shares of Series A Preferred Stock are sold, or any such sale is completed, on a later date.

The representations, warranties and covenants in any agreement that is filed as an exhibit to any document that is incorporated by reference into this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreement, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Throughout this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in them, we make “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include the words “may,” “would,” “could,” “likely,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect” or “anticipate”, and similar words, as well as statements relating to our acquisition, development and expansion plans, objectives and expectations, our liquidity projections and similar topics. These forward-looking statements generally relate to our plans, objectives, prospects and expectations for future operations and results and are based upon what we consider to be reasonable future estimates. Although we believe that our plans, objectives, prospects and expectations reflected in, or suggested by, such forward-looking statements are reasonable at the present time, we may not achieve them or we may modify them from time to time. Furthermore, there is no assurance that any positive trends suggested or referred to in such statements will continue. Forward-looking statements are not guarantees of future performance, and a variety of factors could cause our actual results to differ materially from the anticipated or expected results expressed in these forward-looking statements. Many of these factors are beyond our ability to control or predict, and readers are cautioned not to put undue reliance on any forward-looking statements. You should read this prospectus supplement, the accompanying prospectus and the information incorporated into them by reference thoroughly with the understanding that actual future results may be materially different from what we expect. In particular, you should read the “Risk Factors” section of this prospectus supplement and the accompanying prospectus, and the sections under similar headings in documents we incorporate by reference, for information regarding risk factors that could affect our results.

The following list, which is not intended to be an all-encompassing list of risks and uncertainties affecting us, summarizes several factors that could cause our actual results to differ materially from those anticipated or expected in these forward-looking statements:

- general economic conditions in markets in which we conduct business;
- business conditions in the energy and transportation industries;
- the regulatory environment;
- fluctuations in interest rates;
- the performance of existing investments or new investments that we may make;
- our ability to source acquisitions at valuations favorable to us;
- our ability to maintain our REIT status; and
- other material items.

We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. You are advised to consult any further disclosures we make on related subjects in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, as filed with the Securities and Exchange Commission (the “SEC”). Also note that we provide cautionary discussion of risks, uncertainties and assumptions relevant to our business in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including those incorporated by reference in this prospectus supplement and the accompanying prospectus.

The risks and uncertainties referred to above are factors that, individually or in the aggregate, management believes could cause our actual results to differ materially from expected or historical results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider such disclosures to be a complete discussion of all potential risks or uncertainties.

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## PROSPECTUS SUPPLEMENT SUMMARY

The following summary provides an overview of certain information about us and our Series A Preferred Stock. It may not contain all the information important to you. It is qualified in its entirety by, and you should read it together with, the information contained in other parts of this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference, before making any investment decision.

### Power REIT Overview

Power REIT is a Maryland-domiciled real estate investment trust (REIT) that develops, acquires, and manages transportation and energy infrastructure real estate assets within the United States. Within the transportation and energy infrastructure sectors, we currently are focused on new acquisitions of real estate that are or will be leased to renewable energy generation projects, such as utility-scale wind farms and solar farms, with low or minimal technology risk.

As of the date of this prospectus supplement, our consolidated assets consist of railroad real estate and related infrastructure owned by our wholly-owned subsidiary, Pittsburgh & West Virginia Railroad (“P&WV”) and two parcels of fee simple land of approximately 150 acres in the aggregate, owned by two special purpose subsidiaries formed to own and lease land to utility-scale solar projects. P&WV leases the entirety of its railroad assets to Norfolk Southern Corporation (“NSC”) under a 99-year lease entered into by NSC and P&WV in 1962. Our solar land is leased to approximately 25MW of ground mounted, fixed-axis solar projects, which have power purchase agreements with investment-grade utility companies and municipalities. For the calendar year 2012, P&WV’s revenue accounted for 100% of our consolidated revenue. On a pro-forma basis, based upon our expected revenue run rate in the fourth quarter of 2013, P&WV is expected to contribute approximately 79% of our consolidated revenue. If we are successful in further implementing our business plan and acquisition strategies, the contribution to our consolidated revenue from real estate related to renewable energy generation and other infrastructure projects should increase over time as a percentage of our total consolidated revenue.

Our executive offices are located at 301 Winding Road, Old Bethpage, NY 11804, and our telephone number is (212) 750-0373. Our website is located at [www.pwreit.com](http://www.pwreit.com). Information contained on our website is not part of this prospectus supplement.

### The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of our Series A Preferred Stock, see “Description of Series A Preferred Stock” in this prospectus supplement and “Description of our Capital Stock” in the accompanying prospectus.

Issuer	Power REIT, a Maryland real estate investment trust.
Securities Offered	Up to 150,000 shares of 7.75% Series A Cumulative Redeemable Perpetual Preferred Stock.
Dividend Rate and Payment Dates	Dividends on the Series A Preferred Stock are cumulative and are payable quarterly in arrears on the 15th day of March, June, September and December of each year or, if not a business day, the next succeeding business day, to all holders of record on the applicable record date, and shall be paid when authorized by our board of trustees and declared by us. Holders of the Series A Preferred Stock will be entitled to receive cumulative dividends in the amount of \$1.9375 per share each year, which is

equivalent to the rate of 7.75% of the \$25.00 liquidation preference per share, commencing March 15, 2014. Dividends on the Series A Preferred Stock will continue to accrue even if any of 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 Series A Preferred Stock —Dividends” in this prospectus supplement.

Pricing	<p>We intend to sell the Series A Preferred Stock at a price per share equal to the liquidation amount of \$25.00, subject to the following. We may pass along a discount to investors who purchase the Series A Preferred Stock directly from us, rather than through a third-party intermediary. In addition, if particular investors present us with sufficiently valuable opportunities, for example by offering to purchase a large amount of securities, we may offer such investors a discounted price. In any such circumstance, we may offer the same or a similar discount to other investors with whom we have agreements to make such discounts available to them.</p>
Liquidation Preference	<p>The liquidation preference of each share of Series A Preferred Stock is \$25.00. Upon our liquidation, dissolution or winding up, holders of Series A Preferred Stock will be entitled to receive the liquidation preference with respect to their Series A Preferred Stock plus an amount equal to any accrued and unpaid dividends (whether or not declared) to, but not including, the date of payment with respect to such shares. See “Description of Series A Preferred Stock —Liquidation Preference” in this prospectus supplement.</p>
Optional Redemption	<p>The Series A Preferred Stock is not redeemable prior to November 30, 2018, except pursuant to provisions relating to the preservation of our qualification as a REIT and as described under the caption “Special Optional Redemption” below. On and after November 30, 2018, the Series A Preferred Stock will be redeemable at our option, at any time and from time to time, for cash, in whole or in part, at a price per share equal to \$25.00 plus all accrued and unpaid dividends (whether or not declared) to, but not including, the redemption date, on each share of Series A Preferred Stock to be redeemed.</p>
Mandatory Redemption	<p>If the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ by October 1, 2018, we will be required to mandatorily redeem the Series A Preferred Stock, in whole and not in part, on November 30, 2018, at a cash redemption price of \$25.00 per share plus all accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.</p>
Special Optional Redemption	<p>During any period of time (whether before or after November 30, 2018) that both (i) the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ and (ii) we are not subject to the reporting requirements of the Exchange Act, but any Series A Preferred Stock is outstanding, which combination of circumstances we refer to as a “Delisting Event”, we will have the option, subject to certain conditions, to redeem the outstanding Series A Preferred Stock, in whole and not in part, within 90 days after any such Delisting Event, for a redemption price of \$25.00 per share plus all dividends accrued and unpaid (whether or not declared), to, but not including, the redemption date.</p> <p>Upon the occurrence of a Change of Control (as defined in “Description of the Series A Preferred Stock —Special Optional Redemption”), we may, at our</p>

option, subject to certain conditions, redeem the Series A Preferred Stock, in whole and not in part, and within 120 days after any such Change of Control occurred, by paying \$25.00 per share plus any accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.

If, prior to a Delisting Event Conversion Date or Change of Control Conversion Date (each as defined below), as applicable, we exercise our redemption right (whether our optional redemption right or our special optional redemption right) or we mandatorily redeemed the Series A Preferred Stock as described herein, you will not have the conversion right described below.

Conversion Right

Upon the occurrence of a Delisting Event or a Change of Control, as applicable, each holder of Series A Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we provide notice of our election to optionally redeem the Series A Preferred Stock) to convert all or part of the shares of Series A Preferred Stock held by such holder on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, into a number of shares of our common stock, for each share of Series A Preferred Stock to be converted, equal to the lesser of: (a) the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid dividends (whether or not declared) to, but not including, the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable (unless the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price (as defined below) and (b) 5, which we refer to as the Share Cap, subject to certain adjustments and subject, in each case, to provisions for the receipt of alternative consideration, as described in this prospectus supplement.

The Share Cap is subject to pro rata adjustments for any Share Splits (as defined below) with respect to shares of our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

If we provide a redemption notice prior to a Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, whether pursuant to our special optional redemption right or our optional redemption right, holders of Series A Preferred Stock will not have any right to convert the Series A Preferred Stock in connection with the Delisting Event Conversion Right or Change of Control Conversion Right (each as defined below), as applicable, and any Series A Preferred Stock subsequently selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Delisting Event Conversion Date or the Change of Control Conversion Date, as applicable.

Except as provided above in connection with a Delisting Event or a Change of Control, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

For definitions of the capitalized terms used above and for further descriptions of the provisions described above, see “Description of the Series A Preferred Stock —Conversion Rights.”

Notwithstanding any other provision of our Series A Preferred Stock, no holder of our Series A Preferred Stock will be entitled to convert such Series A Preferred Stock into shares of our 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 Series A Preferred Stock –Ownership Limits and Restrictions on Transfer.”

No Maturity, No Sinking Fund

The Series A Preferred Stock has no maturity date and we are not required to redeem the Series A Preferred Stock at any time, other than a mandatory redemption if the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ by October 1, 2018. Accordingly, the Series A Preferred Stock will remain outstanding indefinitely, unless mandatorily redeemed as described herein or we decide, at our option, to exercise any or our redemption rights or, under circumstances where the holders of the Series A Preferred Stock have a conversion right, such holders decide to convert their Series A Preferred Stock. The Series A Preferred Stock is not subject to any sinking fund.

Ownership Limits and Restrictions on Transfer

For us to qualify as a REIT under the Internal Revenue Code of 1986, as amended (hereinafter, the “Code”), the following restrictions must be satisfied by us in accordance with the Code: (1) REITs cannot have more than 100 shareholders (no attribution rules apply), and (2) not more than 50% in value of a REIT’s outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals, as defined in the Code, after taking into consideration the attribution rules in §542(a)(2) of the Code. As such, in order to assist us in meeting these requirements, no person may own, or be deemed to own, shares of our stock that would result in shares of our stock being owned by fewer than 100 persons, us being “closely held” within the meaning of Section 856 of the Code or us otherwise failing to qualify as a REIT under the Code. Additionally, no person may own, or be deemed to own by virtue of the attribution rules of the Code, more than 9.9% in value or number of shares of our outstanding stock, subject to certain exceptions. See “Description of Series A Preferred Stock – Ownership Limits and Restrictions on Transfer.”

Ranking

The Series A Preferred Stock ranks, as to dividend rights and rights upon our liquidation, dissolution or winding up, senior to our common stock, equal to any equity securities that we may issue in the future, the terms of which specifically provide that such equity securities rank equal to the Series A Preferred Stock, and junior to any equity securities that we may issue in the

future that have been approved with the affirmative vote or consent of the holders of two-thirds of the outstanding shares of Series A Preferred Stock. The terms of the Series A Preferred Stock do not limit our ability to (i) incur or guarantee indebtedness, which would typically rank senior to the Series A Preferred Stock, (ii) issue additional equity securities that are equal in rank with the Series A Preferred Stock or (iii) issue additional equity securities that rank senior to the Series A Preferred Stock upon receiving affirmative vote or consent of the holders of two-thirds of the outstanding shares of Series A Preferred Stock.

Further Issuances

We may create and issue additional shares of Series A Preferred Stock ranking equally with the Series A Preferred Stock offered by this prospectus supplement in all respects, so that such additional shares of Series A Preferred Stock will form a single series with the Series A Preferred Stock offered by this prospectus supplement and will have the same terms.

Voting Rights

Holder of the Series A Preferred Stock have only the limited voting rights described below. If dividends on any outstanding shares of Series A Preferred Stock have not been paid for six or more quarterly periods (whether or not declared and whether or not the quarterly periods are consecutive), holders of the Series A Preferred Stock (voting separately as a class with any other series of preferred stock ranking equal to the Series A Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred and are exercisable) will be entitled to vote in the election of two additional trustees until all accrued and unpaid dividends on the Series A 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 A Preferred Stock as to dividends or distributions upon liquidation (including securities convertible into or exchangeable for any such senior securities) or amend our charter (whether by merger, consolidation or otherwise) to materially and adversely change the terms of the Series A Preferred Stock without the affirmative vote of at least two-thirds of the votes entitled to be cast by holders of outstanding shares of Series A Preferred Stock, voting together as a single class with the holders of all other similarly affected series of preferred stock ranking equal to the Series A Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred and are exercisable). Holders of the Series A Preferred Stock will not have any voting rights in connection with any amendment, alteration, repeal or other change to or of any provision of our charter, including supplementary articles setting forth the terms of the Series A Preferred Stock, as a result of a merger, consolidation, transfer or conveyance of all or substantially all of our assets or other business combination, if the Series A Preferred Stock (or stock into which the Series A Preferred Stock has been converted in any person or entity that is a successor to us) remains outstanding with the terms thereof unchanged in all material respects or is exchanged for stock of the successor person or entity with substantially identical rights, taking into account that, upon the occurrence of an event described in this sentence, we may not be the surviving entity. Furthermore, if the holders of the Series A Preferred Stock receive the greater of the full trading price of the Series A Preferred Stock on the last date prior to the first public announcement of an event described in the preceding sentence or the \$25.00 liquidation preference per share of Series A Preferred Stock plus accrued and unpaid dividends (whether or not declared) to, but not including, the date of such event, pursuant to the occurrence of any of the events described in the preceding sentence, then such holders will not have any voting rights with respect to the events described in the preceding sentence. See “Description of Series A Preferred Stock—Voting Rights” in this prospectus supplement.



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Listing	<p>We will use our best efforts to list the Series A Preferred Stock once the securities are eligible for listing on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ, and upon us having 400,000 shares of our Series A Preferred Stock issued and outstanding, which combination of circumstances we refer to as a “Listing Event.” We may also, at our sole discretion, choose to so list the Series A Preferred Stock prior to a Listing Event.</p> <p>There can be no certainty that the Series A Preferred Stock will be listed on an exchange. See “Risk Factors” in this prospectus supplement with respect to risk of an investment in our Series A Preferred Stock.</p>
Manner of Offering	<p>We intend to market the Series A Preferred Stock ourselves and offer and sell it directly to investors, but we may choose to retain one or more placement agents or underwriters to identify and solicit prospective investors; any placement agent or underwriter retained by us may be entitled to receive a fee for its services in connection with sales of Series A Preferred Stock pursuant to this prospectus supplement.</p>
Use of Proceeds	<p>If we sell all of the securities under this prospectus supplement at the full price per share, we estimate that the net proceeds will be approximately \$3.7 million, after offering expenses payable by us which we estimate will be approximately \$50,000. We intend to use the net proceeds from any sales of Series A Preferred Stock under this prospectus supplement to acquire real property infrastructure assets through one or more subsidiaries, partnerships or joint ventures formed to acquire or finance such assets. We may also use net proceeds to retire all or a portion of any debt we may incur or have incurred, or for working capital purposes, including the payment of distributions, interest, and operating expenses, including the funding of legal expenses. Retirement of indebtedness may include some or all of a bridge loan obtained by one of our subsidiaries from an affiliate of our Chairman and CEO to fund the acquisition of approximately 100 acres of leased property in July 2013. See “Use of Proceeds” in this prospectus supplement.</p>
Risk Factors	<p>Investing in our Series A Preferred Stock involves significant risks. You should consider carefully the risks discussed under "Risk Factors" beginning on page S-7 of this prospectus supplement and page 10 of the accompanying prospectus, as well as other information incorporated by reference in this prospectus supplement and the accompanying prospectus, before making any investment decision.</p>

## RISK FACTORS

Investing in our preferred shares involves significant risks. Before making an investment decision, you should carefully consider the following risk factors, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. If any of these risks materialize, our business, financial condition, results of operations and prospects could be materially adversely affected. Additional risks not currently known to us, or that we currently consider immaterial, could also have a material adverse effect on us. In all such cases, you could lose part or all of your investment.

We expect that the risks relating to an investment in our preferred shares will be updated or superseded from time to time in the periodic and current reports we file with the SEC. These reports will be incorporated by reference into this prospectus supplement and the accompanying prospectus. Please refer to these reports when we issue them for additional information relating to the risks of investing in our preferred shares.

### Risks Related to this Offering

There is no established trading market for our Series A Preferred Stock. A listing on the NYSE MKT or other exchange may not occur in the future, and even if a listing occurs, a listing does not guarantee an active and liquid market for our Series A Preferred Stock, and the market price and trading volume of the Series A Preferred Stock may fluctuate significantly. In addition, we may not have sufficient funds to mandatorily redeem the Series A Preferred Stock on the mandatory redemption date if a listing does not occur.

The Series A Preferred Stock is a new issue of securities with no trading market. We have not filed an application to list the Series A Preferred Stock on the NYSE MKT or any other exchange. In general, exchanges impose various requirements to accept a security for listing including, but not limited to, requiring a minimum number of shareholders and a minimum number of shares outstanding. For example, the NYSE MKT requires 100 shareholders for a listed security. These requirements, or a change in listing requirements, may prevent us from successfully listing our Series A Preferred Stock. Upon a Listing Event, we have undertaken to use our best efforts to list the Series A Preferred Stock on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ; however, if our listing application is not accepted or a listing otherwise not completed, your shares will not be listed and as a result, although the shares will be registered and usually freely tradable, there may be a limited market or no market in which to sell your shares. We have undertaken to mandatorily redeem the preferred shares if the shares have not been listed by October 1, 2018; however, we may not have sufficient funds to redeem the shares at that time and you may suffer a delay in exiting your investment or a loss on your investment.

Even if the Series A Preferred Stock is approved for listing on the NYSE MKT or another market, an active and liquid trading market for the Series A Preferred Stock may not develop or, even if it develops, may not be sustained. Since the Series A Preferred Stock has no maturity date, investors seeking liquidity may be limited to selling their shares of Series A Preferred Stock in the secondary market. If an active trading market is not developed and sustained, the liquidity and market price of the Series A Preferred Stock may be adversely affected. Even if an active public market does develop, we cannot guarantee that the market price for the Series A Preferred Stock will equal or exceed the price you pay for your shares.

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

Our ability to pay dividends on the Series A Preferred Stock is limited by the laws of Maryland. Under applicable Maryland law, a Maryland real estate investment trust generally may not make a distribution if, after giving effect to the distribution, the entity would not be able to pay its debts as the debts come due in the usual course of business, or the entity's total assets would be less than the sum of its total liabilities plus, unless the entity's charter provides otherwise, the amount that would be needed if the entity were dissolved at the time of the distribution to satisfy the

preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we may not be able to make a distribution on the Series A Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they come due in the usual course of business or our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of any outstanding securities with rights or preferences senior to those of the Series A Preferred Stock.

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Our Series A Preferred Stock has not been rated and is junior to our existing and future debt, and your interest could be diluted by the issuance of additional parity-preferred securities and by other transactions.

Our Series A Preferred Stock has not been rated by any nationally recognized statistical rating organization, which may negatively affect its market value and your ability to sell it. It is possible that one or more rating agencies might independently determine to issue such a rating and that such a rating, if issued, could adversely affect the market price of our Series A Preferred Stock. In addition, we may elect in the future to obtain a rating of our Series A Preferred Stock, which could adversely affect its market price. Ratings only reflect the views of the rating agency or agencies issuing the ratings and they could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of our Series A Preferred Stock.

The payment of amounts due on the Series A Preferred Stock will be junior to all of our existing and future debt and any securities we may issue in the future that have rights or preferences senior to those of the Series A Preferred Stock. We may issue additional shares of Series A Preferred Stock or additional shares of preferred stock in the future which are on a parity with (or, upon the affirmative vote or consent of the holders of two-thirds of the outstanding shares of Series A Preferred Stock, senior to) the Series A Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up. Additional issuance of preferred securities or other transactions could reduce the pro-rata assets available for distribution upon a liquidation and you may not receive your full liquidation preference if there are not sufficient assets. In addition, issuance of additional preferred securities or other transactions could dilute your voting rights with respect to certain matters that require votes or consent of holders of our Series A Preferred Stock.

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

Your voting rights as a holder of Series A Preferred Stock will be limited. Our common stock is the only class of our securities carrying full voting rights. Voting rights for holders of Series A Preferred Stock exist only with respect to amendments to our charter (whether by merger, consolidation or otherwise) that materially and adversely affect the terms of the Series A Preferred Stock, the authorization or issuance of classes or series of equity securities that are senior to the Series A Preferred Stock and, if we fail to pay dividends on the Series A Preferred Stock for six or more quarterly periods (whether or not consecutive), the election of additional trustees. You would not, however, have any voting rights if we amend, alter or repeal the provisions of our charter or the terms of the Series A Preferred Stock in connection with a merger, consolidation, transfer or conveyance of all or substantially all of our assets or otherwise, so long as the Series A Preferred Stock remains outstanding and its terms remain materially unchanged or you receive stock of the successor entity with substantially identical rights, taking into account that, upon the occurrence of an event described in this sentence, we may not be the surviving entity. Furthermore, if you receive the greater of the full trading price of the Series A Preferred Stock on the last date prior to the first public announcement of an event described in the preceding sentence or the \$25.00 liquidation preference per share of Series A Preferred Stock plus accrued and unpaid dividends (whether or not declared) to, but not including, the date of such event, pursuant to the occurrence of any of the events described in the preceding sentence, then you will not have any voting rights with respect to the events described in the preceding sentence.

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

Upon a Change of Control or Delisting Event, holders of our Series A Preferred Stock will have the right (subject to our special optional redemption rights) to convert all or part of their Series A Preferred Stock into shares of our common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a

special optional redemption right to redeem the Series A Preferred Stock. See “Description of the Series A Preferred Stock —Special Optional Redemption” and “—Conversion Rights.” Upon such a conversion, holders will be limited to a maximum number of shares as described in those sections of this prospectus supplement. If the Common Stock Price is less than \$5.00 (which is approximately 61% of the per-share closing sale price of our common stock on November 5, 2013), subject to adjustment, holders will receive a maximum of 5 shares of our common stock per share of Series A Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Series A Preferred Stock. In addition, the foregoing features of our Series A 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 our common stock and Series A 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.

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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 A Preferred Stock.

Our governing documents do not limit us from incurring additional indebtedness and other liabilities. As of September 30, 2013, we and our subsidiaries had approximately \$3.1 million of indebtedness and liabilities, substantially all of which is secured. 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 pay dividends on our Series A Preferred Stock or to mandatorily redeem the Series A Preferred Stock if the shares have not been listed by October 1, 2018.

We cannot assure you that we will be able to pay dividends regularly.

Our ability to pay dividends in the future is dependent on our available cash, our ability to operate profitably and to generate cash from our operations and the operations of our subsidiaries. We cannot guarantee that we will be able to pay dividends on a regular basis in the future.

Our ability to issue preferred stock in the future could adversely affect the rights of holders of our preferred shares.

Our charter permits our board of trustees to increase the number of authorized shares of capital stock without the approval of holders of our common stock or Series A Preferred Stock. In addition, our charter authorizes our board of trustees to reclassify any or all of the unissued shares of our authorized shares of common stock as shares of preferred stock in one or more series on terms determined by our board of trustees. Any authorized and unissued shares of common stock could be reclassified by our board of trustees into additional shares of Series A Preferred Stock or into a series of preferred stock in parity with the Series A Preferred Stock, without the approval of holders of our common stock or Series A Preferred Stock. Our future issuance preferred stock could effectively diminish our ability to pay dividends or other distributions, including the distributions upon our liquidation, dissolution or winding up, to holders of our then-outstanding Series A Preferred Stock.

We may issue the Series A Preferred Stock at a discount to liquidation value or, in the future, at a discount to the issuance value under this prospectus supplement, in which case the value of your investment may suffer.

We may offer additional Series A Preferred Stock, or another class or classes of preferred stock or debt securities, at prices or yields that may not be the same as the price paid for or the yield applicable to the Series A Preferred Stock sold pursuant to this prospectus supplement and the accompanying prospectus. Such sales could adversely affect the market price of Series A Preferred Stock.

Management will have broad discretion in the application of proceeds under this prospectus supplement and the accompanying prospectus, and we may not use the proceeds effectively.

We intend to use the net proceeds from any sales of Series A Preferred Stock under this prospectus supplement and the accompanying prospectus to acquire real property infrastructure assets through one or more subsidiaries, partnerships or joint ventures formed to acquire or finance such assets. We may also use net proceeds to retire all or a portion of any debt we may incur or have incurred, or for working capital purposes, including the payment of distributions, interest, and operating expenses, including the funding of legal expenses. Retirement of indebtedness may include some or all of a bridge loan obtained by one of our subsidiaries from an affiliate of our Chairman and CEO to fund the acquisition of approximately 100 acres of leased property in July 2013. See "Use of Proceeds" in this prospectus supplement.

While we expect management to apply net proceeds in a manner consistent with our business plan and acquisition strategies, we may not be able to identify, acquire, and successfully manage or otherwise exploit new investment opportunities, and we cannot assure you that the monies so applied will result in any present or future improvement in our business.

We and our wholly-owned subsidiary, P&WV, are in litigation with Norfolk Southern Corporation ("NSC"), the lessee of P&WV's assets, and NSC's sub-lessee. The litigation involves various risks.

As previously disclosed in our public filings with the SEC, Power REIT and its wholly-owned subsidiary, P&WV, are in litigation with NSC and NSC's sub-lessee, Wheeling & Lake Erie Railroad (together with NSC, the "Litigants"). The case is pending in the Federal trial court in Pittsburgh, PA ("Court"). The Litigants initiated the litigation against Power REIT and P&WV in December 2011, seeking, among other things, a declaratory judgment that NSC was not in default under the 99-year lease that NSC had entered into with P&WV in 1962. P&WV, as lessor, has asserted counterclaims seeking, among other things, (i) determinations that NSC is in default under the lease for, among other things, failing to reimburse certain legal fees incurred by P&WV and failing to permit P&WV to inspect NSC's books and records as called for under the terms of the lease and (ii) additional sums related to P&WV's property. P&WV also seeks determinations from the Court declaring (a) that NSC's obligation to repay the indebtedness owed under the lease is not indefinite in duration; and (b) that the indebtedness owed to P&WV is due on demand with interest.

As part of the litigation proceedings, Power REIT filed a motion requesting that it be dismissed from the litigation on the ground that it is not in contractual privity with either of the Litigants. The Litigants opposed Power REIT's motion to dismiss, alleging that Power REIT is a successor in interest to P&WV in respect of the lease. Pursuant to applicable law, on a motion to dismiss, a court must accept as true all of the allegations contained in the challenged pleadings. On this ground, the Court overseeing the litigation denied Power REIT's motion to dismiss.

The litigation involves various risks. In regard to the Litigants' allegation that Power REIT is a successor in interest in respect of the lease, if that allegation were to be decided against us in a fact-finding stage of any proceeding, it could lead to liability, expenses or other adverse effects, including to the extent we have issued any stock, including the preferred shares offered under this prospectus supplement, or engaged in certain other financing without the prior written consent of the lessee. This is because, under the terms of the lease, the "lessor" may not (subject to certain exceptions) borrow money, issue debt or stock or engage in certain other financing without the prior written consent of the lessee (which, pursuant to the lease, may not be unreasonably withheld).

On September 13, 2013, Power REIT filed for summary judgment dismissing all claims against it. We believe that Power REIT is not the "lessor" under the lease and is not constrained by any of the lease restrictions. Nevertheless, there can be no assurance that Power REIT and P&WV will prevail in any determination on the merits of the Litigants' allegation or on any of the Litigants' other claims and allegations, and avoid an adverse judgment or other adverse effects.



In addition to the foregoing risks, the perception of the litigation in the market or to prospective business or finance counter-parties, whether or not accurate, may make it harder for us to source investment opportunities or obtain debt or equity financing on terms that would otherwise be available, which in turn might constrain Power REIT's ability to grow its asset base and diversify its business.

If we are unable to raise additional financing as a result of the litigation, our business could suffer.

We believe we have sufficient liquidity and access to financing to fund the litigation discussed above and our other operations; however, if we were unable to raise additional financing as a result of the litigation, we could be required to, among other things, cut or eliminate dividend payments in order to fund the litigation costs. Difficulties in growing or accessing financing, or a need to reduce or eliminate dividends, could adversely affect our business and our share price.

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## USE OF PROCEEDS

If we sell all of the securities under this prospectus supplement at the full price per share, we estimate that the net proceeds will be approximately \$3.7 million, after offering expenses payable by us which we estimate will be approximately \$50,000. We intend to use the net proceeds from any sales of Series A Preferred Stock under this prospectus supplement to acquire real property infrastructure assets through one or more subsidiaries, partnerships or joint ventures formed to acquire or finance such assets. We may also use net proceeds to retire all or a portion of any debt we may incur or have incurred, or for working capital purposes, including the payment of distributions, interest, and operating expenses, including the funding of legal expenses. Retirement of debt may include the retirement of all or a portion of a bridge loan that was obtained by one of our subsidiaries from an affiliate of our Chairman and CEO to fund the acquisition of approximately 100 acres of land in July 2013, leased to utility-scale, ground mounted solar farms. For a further description of the bridge loan, see our Current Report on Form 8-K filed with the SEC on July 15, 2013, and incorporated into this prospectus supplement by reference.

As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses to which we may put net proceeds. Our management will have broad discretion in the application of these proceeds. Pending application of these proceeds, they will be held in bank accounts or invested in readily marketable, interest-bearing securities consistent with us maintaining our qualification as a REIT for federal income tax purposes and not being an investment company under the securities laws. We expect that these temporary investments will provide a lower net return than we hope to achieve with our general investment policies.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES  
AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our ratio of earnings to combined fixed charges and preferred stock dividends for each of the periods presented. For purposes of computing the ratio of earnings to combined fixed charges and preferred stock dividends, earnings represent net income (loss) plus fixed charges and preferred stock dividends (where applicable). Fixed charges include interest expense and preferred stock dividend expense (where applicable).

	Three Months Ended September 30, 2013(a)	2012(a)	2011(b)	Year Ended December 31, 2010(b)	2009(b)	2008(b)
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	(c)	(c)	n/a	n/a	n/a	n/a

- a. We did not have any shares of preferred stock outstanding for this period.
- b. We did not have any shares of preferred stock or indebtedness outstanding for this period, and therefore, we did not have any fixed charges.
- c. For the three months ended September 30, 2013 and the year ended December 31, 2012, earnings were insufficient to cover fixed charges by approximately \$181,000 and \$322,000, respectively, which is the amount of additional earnings that would have been required to achieve a ratio of earnings to fixed charges of 1.0x for each such respective period.

## DESCRIPTION OF SERIES A PREFERRED STOCK

The following is a summary of the material terms and provisions of the Series A Preferred Stock. This summary is in all respects subject to, and qualified in its entirety by, reference to the applicable provisions of our charter, including the supplementary articles relating to the Series A Preferred Stock which will be filed as an exhibit to a Current Report on Form 8-K in connection with this offering. Our charter and bylaws are available from us as described under “Where You Can Find More Information” of this prospectus supplement and have been publicly filed with the SEC as exhibits to documents incorporated by reference in this prospectus supplement and the accompanying prospectus. This description of the specific terms of the Series A Preferred Stock supplements the description of the general terms and provisions of our preferred stock set forth in the accompanying prospectus under “Description of Capital Stock—Description of Preferred Stock.”

### General

Our board of trustees has the power under our charter to classify and reclassify any unissued shares of common stock into one or more classes or series of preferred stock, set the terms of each such class or series and authorize us to issue the newly classified or reclassified shares. Each such class or series of preferred stock will have such designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption as shall be determined by our board of trustees.

As of November 5, 2013, our authorized capital stock consisted of 100,000,000 common shares of beneficial interest, \$0.001 par value, and we had 1,676,955 of such common shares outstanding. Before the completion of the first sale of Series A Preferred Stock in this offering, our board of trustees will reclassify and designate 150,000 shares of our common shares of beneficial interest as Series A Preferred Stock. Before we issue any of the Series A Preferred Stock, we will file with the Maryland State Department of Assessments and Taxation articles of amendment to give effect to supplementary articles reflecting this reclassification of common stock as Series A Preferred Stock and the terms of the Series A Preferred Stock. After giving effect to these supplementary articles, the authorized capital stock of the Company will be 100,000,000 shares, classified as 99,850,000 shares of common stock, par value \$0.001 per share and 150,000 shares of Series A Preferred Stock, par value \$0.001.

The shares of Series A Preferred Stock will, when issued, be fully paid and non-assessable and will have no preemptive rights. Under Maryland law, holders of our preferred stock generally are not responsible for our debts or obligations. Both our preferred stock and our common stock are subject to certain ownership restrictions designed to help us maintain our qualification as a REIT under the Code, which are described below under the subheading “–Ownership Limits and Restrictions on Transfer.”

The registrar, transfer agent and disbursing agent for dividends and other distributions in respect of our Series A Preferred Stock and common stock is Broadridge Corporate Issuer Solutions, Inc.

### Ranking

The Series A Preferred Stock, as to dividend rights and rights upon our liquidation, dissolution or winding-up, will rank:

- senior to all classes or series of our common stock and to all other equity securities ranking junior to the Series A Preferred Stock with respect to dividend rights and rights upon our liquidation, dissolution or winding up;
- equal to any class or series of equity securities ranking equal to the Series A Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up; and

- junior to any class or series of equity securities ranking senior to the Series A Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up.

The term “equity securities” does not include convertible debt securities, which would rank senior to the Series A Preferred Stock prior to conversion (and whose ranking after conversion would depend on the specific terms of the post-conversion securities). In addition, the Series A Preferred Stock ranks junior to all our current and future indebtedness and the indebtedness of our subsidiaries.

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## Dividends

Holders of the Series A Preferred Stock will be entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of \$1.9375 per share each year, which is equivalent to the rate of 7.75% of the \$25.00 liquidation preference per share of Series A Preferred Stock per annum. Commencing March 15, 2014, dividends will be payable quarterly in arrears for the preceding Dividend Period (as defined below) on the 15th day of March, June, September and December of each year or, if not a business day, the next succeeding business day, to all holders of record on the applicable record date. We refer to each such payment date as a “Dividend Payment Date,” and “Dividend Period” means, with respect to a given Dividend Payment Date, the nearest preceding period among the following: March 1 to May 31, June 1 to August 31, September 1 to November 30 and December 1 to the last day of the next following February (other than the initial Dividend Period, which shall commence on the original issuance date of the Series A Preferred Stock held and end on and include February 28, 2014).

Any dividend payable on the Series A Preferred Stock, including any dividend payable 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 A Preferred Stock as they appear in the transfer agent’s records at the close of business on the applicable record date, which will be the date that our board of trustees 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 Dividend Payment Date, which date we refer to as a “Dividend Payment Record Date”.

Our board of trustees will not authorize, pay or set apart for payment by us any dividend on the Series A Preferred Stock at any time that:

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

Notwithstanding the foregoing, dividends on the Series A Preferred Stock will accrue whether or not:

- any of the agreements or laws referred to above are applicable;
  - we have earnings;
- there are funds legally available for the payment of such dividends; or
  - such dividends are declared by us.

Accrued but unpaid dividends on the Series A Preferred Stock will not bear additional interest.

We will not declare or pay or set aside for payment any dividends (other than a dividend paid in common stock or other shares ranking junior to the Series A Preferred Stock as to dividends and upon liquidation) or declare or make any distribution of cash or other property on common stock or other shares that rank junior or equal to the Series A Preferred Stock as to dividends and upon liquidation or redeem or otherwise acquire common stock or other shares that rank junior or equal to the Series A Preferred Stock as to dividends and upon liquidation (except by conversion into or exchange for common stock or other shares ranking junior to the Series A Preferred Stock as to dividends and

upon liquidation and except for the redemption of shares of our stock pursuant to the provisions of our charter relating to ownership limits and restrictions on transfer of our equity securities), unless we also have declared and either paid or set aside for payment full cumulative dividends on the Series A Preferred Stock for all past Dividend Periods.

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If we do not declare and either pay or set aside for payment full cumulative dividends on the Series A Preferred Stock and all shares that rank equal, as to dividends, to the Series A Preferred Stock, the amount that we have declared will be allocated pro rata to the holders of Series A Preferred Stock and such other shares, so that the amount declared for each share of Series A Preferred Stock and for each such other share is proportionate to the accrued and unpaid dividends on such security. Any dividend payment made on the Series A Preferred Stock will first be credited against the earliest accrued but unpaid dividend due with respect to such securities that remains payable.

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 of shares, or the “Total Dividends”, then the portion of the Capital Gains Amount that will be allocable to the holders of Series A 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 Series A 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 Series A Preferred Stock will be entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference of \$25.00 per share, plus an amount equal to any accrued and unpaid dividends (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 stock ranking, as to liquidation rights, junior to the Series A 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 A Preferred Stock and the corresponding amounts payable on all shares of each other class or series of stock ranking, as to liquidation rights, equal to the Series A Preferred Stock, then the holders of the Series A Preferred Stock and the shares of each such other class or series of stock ranking, as to liquidation rights, equal to the Series A Preferred Stock 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 Series A Preferred Stock will be entitled to written notice of any voluntary or involuntary liquidation, dissolution or winding up at least 15 days before the payment date of such liquidating distribution. After payment to them of the full amount of the liquidating distributions to which they are entitled, the holders of Series A Preferred Stock will have no right or claim to any of our remaining assets.

In determining whether any distribution (other than upon voluntary or involuntary dissolution), by dividend, redemption or other acquisition of shares of stock of the Company or otherwise, is permitted under applicable Maryland law, amounts that would be needed, if the Company were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of the holders of the Series A Preferred Stock will not be added to the Company’s total liabilities.

Our consolidation or merger with or into any other person or 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.

#### Mandatory Redemption

If the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ by October 1, 2018, we will mandatorily redeem the Series A Preferred Stock, in whole and not in part, on November 30, 2018, at a cash redemption price of \$25.00 per share plus all accrued and unpaid dividends (whether or not declared) to, but not including, the date of redemption.





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

- the date fixed for redemption thereof, which we refer to as the redemption date;
- the redemption price;
- the total number of shares of Series A Preferred Stock to be redeemed;
- the place or places where the shares of Series A Preferred Stock are to be surrendered for payment, together with the certificates, if any, representing such shares (duly endorsed for transfer) and any other documents we require in connection with such redemption; and
- that dividends on the Series A Preferred Stock to be redeemed will cease to accrue on the redemption date.

The redemption price of the shares of Series A Preferred Stock to be redeemed will then be paid to or on the order of the person whose name appears in our stock ledger as the owner of such shares.

From and after the redemption date (unless we fail to pay or set aside the redemption price):

- all dividends on the Series A Preferred Stock designated for redemption will cease to accrue;
- all rights of the holders of the Series A Preferred Stock designated for redemption, except the right to receive the redemption price, will cease and terminate;
- the Series A Preferred Stock designated for redemption may not thereafter be transferred except with our consent; and
- the Series A Preferred Stock designated for redemption will not be deemed to be outstanding for any purpose whatsoever.

Notwithstanding the foregoing, unless full cumulative dividends on all outstanding Series A Preferred Stock have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the cash payment of the dividends has been set apart for payment, for all past dividend periods, no shares of Series A Preferred Stock may be redeemed unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed.

All shares of the Series A Preferred Stock that we redeem will be retired and restored to the status of authorized but unissued shares of common stock, without designation as to series or class.

#### Optional Redemption

The Series A Preferred Stock will not be redeemable prior to November 30, 2018, except in the circumstances described in the next paragraph, or pursuant to the provisions of our charter relating to ownership limits and restrictions on transfer of our capital stock for the preservation of our qualification as a REIT for federal income tax purposes, under the circumstances described under “—Special Optional Redemption.”



Notwithstanding any other provision relating to redemption or repurchase of the Series A Preferred Stock, we may redeem any or all of the Series A Preferred Stock at any time, whether before or after November 30, 2018, at a redemption price of \$25.00 per share plus all dividends accrued and unpaid (whether or not declared), if our board of trustees determines that such redemption is necessary to preserve our status as a REIT for federal income tax purposes.

On and after November 30, 2018, the Series A Preferred Stock may be redeemed at our option, in whole or in part, at any time and from time to time, for cash, at a redemption price of \$25.00 per share plus all dividends accrued and unpaid (whether or not declared) on the Series A Preferred Stock to, but not including, the date of such redemption (unless the redemption date is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in the redemption price), without interest, upon the giving of notice, as provided below.

If less than all of the outstanding Series A Preferred Stock is to be redeemed, the shares to be redeemed will be determined pro rata, by lot or in such other equitable manner as prescribed by our board of trustees that will not result in a violation of the ownership limits and restrictions on transfer of our stock contained in our charter. If the redemption is to be by lot, and if as a result of the redemption any holder of Series A Preferred Stock would own, or be deemed by virtue of certain attribution provisions of the Code to own, in excess of 9.9% in value or in number of shares (whichever is more restrictive) of our issued and outstanding equity securities (including the Series A Preferred Stock), then, except in certain instances, we will redeem the requisite number of shares of Series A Preferred Stock of that holder such that the holder will not own or be deemed by virtue of such attribution provisions of the Code to own, subsequent to the redemption, in excess of 9.9% in value or in number of shares (whichever is more restrictive) of our issued and outstanding equity securities.

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

- the date fixed for redemption thereof, which we refer to as the redemption date;
- the redemption price;
- the total number of shares of Series A Preferred Stock to be redeemed (and, if less than all the shares held by any holder are to be redeemed, the number of shares to be redeemed from such holder);
- the place or places where the shares of Series A Preferred Stock are to be surrendered for payment, together with the certificates, if any, representing such shares (duly endorsed for transfer) and any other documents we require in connection with such redemption; and
- that dividends on the Series A Preferred Stock to be redeemed will cease to accrue on the redemption date.

The redemption price of the shares of Series A Preferred Stock to be redeemed will then be paid to or on the order of the person whose name appears in our stock ledger as the owner of such shares.

From and after the redemption date (unless we fail to pay or set aside the redemption price):

- all dividends on the Series A Preferred Stock designated for redemption will cease to accrue;

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- all rights of the holders of the Series A Preferred Stock designated for redemption, except the right to receive the redemption price, will cease and terminate;
- the Series A Preferred Stock designated for redemption may not thereafter be transferred except with our consent; and
- the Series A Preferred Stock designated for redemption will not be deemed to be outstanding for any purpose whatsoever.

Notwithstanding the foregoing, unless full cumulative dividends on all outstanding Series A Preferred Stock have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the cash payment of the dividends has been set apart for payment for all past dividend periods, no shares of Series A Preferred Stock may be redeemed unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. Unless full cumulative dividends on all outstanding Series A Preferred Stock have been paid or declared and a sum sufficient for the cash payment of the dividends has been set apart for payment for all past dividend periods, we will not purchase or otherwise acquire directly or indirectly any Series A Preferred Stock (except by exchange for our equity securities ranking as to dividend rights and liquidation preference junior to the Series A Preferred Stock or except pursuant to the provisions of our charter relating to ownership limits and restrictions on transfer of our stock). So long as no dividends on Series A Preferred Stock for any past dividend period are in arrears, we shall, subject to the foregoing, be entitled at any time and from time to time to repurchase Series A Preferred Stock in open-market transactions duly authorized by our board of trustees and effected in compliance with applicable laws. However, these requirements will not prevent our purchase or acquisition of Series A Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding Series A Preferred Stock or our redemption of Series A Preferred Stock pursuant to the provisions of our charter relating to ownership limits and restrictions on transfer of our stock.

All shares of the Series A Preferred Stock that we redeem or repurchase will be retired and restored to the status of authorized but unissued shares of common stock, without designation as to series or class.

#### Special Optional Redemption

During any period of time (whether before or after November 30, 2018) that both (i) the Series A Preferred Stock is not listed on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ and (ii) we are not subject to the reporting requirements of the Exchange Act, but any Series A Preferred Stock is outstanding (such combination of circumstances a “Delisting Event”), we will have the option to redeem the outstanding Series A Preferred Stock, in whole and not in part, within 90 days after any such Delisting Event, for a redemption price of \$25.00 per share plus all dividends accrued and unpaid (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in the redemption price), upon the giving of notice, as provided below.

In addition, upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series A Preferred Stock, in whole and not in part, and within 120 days after any such Change of Control occurred, by paying \$25.00 per share plus all dividends accrued and unpaid (whether or not declared) on the Series A Preferred Stock to, but not including, the date of redemption (unless the redemption date is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in the redemption price). If, prior to the Delisting Event Conversion Date or Change of Control Conversion Date (each as defined below), as applicable, we provide notice of redemption with respect to the Series A Preferred Stock (whether pursuant to our optional redemption right or our special optional redemption right), you will not have the conversion right

described below under “—Conversion Rights.”

Notwithstanding the foregoing, we shall not have the right to redeem the Series A Preferred Stock (x) upon any Delisting Event occurring in connection with a transaction set forth in the first bullet point of the definition of Change of Control unless such Delisting Event also constitutes a Change of Control or (y) with respect to any Delisting Event or Change of Control occurring in connection with a transaction (an “Affiliate Transaction”) with, or by, any person (as defined below) who prior to such transaction is an affiliate of the Company.

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

- the redemption date;
- the redemption price;
- the total number of shares of Series A Preferred Stock to be redeemed;
- the place or places where the shares of Series A Preferred Stock are to be surrendered for payment, together with the certificates, if any, representing such shares (duly endorsed for transfer) and any other documents we require in connection with such redemption;
- that the Series A Preferred Stock is being redeemed pursuant to our special optional redemption right, and, as applicable, if in connection with the occurrence of a Change of Control, a brief description of the transaction or transactions constituting such Change of Control;
- that holders of the Series A Preferred Stock to be redeemed will not be able to tender such Series A Preferred Stock for conversion in connection with the Delisting Event or Change of Control, as applicable, and each Series A Preferred Stock tendered for conversion that is selected, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, for redemption will be redeemed on the related date of redemption instead of converted on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable; and
  - that dividends on the Series A Preferred Stock to be redeemed will cease to accrue on the redemption date.

If we redeem fewer than all of the outstanding shares of Series A Preferred Stock, the notice of redemption mailed to each holder will also specify the number of shares of Series A Preferred Stock that we will redeem from such holder. We will determine the number of outstanding shares of Series A Preferred Stock to be redeemed on a pro rata basis, by lot or by any other equitable method we may choose that will not result in a violation of the ownership limits and restrictions on transfer of our stock contained in our charter.

If (i) we have given a notice of redemption, (ii) we have set aside sufficient funds for the redemption of the shares of Series A Preferred Stock called for redemption and (iii) irrevocable instructions have been given to pay the redemption price and all applicable accrued and unpaid dividends, then from and after the redemption date, those shares of Series A Preferred Stock will no longer be outstanding, no further dividends will accrue on them and all other rights of the holders of those shares of Series A Preferred Stock will terminate, except the right to receive the redemption price, without interest.

A “Change of Control” occurs when, after the original issuance of the Series A 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 trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only

upon the occurrence of a subsequent condition); and

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- 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 MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

All shares of the Series A Preferred Stock that we redeem or repurchase will be retired and restored to the status of authorized but unissued shares of common stock, without designation as to series or class.

#### Conversion Rights

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

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series A Preferred Stock to be converted plus the amount of any accrued and unpaid dividends (whether or not declared) to, but not including, the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable (unless the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend to be paid on such dividend payment date will be included in this sum), by (ii) the Common Stock Price, as defined below (such quotient, the “Conversion Rate”); and

- 5, which we refer to as the “Share Cap”.

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

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



If the holders of shares of our common stock have the opportunity to elect the form of consideration to be received in connection with the Delisting Event or Change of Control, the Conversion Consideration that holders of the Series A Preferred Stock will receive will be the form of consideration elected by the holders of a plurality of the shares of common stock held by stockholders who participate in the election and will be subject to any limitations to which all holders of shares of common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in connection with the Delisting Event or Change of Control.

We will not issue fractional common shares upon the conversion of our Series A Preferred Stock. Instead, we will pay the cash value of such fractional shares.

Within 15 days following the occurrence of a Delisting Event or Change of Control, we will provide to holders of record of outstanding shares of Series A Preferred Stock a notice of occurrence of the Delisting Event or Change of Control that describes the resulting Delisting Event Conversion Right or Change of Control Conversion Right, as applicable. This notice will state the following:

- the events constituting the Delisting Event or Change of Control;
- the date of the Delisting Event or Change of Control;
- the last date on which the holders of shares of Series A Preferred Stock may exercise their Delisting Event Conversion Right or Change of Control Conversion Right, as applicable;
- the method and period for calculating the Common Stock Price;
- the “Delisting Event Conversion Date” or “Change of Control Conversion Date,” as applicable, which will be a business day fixed by our board of trustees that is not fewer than 20 or more than 35 days following the date of the notice;
- that if, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we provide notice of our election to redeem all or any portion of the shares of Series A Preferred Stock, whether pursuant to our special optional redemption right or our optional redemption right, you will not have any right to convert the shares of Series A Preferred Stock so called for redemption and such shares of Series A Preferred Stock will be redeemed on the related redemption date, even if they have already been tendered for conversion pursuant to the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable;
- the type and amount of Alternative Conversion Consideration entitled to be received per share of Series A Preferred Stock;
  - the name and address of the paying agent and the conversion agent; and
- the procedures that the holders of shares of Series A Preferred Stock must follow to exercise the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable.

We will issue a press release for publication on or by Dow Jones & Company, Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public) containing the information stated in such a notice, and post such a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of record of Series A Preferred Stock.

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To exercise the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, a holder of record of Series A Preferred Stock will be required to deliver, on or before the close of business on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, the certificates, if any, representing any certificated shares of Series A Preferred Stock to be converted, duly endorsed for transfer, together with a completed written conversion notice and any other documents we reasonably require in connection with such conversion, to our conversion agent. The conversion notice must state:

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- the relevant Delisting Event Conversion Date or Change of Control Conversion Date, as applicable; and
  - the number of shares of Series A Preferred Stock to be converted.

The "Common Stock 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 our 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 our common stock is other than solely cash, the average of the closing price per share of our common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Change of Control. The "Common Stock Price" for any Delisting Event will be the average of the closing price per share of our common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Delisting Event.

Holders of Series A Preferred Stock may withdraw any notice of exercise of a Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, in whole or in part, by a written notice of withdrawal delivered to our conversion agent prior to the close of business on the business day prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable. The notice of withdrawal must state:

- the number of withdrawn shares of Series A Preferred Stock;
- if certificated shares of Series A Preferred Stock have been tendered for conversion and are being withdrawn, the certificate numbers of such certificated shares of Series A Preferred Stock; and
  - the number of shares of Series A Preferred Stock, if any, which are still to be converted.

Notwithstanding the foregoing, if the Series A Preferred Stock are held in global form, the conversion notice and the notice of withdrawal, as applicable, must comply with applicable procedures of The Depository Trust Company (DTC).

Shares of Series A Preferred Stock as to which the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Delisting Event Conversion Right or Change of Control Conversion Right on the applicable Delisting Event Conversion Date or Change of Control Conversion Date, unless prior to the applicable Delisting Event Conversion Date or Change of Control Conversion Date we provide notice of our election to redeem such shares of Series A Preferred Stock, whether pursuant to our optional redemption right or our special optional redemption right. If we elect to redeem shares of Series A Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, such shares of Series A Preferred Stock will not be so converted, the holders of such shares will not have any right to convert such shares and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price for such shares.

We will deliver amounts owing upon conversion no later than the third business day following the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable.

In connection with the exercise of any Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, we will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of shares of Series A Preferred Stock into shares of common stock.



These Change of Control and Delisting Event conversion and redemption features may make it more difficult for or discourage a party from taking over our company. See “Risk Factors— The change of control conversion and delisting conversion features may not adequately compensate you upon a Change of Control, and the change of control conversion, delisting conversion and redemption features of the Series A Preferred Stock may make it more difficult for a party to take over our company or may discourage a party from taking over our company.”

Except as provided above in connection with a Delisting Event or Change of Control, the Series A Preferred Stock is not convertible into or exchangeable for any other property or securities. Notwithstanding any other provision of our Series A Preferred Stock, no holder of our Series A Preferred Stock will be entitled to convert such Series A Preferred Stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to exceed the ownership limits and restrictions on transfer of our stock contained in our charter. For further information regarding the limits on ownership and transfer restrictions applicable to our stock, see “–Ownership Limits and Restrictions on Transfer.”

### Voting Rights

Except as described below, holders of Series A Preferred Stock have no voting rights. On any matter in which the Series A Preferred Stock may vote (as expressly provided in our charter), each share of Series A Preferred Stock shall entitle the holder thereof to cast one vote.

If dividends on the Series A Preferred Stock are not paid, whether or not declared, for six or more quarterly periods, whether or not these quarterly periods are consecutive, holders of Series A Preferred Stock (voting separately as a class with any other series of preferred stock ranking equal to the Series A Preferred Stock as to dividends and upon liquidation and upon which like voting rights have been conferred and are exercisable, which we refer to as “voting preferred stock”) will be entitled to vote, at any special meeting called by our secretary at the request of holders of record of at least 10% of the outstanding shares of Series A Preferred Stock and any such series of voting preferred stock (unless such request is received fewer than 90 days before our next annual meeting of stockholders at which such vote shall occur) and at each annual meeting of stockholders, for the election of two additional trustees to serve on our board of trustees. The right of holders of Series A Preferred Stock to vote in the election of such trustees will terminate when all dividends accumulated on the outstanding shares of Series A Preferred Stock for all past dividend periods shall have been fully paid or declared and a sum sufficient for the cash payment thereof set aside for payment. Unless the number of our trustees has previously been increased pursuant to the terms of any series of voting preferred stock with which the holders of Series A Preferred Stock are entitled to vote together as a single class in the election of such trustees, the number of our trustees will automatically increase by two at such time as holders of Series A Preferred Stock become entitled to vote in the election of two additional trustees. Unless shares of voting preferred stock remain outstanding and entitled to vote in the election of such trustees, the term of office of such trustees will terminate, and the number of our trustees will automatically decrease by two, when all dividends accumulated for past dividend periods on the Series A Preferred Stock have been fully paid or declared and a sum sufficient for the cash payment thereof set aside for payment. If the rights of holders of Series A Preferred Stock to elect the two additional trustees terminate after the record date for the determination of holders of shares of Series A Preferred Stock entitled to vote in any election of such trustees but before the closing of the polls in such election, holders of Series A Preferred Stock outstanding as of such record date will not be entitled to vote in such election of trustees. The right of the holders of Series A Preferred Stock to elect the additional trustees will again vest if and whenever dividends are not paid for six quarterly periods, as described above. In no event will the holders of Series A Preferred Stock be entitled to nominate or elect an individual as a trustee, and no individual shall be qualified to be so nominated for election or to so serve as a trustee, if the individual’s service as a trustee would cause us to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of our stock is listed. In class votes with shares of other series of voting preferred stock, shares of different classes or series shall vote in proportion to the liquidation preference of the shares.

The additional trustees will be elected by a plurality of the votes cast in the election of such trustees, and each such trustee will serve until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies, or until such trustee's term of office terminates as described above. Any trustee elected by the holders of Series A Preferred Stock and any series of voting preferred stock may be removed only by a vote of the holders of a majority of the outstanding shares of Series A Preferred Stock and all series of voting preferred stock with which the holders of Series A Preferred Stock are entitled to vote together as a single class in the election of such trustees. At any time that the holders of Series A Preferred Stock are entitled to vote in the election of the two additional trustees, holders of Series A Preferred Stock will be entitled to vote in the election of a successor to fill any vacancy on our board of trustees that results from the removal of such a trustee.

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At any time that holders of Series A Preferred Stock have the right to elect two additional trustees as described above but such trustees have not been elected, our secretary must call a special meeting for the purpose of electing the additional trustees upon the written request of the holders of record of 10% of the outstanding shares of Series A Preferred Stock and all series of voting preferred stock with which the holders of Series A Preferred Stock are entitled to vote together as a single class with respect to the election of such trustees, unless such a request is received less than 90 days before the date fixed for the next annual meeting of our stockholders, in which case, the additional trustees may be elected at such annual meeting.

Any amendment, alteration, repeal or other change to any provision of our charter, including the supplementary articles setting forth the terms of the Series A Preferred Stock (whether by merger, consolidation, transfer or conveyance of all or substantially all of our assets or otherwise) that would materially and adversely affect the rights, preferences, privileges or voting powers of the Series A Preferred Stock must be approved by the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of Series A Preferred Stock and any other series of voting preferred stock entitled to vote together with the holders of Series A Preferred Stock on the matter, voting together as a single class. In addition, the creation, issuance or increase in the authorized number of shares of any class or series of stock having a preference as to dividends or other distributions, whether upon liquidation, dissolution or otherwise, that is senior to the Series A Preferred Stock (or any equity securities convertible or exchangeable into any such shares) requires approval by the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of Series A Preferred Stock and any other series of voting preferred stock entitled to vote together with the holders of Series A Preferred Stock on the matter, voting together as a single class.

The following actions will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of the Series A Preferred Stock:

- any increase or decrease in the number of authorized shares of common stock or preferred stock of any series or the classification or reclassification of any unissued shares, or the creation or issuance of equity securities, of any class or series ranking, as to dividends or liquidation preference, equal to, or junior to, the Series A Preferred Stock; or
- any amendment, alteration or repeal or other change to any provision of our charter, including the supplementary articles setting forth the terms of the Series A Preferred Stock, as a result of a merger, consolidation, transfer or conveyance of all or substantially all of our assets or other business combination, if the Series A Preferred Stock (or stock into which the Series A Preferred Stock has been converted in any successor person or entity to us) remain outstanding with the terms thereof unchanged in all material respects or are exchanged for stock of the successor person or entity with substantially identical rights, taking into account that, upon the occurrence of an event described in this bullet point, we may not be the surviving entity. Furthermore, if the holders of the Series A Preferred Stock receive the greater of the full trading price of the Series A Preferred Stock on the last date prior to the first public announcement of an event described in this bullet point or the \$25.00 liquidation preference per share of Series A Preferred Stock plus accrued and unpaid dividends (whether or not declared) to, but not including, the date of such event, pursuant to the occurrence of any of the events described in this bullet point (other than an Affiliate Transaction), then such holders will not have any voting rights with respect to the events described in this bullet point.

The voting provisions above will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required would occur, we have redeemed or called for redemption upon proper procedures all outstanding shares of Series A Preferred Stock.

## No Maturity, No Sinking Fund

The Series A Preferred Stock will have no stated maturity date and will not be subject to any sinking fund.

## Ownership Limits and Restrictions on Transfer

In order to allow us to maintain our qualification as a REIT for federal income tax purposes, ownership and transfer by any person of our outstanding equity securities is restricted in our charter. All certificates representing shares of Series A Preferred Stock will include a legend regarding such restrictions.

To qualify as a REIT under the Code, we must satisfy a number of statutory requirements as outlined in this prospectus supplement and the accompanying prospectus, including a requirement that no more than 50% in value of our outstanding shares of stock may be owned, actually or constructively, by five or fewer individuals (as defined by the Code to include certain entities) during the last half of a taxable year. Our capital stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year of twelve months or during a proportionate part of a shorter taxable year.

Under our charter, the trustees may redeem shares or restrict transfers of shares when the trustees, in good faith, believe that such redemption or restriction is necessary to prevent disqualification of REIT status. Additionally, our charter prohibits any transfer of shares of our stock or any other change in our capital structure that would result in:

- any person directly or indirectly acquiring beneficial or constructive ownership of more than 9.9% (in value or number of shares, whichever is more restrictive) of the outstanding shares of our stock;
- outstanding shares of our stock being beneficially owned by fewer than 100 persons;
- us being “closely held” within the meaning of Section 856 of the Code; or
- us otherwise failing to qualify as a REIT under the Code.

Our charter requires that any person who acquires or attempts to acquire shares of our stock, in violation of these restrictions, which we refer to as the ownership limits, give at least 15 days’ prior written notice to us. If any person attempts to effect a transfer of shares of our stock, or attempts to cause any other event to occur, that would result in a violation of the ownership limits, then:

- (i) that number of shares the beneficial ownership or constructive ownership of which otherwise would cause such person to violate the ownership limits shall be automatically transferred to a Charitable Trust for the benefit of a Charitable Beneficiary, as described in our charter, effective as of the close of business on the business day prior to the date of such transfer, and such person shall acquire no rights in such shares; or (ii) if the transfer to the Charitable Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of the ownership limits, then the transfer of that number of shares that otherwise would cause a violation of the ownership limits shall be void ab initio, and the intended transferee shall acquire no rights in such shares.
- our board of trustees may take any action it deems advisable to refuse to give effect to, or to prevent, any such attempted transfer or other event, including, without limitation, causing us to redeem the shares, refusing to give effect to such transfer on our books or instituting proceedings to enjoin such transfer or other event; provided however, that any transfer or attempted transfer in violation of the ownership limits shall automatically result in the transfer to the Charitable Trust described above and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the board of trustees or a committee thereof.

Shares held by the Charitable Trustee shall be issued and outstanding shares of ours. The violating transferee shall have no rights in the shares held by the Charitable Trustee. The violating transferee shall not benefit economically from ownership of any shares held in trust by the Charitable Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Charitable Trust. The violating transferee shall have no claim, cause of action, or any other recourse whatsoever against the purported transferor of such shares.

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Every holder of more than 2% of the number or value of outstanding shares of our Series A Preferred Stock must give written notice to us stating the name and address of such owner, the number of shares of stock beneficially or constructively owned and a description of the manner in which the shares are owned. Our board of trustees may, in its sole and absolute discretion, exempt certain persons from the ownership limitations contained in our charter if ownership of shares of capital stock by such persons would not disqualify us as a REIT under the Code.

#### Further Issuances

We may create and issue additional shares of Series A Preferred Stock ranking equally with the Series A Preferred Stock offered by this prospectus supplement in all respects, so that such additional shares of Series A Preferred Stock will form a single series with the Series A Preferred Stock offered under this prospectus supplement and will have the same terms.

#### Conversion

The Series A Preferred Stock will not be convertible into or exchangeable for any other property or securities, except as provided under “—Conversion Rights.”

#### Information Rights

During any period in which we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and any shares of Series A Preferred Stock are outstanding, we will (i) transmit by mail or other permissible means under the Exchange Act to all holders of Series A Preferred Stock as their names and addresses appear in our record books and without cost to such holders, copies of the Annual Reports on Form 10-K, 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 business 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 and (ii) within 15 business days following written request, supply copies of such reports to any prospective holder of the Series A Preferred Stock.

#### Stock Listing

We have not filed an application to list the Series A Preferred Stock on the NYSE MKT or any other exchange. If we meet the requirements for a listing and upon us having 400,000 shares of our Series A Preferred Stock issued and outstanding (which combination of circumstances we refer to as a “Listing Event”), we will use our best efforts to list the Series A Preferred Stock on the NYSE, the NYSE MKT, NASDAQ or an exchange or quotation system that is a successor to the NYSE, NYSE MKT or NASDAQ. We may also, at our sole discretion choose to so list the Series A Preferred Stock prior to a Listing Event upon meeting the requirements for listing. See “Risk Factors — There is no established trading market for our Series A Preferred Stock. A listing on the NYSE MKT or other exchange may not occur in the future, and even if a listing occurs, a listing does not guarantee an active and liquid market for our Series A Preferred Stock, and the market price and trading volume of the Series A Preferred Stock may fluctuate significantly. In addition, we may not have sufficient funds to mandatorily redeem the Series A Preferred Stock on the mandatory redemption date if a listing does not occur.”

### PLAN OF DISTRIBUTION

We intend to market the Series A Preferred Stock ourselves and offer and sell the Series A Preferred Stock from time to time directly to investors, but we may choose to retain one or more placement agents or underwriters to identify and solicit prospective investors. Any placement agent or underwriter retained by us may be entitled to receive a fee for its services in connection with any sales made under this prospectus supplement, including pursuant to a written

placement or underwriting agreement, as applicable. If we are to enter into any such agreement, we shall publicly file it with the SEC as an exhibit to a Current Report filed on Form 8-K or otherwise disclose it as required by law.

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We intend to sell the Series A Preferred Stock at a price per share equal to the liquidation amount of \$25.00, subject to the following. We may pass along a discount to investors who purchase the Series A Preferred Stock directly from us, rather than through a third-party intermediary. In addition, if particular investors present us with sufficiently valuable opportunities, for example by offering to purchase a large amount of securities, we may offer such investors a discounted price. In any such circumstance, we may offer the same or a similar discount to other investors with whom we have agreements to make such discounts available to them.

Investors who purchase our stock will receive book-entry interests in registered global securities deposited with The Depository Trust Company (“DTC”) (or another custodian) and registered in the name of DTC or a nominee of DTC (or in the name of such other custodian or its nominee); or they may receive their stock in some other customary form pursuant to special arrangements with us. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC).

For additional information on investing in the Series A Preferred Stock, prospective investors should call Power REIT Investor Relations at 212-750-0373.

#### ADDITIONAL MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

In addition to the matters discussed under the heading “Material United States Federal Income Tax Considerations” in the accompanying prospectus, please consider the following:

##### CIRCULAR 230 DISCLOSURE

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE UNITED STATES TREASURY DEPARTMENT, WE INFORM YOU THAT (A) ANY TAX ADVICE CONTAINED HEREIN (INCLUDING ANY ATTACHMENTS OR ENCLOSURES) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAX PENALTIES UNDER THE CODE, (B) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN AND (C) EACH INVESTOR OR POTENTIAL INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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



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

#### Taxation of U.S. Holders on Distributions in Respect of Series A Preferred Stock

Distributions on the Series A Preferred Stock generally will be includable in your income as taxable dividend income to the extent the distributions do not exceed our allocable current or accumulated earnings and profits, with a portion of these dividends possibly treated as capital gain dividends as explained below, but with no portion of these dividends eligible for either the dividends received deduction for corporate stockholders or, except in limited circumstances, the 20% maximum rate applicable to dividends received by non-corporate taxpayers, plus 3.8% (the Net Investment Income Tax), as applicable. As a result, except as discussed below regarding capital gain dividends, our ordinary dividends will be taxed at the higher tax rate applicable to ordinary income, which currently is a maximum rate of 39.6%, plus 3.8% (the Net Investment Income Tax).

Distributions in excess of our allocable current or accumulated earnings and profits generally will be treated for federal income tax purposes as a return of capital to the extent of your basis in the Series A Preferred Stock, which will be reduced by this distribution, and thereafter, as gain from the sale or exchange of the Series A Preferred Stock. In determining the extent to which a distribution on the Series A Preferred Stock constitutes a dividend for federal income tax purposes, our current or accumulated earnings and profits will generally be allocated first to distributions with respect to the Series A Preferred Stock along with any other class of preferred stock we have outstanding, and thereafter to distributions with respect to our common stock.

If for any taxable year we elect to designate as "capital gain dividends", as defined in Section 857 of the Code, any portion of the dividends paid for the year to holders of all classes of our shares, then the portion of dividends designated as capital gain dividends that will be allocable to the Series A Preferred Stock will be equal to the total capital gain dividends multiplied by a fraction, the numerator of which will be the total dividends paid on the Series A Preferred Stock for that taxable year, and the denominator of which shall be the total dividends paid on all classes of our shares (including the Series A Preferred Stock) for that taxable year. A U.S. holder generally will take into account distributions that we designate as capital gain dividends as long term capital gain without regard to the period for which the U.S. holder has held our capital shares. A corporate U.S. holder may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income.

For taxable years beginning after December 31, 2012, certain U.S. holders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax. The Medicare tax will apply to, among other things, dividends and other income derived from certain trades or business and net gains from the sale or other disposition of property, such as our capital shares, subject to certain exceptions. Our dividends and any gain from the disposition of our capital shares generally will be the type of gain that is subject to the Medicare tax.

#### Taxation of U.S. Holders on Redemption of Series A Preferred Stock

A redemption of your Series A Preferred Stock will be treated under Section 302 of the Code as a distribution and hence taxable as a dividend to the extent of our current or accumulated earnings and profits, unless the redemption satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed shares. Generally, a redemption will be treated as a sale or exchange if it (1) is "substantially disproportionate" with respect to your ownership in us, (2) results in a "complete termination" of your common and preferred stock interest in us, or (3) is "not essentially equivalent to a dividend" with respect to you, all within the



meaning of Section 302(b) of the Code. In determining whether any of these tests has been met, you must generally take into account our common and preferred stock considered to be owned by you by reason of constructive ownership rules set forth in the Code, as well as our common and preferred stock actually owned by you. If you actually or constructively own none or a small percentage of our common stock, a redemption of your Series A Preferred Stock is likely to qualify for sale or exchange treatment because the redemption would not be “essentially equivalent to a dividend” as defined by the Code. However, because the determination as to whether you will satisfy any of the tests of Section 302(b) of the Code depends upon the facts and circumstances at the time that your Series A Preferred Stock is redeemed, you are advised to consult your own tax advisor to determine your particular tax treatment.

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Under Section 305 of the Code, preferred stock that may be redeemed at a price higher than its issue price may have this “redemption premium” treated as a constructive distribution. Under applicable Treasury Regulations, constructive dividend treatment is required in the case of callable preferred stock only if, based on all of the facts and circumstances as of the issue date, redemption pursuant to this call right is more likely than not to occur. Even if this redemption is more likely than not to occur, constructive dividend treatment is not required if the redemption premium is solely in the nature of a penalty for premature redemption; i.e., it is a premium paid as a result of changes in economic conditions over which neither we nor you have control. The Treasury Regulations also provide a safe harbor pursuant to which an issuer’s right to redeem will not be treated as more likely than not to occur. While there can be no assurance in this regard, we believe that constructive dividend treatment of the redemption premium on the Series A Preferred Stock which results from accrued but unpaid distributions, if any, should not be required.

#### Taxation of U.S. Holders on Conversion of Series A Preferred Stock

Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series A Preferred Stock) to convert all or part of such holder’s Series A Preferred Stock into shares of our common stock or the Alternative Conversion Consideration – i.e., an amount of cash, securities or other property or assets that such holder would have received upon the Change of Control had such holder converted the holder’s Series A Preferred Stock into shares of our common stock immediately prior to the effective time of the Change of Control (see “Description of the Series A Preferred Stock—Conversion Rights”). Except as provided below, a U.S. stockholder generally will not recognize gain or loss upon the conversion of our Series A Preferred Stock into shares of our common stock. A U.S. stockholder’s basis and holding period in the shares of common stock received upon conversion generally will be the same as those of the converted Series A Preferred Stock (but the basis will be reduced by the portion of adjusted tax basis allocated to any fractional share of common stock exchanged for cash).

Cash received upon conversion in lieu of a fractional share of common stock generally will be treated as a payment in a taxable exchange for such fractional share of common stock, and gain or loss will be recognized on the receipt of cash in an amount equal to the difference between the amount of cash received and the adjusted tax basis allocable to the fractional common share deemed exchanged. This gain or loss will be long-term capital gain or loss if the U.S. stockholder has held the Series A Preferred Stock for more than one year. Any common stock received in exchange for accrued and unpaid dividends generally will be treated as a distribution by us, and subject to tax treatment as described in “—Taxation of U.S. Holders on Distributions in Respect of Series A Preferred Stock,” above.

In addition, if a U.S. stockholder receives the Alternative Conversion Consideration (in lieu of shares of our common stock) in connection with the conversion of the stockholder’s shares of Series A Preferred Stock, the tax treatment of the receipt of any such other consideration will depend on the nature of the consideration, and it may be a taxable exchange. U.S. stockholders converting their shares of Series A Preferred Stock should consult their tax advisors regarding the U.S. federal income tax treatment of the consideration received upon such conversion.

#### Taxation of U.S. Holders on Disposition of Series A Preferred Stock

If you sell your Series A Preferred Stock, you will recognize gain or loss in an amount equal to the difference between the amount you receive in exchange for the Series A Preferred Stock and your basis in the Series A Preferred Stock sold. Any such gain or loss generally will be long-term capital gain or loss if you have held the Series A Preferred Stock for more than one year.

## Capital Gains and Losses

The highest marginal individual income tax rate currently is 39.6% (which rate will apply for the period through December 31, 2013). The maximum tax rate on long term capital gain applicable to U.S. holders taxed at individual rates is 20% for sales and exchanges of assets held for more than one year occurring through December 31, 2013 with a possible application of 3.8% Net Investment Income tax. Thus, the tax rate differential between capital gain and ordinary income for those taxpayers may be significant. In addition, the characterization of income as capital gain or ordinary income may affect the deductibility of capital losses. A non-corporate taxpayer may deduct capital losses not offset by capital gains against its ordinary income only up to a maximum annual amount of \$3,000. A non-corporate taxpayer may carry forward unused capital losses indefinitely. A corporate taxpayer must pay tax on its net capital gain at ordinary corporate rates. A corporate taxpayer may deduct capital losses only to the extent of capital gains, with unused losses being carried back three years and forward five years.

## Information Reporting Requirements and Withholding

We will report to U.S. holders and to the IRS the amount of distributions we pay during each calendar year, and the amount of tax we withhold, if any. Under the backup withholding rules, a U.S. holder may be subject to backup withholding at a rate of 28% with respect to distributions unless such holder:

- is a corporation (for payments before January 1, 2012) or comes within certain other exempt categories and, when required, demonstrates this fact; or
  - provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules.

A U.S. holder who does not provide us with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the U.S. holder's income tax liability. U.S. holders that hold their Series A Preferred Stock through foreign accounts or intermediaries will be subject to U.S. withholding tax at a rate of 30% on dividends and proceeds of sale of our Series A Preferred Stock paid after December 31, 2013 if certain disclosure requirements related to U.S. accounts are not satisfied. In addition, we may be required to withhold a portion of capital gain distributions to any U.S. holders who fail to certify their non-foreign status to us.

## State, Local and Foreign Taxes

We and/or our stockholders may be subject to taxation by various states, localities or foreign jurisdictions, including those in which we or a stockholder transacts business, owns property or resides. We own properties located in numerous jurisdictions and are required to file tax returns in some or all of those jurisdictions. The state, local and foreign tax treatment may differ from the federal income tax treatment described above. Consequently, stockholders should consult their tax advisors regarding the effect of state, local and foreign income and other tax laws upon an investment in our Series A Preferred Stock.

## Recent Legislation

Pursuant to recently enacted legislation, as of January 1, 2013, (i) the maximum tax rate on "qualified dividend income" received by U.S. stockholders taxed at individual rates is 20%, (ii) the maximum tax rate on long-term capital gain applicable to U.S. stockholders taxed at individual rates is 20%, and (iii) the highest marginal individual income tax rate is 39.6%. Pursuant to such legislation, the backup withholding rate remains at 28%. Such legislation also makes permanent certain federal income tax provisions that were scheduled to expire on December 31, 2012. We urge you to consult your own tax advisors regarding the impact of this legislation on the purchase, ownership and sale of

our common shares.

#### Withholding

U.S. withholding tax at a rate of 30% will be imposed on proceeds of sale of our common shares paid after December 31, 2014 to U.S. stockholders that hold our common shares through foreign accounts, if certain disclosure requirements related to U.S. accounts are not satisfied, and certain non-U.S. stockholders, if certain disclosure requirements related to U.S. ownership are not satisfied. The effective date of the imposition of this U.S. withholding tax has been extended to payments after December 31, 2016.

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## LEGAL MATTERS

The validity of the Series A Preferred Stock being offered under this prospectus supplement are being passed upon for us by Leech Tishman Fuscaldo & Lampl, LLC. As of the date of this prospectus supplement, Leech Tishman Fuscaldo & Lampl, LLC does not have any interests that would require disclosure pursuant to Item 509 of Regulation S-K.

## EXPERTS

The consolidated balance sheets of Power REIT and Subsidiary as of December 31, 2012 and December 31, 2011 and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012 appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 are incorporated by reference herein in reliance upon the report of Gibbons & Kawash, A.C., an independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing. As of the date of this prospectus supplement, Gibbons & Kawash, A.C. does not have any interests that would require disclosure pursuant to Item 509 of Regulation S-K.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference certain documents that we file with it, which means that we can disclose important information to you by referring you to those documents. Information in this prospectus supplement supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus supplement, and information that we file with the SEC after the date of this prospectus supplement will automatically update and supersede the information in this prospectus supplement. We incorporate by reference into this prospectus supplement, the accompanying prospectus and the registration statement of which they are a part the information and documents described under "Documents Incorporated by Reference" in the accompanying prospectus.

Any statement made in this prospectus supplement or the accompanying prospectus or in a document incorporated by reference into this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained in any subsequently filed document that is incorporated into this prospectus supplement or the accompanying prospectus modifies or supersedes the earlier statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement, the accompanying prospectus or the registration statement of which they are a part.

We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus supplement or the accompanying prospectus, including exhibits to those incorporated documents. You should direct any requests for documents to Corporate Secretary, Power REIT, 301 Winding Road, Old Bethpage, NY 11804, telephone: (212) 750-0373. Information about Power REIT is also available on our website at [www.pwreit.com](http://www.pwreit.com). Information on our website is not part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement and the accompanying prospectus are part of a registration statement we have filed with the SEC under the Securities Act. For further information with respect to us and our securities, please review the registration statement, its exhibits and the exhibits it incorporates by reference. Statements contained in this prospectus supplement regarding the contents of any contract or other document are not necessarily complete and, in each instance, we refer you to the copy of the contract or document filed as an exhibit to the registration statement or incorporated into the registration statement by reference. Each of our statements regarding the contents of any contract or other document is qualified in its entirety by this reference.

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POWER REIT  
\$100,000,000  
Common Shares, Preferred Shares, Rights and Warrants

We may from time to time offer one or more of our common shares, preferred shares, rights and warrants, either separately or in combination with one or more of the other securities, in the form of units or otherwise. We may offer one or more of these securities at a time, in one or more series or classes, and in amounts, at prices and on terms that will be determined prior to the offering of the securities. This prospectus also relates to such securities if and when they may be sold from time to time by holders of such securities. We will describe the particulars of each securities offering, and of the securities offered, in a supplement to this prospectus that we will distribute in connection with the offering.

Our common shares are listed on the NYSE Amex equities exchange under the trading symbol "PW". The volume-weighted closing price of our common shares during the twelve months to March 5, 2012 was \$11.34. The aggregate market value of our outstanding voting and nonvoting common equity held by non-affiliates, calculated using the price at which our common shares were last sold on March 5, 2012, was \$14,701,000. During the 12 calendar months prior to and including the date of this prospectus, the aggregate market value of all the securities we have offered under the registration statement to which this prospectus relates was zero. Any preferred shares, rights, warrants or units that we may offer may or may not be listed, as shall be disclosed in the supplement to this prospectus relating to the offering of such securities. There may be no market for securities that we do not list. Before you make your investment decision, we urge you to carefully read this prospectus, the accompanying prospectus supplement and any documents we incorporate by reference in this prospectus or in the prospectus supplement, all of which may contain information material to your decision.

BECAUSE WE ARE A REAL ESTATE INVESTMENT TRUST, THERE ARE RESTRICTIONS ON THE TOTAL AMOUNT OF OUR CAPITAL STOCK THAT YOU MAY OWN AND ON TRANSFERS OF OUR CAPITAL STOCK THAT MAY IMPLICATE THESE RESTRICTIONS. SEE "DESCRIPTION OF SECURITIES".

INVESTING IN OUR SECURITIES INVOLVES SIGNIFICANT RISKS. SEE "RISK FACTORS" STARTING ON PAGE 10 OF THIS PROSPECTUS.

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

The date of this prospectus is May 10, 2012

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## ABOUT THIS PROSPECTUS

Unless stated otherwise or unless the context requires otherwise, “Power REIT,” “Company,” “we,” “our” and “us” refer to Power REIT, a Maryland real estate investment trust, and its consolidated subsidiaries, including our operating partnership, if any. See “General Information as to Registrant – Corporate Structure and UPREIT Reorganization”.

This prospectus is part of a registration statement on Form S-3 (the “registration statement”) filed with the Securities and Exchange Commission (the “SEC”) using a “shelf” registration process. Under this shelf registration process, any combination of the securities described in this prospectus may be offered and sold from time to time in one or more offerings. This prospectus provides you with a general description of the securities that may be offered. Each time securities are offered, we will provide a prospectus supplement that will contain specific information about the terms of that offering and those securities. The prospectus supplement and information incorporated by reference in the prospectus supplement may also add, update or change information contained in this prospectus or incorporated by reference in this prospectus and, accordingly, to the extent inconsistent, information in the prospectus supplement or incorporated by reference in the prospectus supplement will supersede information in this prospectus or incorporated by reference in this prospectus. You should read this prospectus, the applicable prospectus supplement and the information incorporated by reference in this prospectus and the prospectus supplement before making an investment decision. See “Documents Incorporated by Reference” and “Where You Can Find More Information”.

You should rely only on the information contained in or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized any underwriter, salesperson or other person to provide you with additional or different information. You must not rely on any unauthorized information or representations.

This prospectus, the accompanying prospectus supplement and the information they incorporate by reference constitute an offer to sell only the securities offered in such prospectus supplement, and only under circumstances and in jurisdictions where it is lawful to so offer and sell. You should assume that the information appearing in this prospectus or the accompanying prospectus supplement, or incorporated by reference in either of them, is accurate only as of its respective date, regardless of the time of delivery of this prospectus or the prospectus supplement or of any offer or sale of any security. Our business, financial condition, results of operations and prospects may have changed since the relevant date or dates.

You should not consider any information in this prospectus or the accompanying prospectus supplement, or incorporated by reference in either of them, to be investment, legal or tax advice. We encourage you to consult your own legal counsel, accountant and other advisors for investment, legal, tax and related advice regarding an investment in our securities.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Throughout this prospectus, the accompanying prospectus supplement and the documents incorporated by reference in them, we make “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include the words “may,” “would,” “could,” “likely,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect” or “anticipate” and similar words, as well as statements relating to our acquisition, development and expansion plans, objectives and expectations, our liquidity projections and similar topics. These forward-looking statements generally relate to our plans, objectives, prospects and expectations for future operations and results and are based upon what we consider to be reasonable future estimates. Although we believe that our plans, objectives, prospects and expectations reflected in, or suggested by, such forward-looking statements are reasonable at the present time, we may not achieve them or we may modify them from time to time. Furthermore, there is no assurance that any positive trends suggested or referred to in such statements will continue. Forward-looking statements are not guarantees of future performance, and a variety of factors could cause our actual results to differ materially from the anticipated or expected results expressed in these forward-looking statements. Many of these factors are beyond our ability to control or predict, and readers are cautioned not to put undue reliance on any forward-looking statements. You should read this prospectus, the accompanying prospectus supplement and the information incorporated into them by reference thoroughly with the understanding that actual future results may be materially different from what we expect. In particular, you should read the “Risk Factors” section of this prospectus for information regarding risk factors that could affect our results.

The following list, which is not intended to be an all-encompassing list of risks and uncertainties affecting us, summarizes several factors that could cause our actual results to differ materially from those anticipated or expected in these forward-looking statements:

- general economic conditions in markets in which we conduct business;
- business conditions in the energy and transportation industries;
- the regulatory environment;
- fluctuations in interest rates;
- the performance of existing investments or new investments that we may make;
- our ability to source acquisitions at valuations favorable to us;
- our ability to maintain our REIT status; and
- other material items.

We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. You are advised to consult any further disclosures we make on related subjects in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as filed with the SEC. Also note that we provide cautionary discussion of risks, uncertainties and assumptions relevant to our business in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including those incorporated by reference in this prospectus and the accompanying prospectus supplement.

The risks and uncertainties referred to above are factors that, individually or in the aggregate, management believes could cause our actual results to differ materially from expected or historical results. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider such disclosures to be a complete discussion of all potential risks or uncertainties.

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## PROSPECTUS SUMMARY

The following summary provides an overview of certain information about Power REIT and its securities and may not contain all the information important to you. This summary is qualified in its entirety by, and should be read together with, the information contained in other parts of this prospectus, the accompanying prospectus supplement and the information we incorporate by reference. You should read this entire prospectus, the accompanying prospectus supplement and the information we incorporate by reference carefully before making a decision about whether to invest in our securities.

### Overview

Power REIT is a publicly traded real estate investment trust, or REIT, that is in the business of owning, acquiring and developing energy and transportation infrastructure assets within the United States, including its territories (“U.S.”). Our wholly owned, qualified REIT subsidiary, Pittsburgh & West Virginia Railroad, owns approximately 112 miles of railroad track that is leased pursuant to a triple-net lease to Norfolk Southern Corporation. Our primary business objectives are to create long-term shareholder value and growth of funds from operations per share, or FFO, and dividends per share.

Power REIT is incorporated in the State of Maryland as a real estate investment trust. Power REIT was formed in August 2011 to effect a triangular merger of the Pittsburgh & West Virginia Railroad (“Reorganization”). Pittsburgh & West Virginia Railroad was a publicly traded REIT prior to the Reorganization and was listed on the American Stock Exchange in 1967. Concurrent with the Reorganization, which was completed on December 2, 2011, Power REIT became listed on the NYSE Amex under the ticker symbol “PW” and Pittsburgh & West Virginia Railroad survived the Reorganization as a wholly-owned, special purpose subsidiary of Power REIT with a sole purpose of owning and managing its railroad property. Power REIT is an internally managed REIT.

Our investment strategy is to acquire infrastructure assets that qualify for REIT ownership, with an initial focus on the transportation and energy industries. We believe infrastructure assets often have a significant amount of embedded real estate in the form of rights of way, land, leasehold interests and passive physical infrastructure that qualify for REIT ownership.

We expect to access potential acquisitions through a broad network of relationships, including developers, brokers, investment banks and private equity firms. Our relationships often choose to work with us due to our strengths as a real estate investment trust and our ability to provide a broader array of transaction structures to address the varying need of sellers and infrastructure asset developers. We believe this allows us to selectively access and acquire infrastructure assets that are accretive to our business plans.

Our capitalization strategy is to create and maintain what we believe is a stable debt and equity capital structure relative to the assets that we are targeting to acquire. We intend to employ prudent amounts of leverage as a means of providing additional funds to acquire infrastructure assets, to refinance existing debt or for general corporate purposes. As of March 31, 2012, Power REIT had zero debt on a consolidated basis. We intend to target the ratio of debt to enterprise value to no more than 50%, although our organizational documents contain no limitations regarding the maximum level of debt that we may incur and we may exceed this amount from time to time. Our debt may consist of recourse and non-recourse debt, guarantees or other types of debt financing arrangements.

Our principal executive offices are located at 55 Edison Avenue, West Babylon, NY 11704 and our offices can be reached by telephone at (212) 750-0373. Our website address is <http://www.pwreit.com>. The information on, or otherwise accessible through, our website does not constitute a part of this prospectus.

### Our Business and Growth Strategies

Our primary business objectives are to create long-term shareholder value and growth of FFO per share and dividends per share. We intend to achieve these objectives primarily through the acquisition of infrastructure investments. Investments may include interests in land and other real property associated with infrastructure projects. The company believes that the assets it will acquire represent a critical component of their respective infrastructure projects and therefore should provide reliable cash flow in the form of lease payments. We intend to invest in stabilized infrastructure assets and selectively invest in development opportunities that can offer higher rates of return and/or upside potential through early-stage investment entry and/or additional investment and development opportunities beyond the initial development.

- Focus on Infrastructure Assets with Predictable Cash flows and Attractive Risk-Adjusted Returns. Infrastructure assets often have significant replacement or relocation costs. In many cases, the projects are highly dependent on a specific location and cannot be relocated either due to contractual issues or are impractical to relocate due to cost advantages, such as rights of way or proximity to other supporting or complementary infrastructure. In some cases the location might have unique site-specific natural and other resources making it particularly valuable for such project. Further, user demand for infrastructure is often inelastic and may be positively influenced by government-mandated regulations. Infrastructure revenues are often supported by long-term agreements with customers that have strong underlying credit characteristics, which should contribute to stable, long-term cash flows. We believe these aforementioned attributes are some of the reasons that infrastructure assets are able to generate long-term, predictable cash flows that can be uncorrelated to the broader economy.
- Unlock Embedded Real Estate Value within Infrastructure Assets. We intend to focus on infrastructure projects that have a significant amount of embedded real estate in the form of rights of way, land, leasehold interests and passive physical infrastructure that are considered “real assets” and that qualify for REIT ownership. We believe a significant portion of the energy and transportation industries are ripe for REIT ownership structures, including renewable energy, energy transmission and transportation assets.
  - o Existing Railroad Asset. We currently own, through our wholly owned subsidiary, Pittsburgh & West Virginia Railroad, 112 of miles of railroad and associated branch lines, including track, land and rights of way, that is currently leased to Norfolk Southern Corporation on a triple-net basis. We believe that this property cannot be replaced on a cost-competitive basis today, due to the difficulty of assembling the real estate and rights of way. Our lessee, Norfolk Southern Corporation (“NSC”), is a Class I railroad and is one of the largest railroad companies in the U.S. As reported on its Form 10-K filed with the SEC, Norfolk Southern Corporation has approximately \$9.9 billion of shareholders’ equity as of December 31, 2011 and earned \$1.9 billion of net income during fiscal year 2011. We believe this railroad asset will continue to generate consistent cash flow over time.
  - o Renewable Energy Assets. We intend to initially concentrate our growth efforts within the renewable energy sector. To date we have primarily focused on MW scale wind and ground mounted solar, but have also explored and will continue to explore other renewable energy asset classes. These assets typically have long-term power purchase agreements with investment grade, regulated utilities. Our goal is to acquire the real property assets of these projects, such as land, leasehold interests, rights of way and associated transmission and other infrastructure and development work, and lease such assets back to the respective project companies on a long-term basis. Our returns will generally be through lease payments that will be structured as an operating expense of the respective project. In addition to an existing focus on wind and solar projects, we will continue to explore investment in other renewable energy assets classes such as hydroelectric, geothermal, biofuels and biomass.
  - o Energy, Transportation and Other Infrastructure Assets. In addition to renewable energy assets, we intend to opportunistically acquire non-renewable energy and transportation infrastructure related real assets, that may include, but are not limited to, transmission assets, pipelines, railroads, ports, highways and bridges. On an opportunistic basis, we may acquire other infrastructure assets that are not related to energy or transportation, but that are REIT eligible and that can create value for our shareholders.



- Create Value Through Flexible Transaction Structuring. We will generally seek to structure our investments in the form of lease transactions that have a base rent, and in some cases, will include escalation and/or revenue participation clauses tied to underlying gross revenue. Although participation in gross revenue may result in variability to our lease cash flows, we believe such participation, when used appropriately, can generate upside returns. We will also seek, where appropriate, to structure triple net leases or other leases, where the bulk of the operating expenses are borne by our lessees. In certain cases, we may seek to structure loans or equity participations. We will generally seek to mitigate our downside and create situations where we have a high confidence of the stability of the projected long-term cash flows.
- Create Value Through Long-term, Strategic Ownership. Where possible, we will seek to acquire land and rights of ways on a fee-simple basis. We believe the acquisition and control of site specific rights of way and renewable energy resources, such as air rights or solar resources, can create long-term value through additional development, revenue opportunities and/or long-term valuation upside, which may be incrementally accretive to our initial investment thesis and provides us with a measure of inflation protection.

#### Market Opportunity