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As filed with the Securities and Exchange Commission on April 5, 2011

Registration Statement No. 333-168368

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 5 TO FORM S-11 FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933 OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

STAG Industrial, Inc.

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

99 High Street, 28th Floor
Boston, Massachusetts 02110
(617) 574-4777

(Address, including Zip Code, and Telephone Number, including
Area Code, of Registrant's Principal Executive Offices)

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Chairman, Chief Executive Officer and President
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

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

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

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

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

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

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

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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

Subject to completion
Preliminary Prospectus dated April 4, 2011

PROSPECTUS

13,750,000 Shares



Common Stock

STAG Industrial, Inc. is a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet.

This is our initial public offering. We are selling 13,750,000 shares of our common stock.

We expect the public offering price to be between \$15.00 and \$17.00 per share. Currently, no public market exists for the shares. Our shares of common stock have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol "STIR."

We intend to elect and qualify to be taxed as a real estate investment trust for U.S. federal income tax purposes ("REIT") commencing with our taxable year ending December 31, 2011. To assist us in qualifying as a REIT, shareholders are generally restricted from owning more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of common stock or of our outstanding shares of capital stock. Our charter contains additional restrictions on the ownership and transfer of shares of our common stock. See "Description of Stock—Restrictions on Ownership and Transfer of Stock."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 24 of this prospectus.

	<u>Per share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters also may purchase up to an additional 2,062,500 shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallocments, if any.

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 shares will be ready for delivery on or about , 2011.

BofA Merrill Lynch

J.P. Morgan

UBS Investment Bank

RBC Capital Markets

Evercore Partners

Keefe, Bruyette & Woods

RBS

The date of this prospectus is , 2011.



Sun Prairie, Wisconsin
427,000 SF



Streetsboro, Ohio
343,416 SF



Rogers, Minnesota
386,724 SF



Warrendale, Pennsylvania
148,000 SF

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You should rely only on the information contained in this prospectus, any free writing prospectus prepared by us or information to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any free writing prospectus prepared by us is accurate only as of their respective dates or on the date or dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates. We will update this prospectus as required by law.

We use market data and industry forecasts and projections in this prospectus. We have obtained substantially all of the information under "Prospectus Summary—Market Overview" and under "Market Overview" from market research prepared or obtained by CB Richard Ellis—Econometric

Advisors ("CBRE-EA") in connection with this offering. Such information is included herein in reliance on CBRE-EA's authority as an expert on such matters. See "Experts." In addition, CBRE-EA in some cases has obtained market data and industry forecasts and projections from publicly available information and industry publications. These sources generally state that the information they provide has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. The forecasts and projections are based on industry surveys and the preparers' experience in the industry, and there is no assurance that any of the projections or forecasts will be achieved. We believe that the surveys and market research others have performed are reliable, but we have not independently verified this information.

In this prospectus:

- "our company," "the company," "we," "us" and "our" refer to STAG Industrial, Inc., a Maryland corporation, and its consolidated subsidiaries after giving effect to the formation transactions described elsewhere in this prospectus, except where it is clear from the context that the term only means the issuer of the shares of common stock in this offering, STAG Industrial, Inc., or means STAG Industrial, Inc. and its subsidiaries before giving effect to the formation transactions;
- "annualized rent" means the monthly base cash rent for the applicable property or properties as of December 31, 2010 (which is different from rent calculated in accordance with U.S. generally accepted accounting principals ("GAAP") for purposes of our financial statements), multiplied by 12, and "total annualized rent" means the annualized rent for all of our properties;
- "debt yields" means last 12 months net operating income divided by period ending debt on the referenced properties;
- "investment grade credit tenant" means a tenant that has a published senior unsecured credit rating of BBB-/Baa3 or above from one or both of Standard & Poor's or Moody's Investors Service;
- "net operating income" or "NOI" means operating revenue (including rental revenue, tenant recoveries and other operating revenue) less property-level operating expenses (including management fees and general and administrative expenses), and excludes depreciation and amortization, impairments, gain/loss on sale of real estate, interest expense and other non-operating items;
- "on a fully diluted basis" assumes the exchange of all outstanding common units of limited partnership interest in our operating partnership and all outstanding LTIP units in our operating partnership, for shares of our common stock on a one-for-one basis;
- "our operating partnership" means STAG Industrial Operating Partnership, L.P., a Delaware limited partnership, and the subsidiary through which we will conduct substantially all of our business;
- "our predecessor business" means the entities and properties to be contributed to our operating partnership pursuant to our formation transactions described elsewhere in this prospectus;
- "on a pro forma basis" means after consummation of this offering at the midpoint of the price range set forth on the front cover of this prospectus, our formation transactions described elsewhere in this prospectus, including the contribution of our predecessor business to our operating partnership, the acquisition by STAG GI Investments, LLC of its 15 properties and its incurrence of associated indebtedness and the application of the proceeds of this offering as described under "Use of Proceeds";

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- "the management company" means STAG Capital Partners, LLC ("STAG") and STAG Capital Partners III, LLC ("SCP III"), which are part of our predecessor business;
- "secondary markets" means, as described in market materials prepared for us by CBRE-EA and described in this prospectus, markets with net rentable square footage ranging between approximately 25 million and 200 million square feet;
- "sub-investment grade tenant" means a tenant that is not an investment grade credit tenant; and
- "primary markets" means, as described in market materials prepared for us by CBRE-EA and described in this prospectus, markets with a minimum of 200 million in net rentable square footage, located in the 29 largest industrial metropolitan areas.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read carefully the entire prospectus, including "Risk Factors," our financial statements, pro forma financial information, and related notes appearing elsewhere in this prospectus, before making a decision to invest in our common stock.

Unless indicated otherwise, the information included in this prospectus assumes (1) no exercise of the underwriters' option to purchase up to 2,062,500 additional shares of our common stock to cover overallocments, if any, and (2) the shares of common stock to be sold in this offering are sold at \$16.00 per share, which is the midpoint of the range set forth on the front cover of this prospectus.

The historical operations described in this prospectus refer to the historical operations of STAG Industrial, Inc. and our predecessor business. We have generally described the business operations in this prospectus as if the historical operations of our predecessor business were conducted by us.

Overview

STAG Industrial, Inc. is a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. We will continue and grow the single-tenant industrial business conducted by our predecessor business. Benjamin S. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, together with an affiliate of New England Development, LLC ("NED"), a real estate development and management company, formed our predecessor business, which commenced active operations in 2004.

Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet. As of December 31, 2010, our properties were 89.7% leased to 70 tenants, with no single tenant accounting for more than 5.5% of our total annualized rent and no single industry accounting for more than 14.7% of our total annualized rent.

We target the acquisition of individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States with purchase prices ranging from \$5 million to \$25 million. We believe our focus on owning and expanding a portfolio of such properties will generate returns for our shareholders that are attractive in light of the risks associated with these returns because:

- Industrial properties generally require less capital expenditure than other commercial property types, and single-tenant properties generally require less expenditure for leasing, operating and capital costs per property than multi-tenant properties.
- In our view, investment yields on single tenant individual property acquisitions are typically greater than investment yields on portfolio acquisitions. With appropriate asset diversification, individual asset risk can be mitigated across an aggregated portfolio.
- Class B industrial properties tend to have higher current returns and lower volatility than Class A industrial properties.
- Secondary markets generally have less occupancy and rental rate volatility than primary markets.
- In our view, we typically do not face significant competition from other institutional industrial real estate buyers for acquisitions, as these buyers tend to focus on larger properties in select primary markets. Our typical competitors are local investors who often do not have ready access to debt or equity capital.

- Tenants in our target properties tend to manage their properties directly, which allows us to grow our portfolio without substantially increasing the size of our asset management infrastructure.

For a description of what we consider to be Class A and Class B properties, see "Business—Our Properties."

Our target properties are generally leased to:

- investment grade credit tenants on shorter term leases (less than four to six years);
- sub-investment grade credit tenants on longer term leases (greater than four to six years); or
- a variable combination of the above.

We believe the market inefficiently prices our target properties because investors underestimate the probability of tenant retention beyond the primary lease term, or overestimate the expected cost of tenant default. Further, we believe our underwriting processes, utilizing our proprietary model, allows us to acquire properties at a discount to their intrinsic values, where intrinsic values are determined by the properties' future cash flows.

We were incorporated on July 21, 2010 under the laws of the State of Maryland. We intend to elect and qualify to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), for the year ending December 31, 2011, and generally will not be subject to U.S. federal taxes on our income to the extent we currently distribute our income to our shareholders and maintain our qualification as a REIT. We are structured as an umbrella partnership REIT ("UPREIT") and will own substantially all of our assets and conduct substantially all of our business through our operating partnership. Our principal executive offices are located at 99 High Street, 28th Floor, Boston, Massachusetts 02110. Our telephone number is (617) 574-4777. Our website is www.stagreit.com. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the Securities and Exchange Commission (the "SEC").

Competitive Strengths

- **Proven Growth Profile:** Since 2004, we have deployed approximately \$1.4 billion of capital, representing the acquisition of 220 properties totaling approximately 35.3 million rentable square feet in 144 individual transactions. Our pursuit of many small acquisitions helps produce a smooth and predictable growth rate.
- **Established Intermediary Relationships:** Approximately 32.5% of the acquisitions we sourced, based on total purchase price, have been in "limited marketing" transactions where there has been no formal sales process. We believe we have developed a reputation as a credible and active buyer of single-tenant industrial real estate, which provides us access to significant acquisition opportunities that may not be available to our competitors.
- **Recent Acquisition Activity:** Our affiliate, STAG GI, LLC, formed a joint venture with STAG GI Investco, LLC ("GI Partners") called STAG GI Investments, LLC ("STAG GI"). Since formation in July 2010, STAG GI has acquired 15 industrial properties, representing 4.0 million rentable square feet located in nine states. In addition, STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of \$24.9 million.

- **Scalable Platform:** We own properties in a variety of different markets within 26 states. We believe we have developed the experience and systems infrastructure necessary to acquire, own and manage properties throughout the United States, which will allow us to efficiently grow our portfolio in those markets and others. In addition, our focus on net lease properties ensures that our current staff of 26 employees (with incremental additions) will be sufficient to support our growth. As of March 30, 2011, we were pursuing approximately \$470 million of specific additional potential acquisitions that we have identified as warranting investment consideration after an initial review.
- **Expertise in Underwriting Single-Tenant Properties:** Our expertise and market knowledge have been derived from our significant acquisition activity, our relationships with a national network of commercial real estate brokers and our presence in numerous markets. Through our experience, we developed a proprietary underwriting process. We integrate real estate and corporate credit analysis to project the future cash flows of potential acquisitions. Central to our underwriting is assessing the probability of tenant retention during the lease term and beyond. We then analyze the costs associated with a vacancy event by estimating market rent, potential downtime and re-tenanting costs for the subject property.
- **Stable and Predictable Cash Flows:** Our portfolio is diversified by tenant, industry and geography, which tends to reduce risk and earnings volatility. As of December 31, 2010, no single tenant accounted for more than 5.5% of our total annualized rent; no single industry represented more than 14.7% of our total annualized rent; and no single state was the site for properties generating more than 17.1% of our total annualized rent. Cash flow consistency across our portfolio is enhanced by our weighted average in-place remaining lease term of approximately 5.9 years as of December 31, 2010, low costs for tenant improvements and leasing commissions and low capital expenditures (which, for the properties we owned in 2010, averaged 1% and 4% of net operating income during 2010, respectively). It is further enhanced by our expected high tenant retention rate. The management company has achieved an average tenant retention rate (with respect to 108 leases) of 73.3% since its first property acquisition in 2004.
- **Conservative Balance Sheet and Liquidity Position:** Upon consummation of our formation transactions, we will have a debt-to-earnings before interest, tax, depreciation and amortization ("EBITDA") ratio of approximately 5.1x, based on our pro forma EBITDA for the 12 months ended December 31, 2010. We intend to target a debt-to-EBITDA ratio of between 5.0x and 6.0x, although we may exceed these levels from time to time as we complete acquisitions. We believe that this leverage and liquidity profile, as well as the transparency and flexibility of our balance sheet and our UPREIT structure, facilitates future refinancings of our indebtedness and positions us to capitalize on external growth opportunities in the near term.
- **Experienced Management Team:** The five senior members of our management team have significant real estate industry experience, including: Mr. Butcher with 28 years of experience; Mr. Sullivan with 29 years of experience; Mr. Mecke with 26 years of experience; Ms. Arnone with 23 years of experience; and Mr. King with 15 years of experience. All five have had an active role with our predecessor business and four have previous public REIT or public real estate company experience. In addition, GI Partners, a representative of which will be a member of our board of directors, has significant experience sponsoring real estate companies, including a public REIT, Digital Realty Trust, Inc.

Our Strategies

Our primary business objectives are to own and operate a balanced and diversified portfolio of single-tenant industrial properties that maximizes cash flows available for distribution to our shareholders, and to enhance shareholder value over time by achieving sustainable long-term growth in funds from operations ("FFO") per share through the following strategies.

Investment Strategy

Our primary investment strategy is to acquire individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States through third-party purchases and structured sale-leasebacks featuring high initial yields and strong ongoing cash-on-cash returns.

We believe secondary markets tend to have less occupancy and rental rate volatility and less buyer competition compared with primary markets. As of December 31, 2010, our properties had an average annualized rent of \$4.05 per rentable square foot of leased space.

The performance of single-tenant properties tends to be binary in nature—either a tenant is paying rent or the owner is paying the entire carrying cost of the property. We believe that this binary nature frequently causes the market to inefficiently price our target assets. In an attempt to avoid this binary risk and paying the entire carrying cost of a vacant property, potential investors in single-tenant properties may turn to the application of rigid decision rules that would induce buyers of single-tenant properties to avoid acquisitions where the tenant does not have an investment grade rating or where the remaining primary lease term is less than an arbitrary number such as 12 years. By adhering to such inflexible decision rules, other investors may miss attractive opportunities that we can identify and acquire.

We further believe that our method of using and applying the results of our due diligence and our ability to understand and underwrite risk allows us to exploit this market inefficiency. Lastly, we believe that the systematic aggregation of individual properties will result in a diversified portfolio that mitigates the risk of any single property and will produce sustainable returns which are attractive in light of the associated risks. A diversified portfolio with low correlated risk—essentially a "virtual industrial park"—facilitates debt financing and mitigates individual property ownership risk.

Growth Strategy

External Growth through Acquisitions: Our target acquisitions will be predominantly in secondary markets across the United States, in the \$5 million to \$25 million range. Where appropriate potential returns present themselves, we also may acquire assets in primary markets. We will continue to develop our large existing network of relationships with real estate and financial intermediaries. These individuals and companies give us access to significant deal flow—both those broadly marketed and those exposed through only limited marketing. We believe that a significant portion of the 13.8 billion square feet of industrial space in the United States falls within our target investment criteria and that there will be ample supply of suitable acquisition opportunities.

Internal Growth through Asset Management: Our asset management team will seek to maximize cash flows by maintaining high retention rates and leasing vacant space, managing operating expenses and maintaining our properties. We seek to accomplish these objectives by improving the overall performance and positioning of our assets by utilizing our tenant relationships and leasing expertise to maintain occupancy and increase rental rates. Our asset management team collaborates with our internal credit function to actively monitor the credit profile of each of our tenants on an ongoing basis. Additionally, we work with national and local brokerage companies to market and lease available properties on advantageous terms. During the period from March 3, 2004 to March 31, 2011, the

management company achieved a lease renewal rate of 73.3%. As of December 31, 2010, our portfolio had approximately 1,434,217 square feet, or 10.3% of our total rentable square feet, available for lease.

Underwriting Strategy

We believe that our market knowledge, systems and processes allow us to analyze efficiently the risks in an asset's ability to produce cash flow going forward. We blend fundamental real estate analysis with corporate credit analysis in our proprietary model to make a probabilistic assessment of cash flows that will be realized in future periods. For each asset, our analysis focuses on:

- **Real Estate.** We evaluate the physical real estate within the context of the market (and submarket) in which it is located and the prospect for re-tenanting the property if it becomes vacant.
- **Deal Parameters.** We evaluate the tenant and landlord obligations contained within the existing or proposed lease and other transaction documents.
- **Tenant Credit.** We apply fundamental credit analysis to evaluate the tenant's credit profile by focusing on the tenant's current and historical financial status, general business plan, operating risks, capital sources and earnings expectations. Using this data and publicly available bond default studies of comparable tenant credits, we estimate the probability of future rent loss due to tenant default.
- **Tenant Retention.** We assess the tenant's use of its property and the degree to which the property is central to the tenant's ongoing operations, the tenant's potential cost to relocate, the supply/demand dynamic in the relevant submarket and the availability of suitable alternative properties. We believe tenant retention tends to be greater for properties that are critical to the tenants' businesses.

Financing Strategy

We intend to preserve a flexible capital structure and to utilize primarily debt secured by pools of properties. We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. We expect to fund property acquisitions initially through a combination of cash available from offering proceeds, our credit facilities and traditional mortgage financing. Where possible, we also anticipate using common units of limited partnership interest in our operating partnership ("common units") to acquire properties from existing owners seeking a tax-deferred transaction. We intend to meet our long-term liquidity needs through cash provided by operations and use of other financing methods as available from time to time including, but not limited to, secured and unsecured debt, perpetual and non-perpetual preferred stock, additional common equity issuances, letters of credit and other arrangements. In addition, we may invest in properties subject to existing mortgages or similar liens.

Our Properties

The following tables portray the property type, geographic, and industry diversity of our properties and tenants, respectively, as of December 31, 2010:

<u>Property Type</u>	<u>Total Number of Properties</u>	<u>Occupancy ⁽¹⁾</u>	<u>Total Rentable Square Feet</u>	<u>Percentage of Total Rentable Square Feet</u>	<u>Total Annualized Rent per Leased Square Foot</u>	<u>Total Annualized Rent</u> (dollars in thousands)	<u>Percentage of Total Annualized Rent</u>
Warehouse/Distribution	44	89.5%	9,940,194	71.6%	\$ 3.42	\$ 30,376	60.2%
Flex/Office	21	89.1%	1,243,221	9.0%	9.92	10,993	21.8%
Manufacturing	26	90.6%	2,693,679	19.4%	3.71	9,059	18.0%
Total/Weighted Average	91	89.7%	13,877,094	100%	\$ 4.05	\$ 50,428	100%

<u>State</u>	<u>Total Number of Properties</u>	<u>Occupancy ⁽¹⁾</u>	<u>Total Rentable Square Feet</u>	<u>Percentage of Total Rentable Square Feet</u>	<u>Total Annualized Rent per Leased Square Foot</u>	<u>Total Annualized Rent</u> (dollars in thousands)	<u>Percentage of Total Annualized Rent</u>
North Carolina	9	100.0%	2,241,973	16.2%	\$ 3.85	\$ 8,636	17.1%
Ohio	11	75.0%	2,160,330	15.6%	3.94	6,386	12.7%
Wisconsin	6	98.9%	1,299,262	9.4%	2.83	3,636	7.2%
Michigan	7	93.8%	1,195,201	8.6%	2.75	3,080	6.1%
Tennessee	3	100.0%	912,810	6.6%	3.29	2,999	5.9%
Maine	6	100.0%	378,979	2.7%	7.33	2,778	5.5%
Indiana	11	89.9%	854,228	6.2%	3.44	2,645	5.2%
Minnesota	2	100.0%	558,894	4.0%	4.25	2,374	4.7%
Kentucky	2	97.3%	868,503	6.3%	2.71	2,290	4.5%
Florida	4	56.6%	329,184	2.4%	9.91	1,846	3.7%
New Jersey	2	100.0%	315,500	2.3%	5.45	1,718	3.4%
Massachusetts	3	58.5%	187,983	1.4%	7.19	790	1.6%
All Others	25	81.5%	2,574,247	18.3%	5.36	11,250	22.4%
Total/Weighted Average	91	89.7%	13,877,094	100%	\$ 4.05	\$ 50,428	100%

(1) Calculated as the average occupancy weighted by each property's rentable square footage. A few properties have more than one tenant.

Industry	Total Number of Leases ⁽¹⁾	Total Leased Square Feet	Percentage of Total Leased Square Feet	Percentage of Total Annualized Rent	
				(dollars in thousands)	
Containers & Packaging	8	1,975,891	15.9%	\$ 7,416	14.7%
Business Services	5	759,960	6.1%	4,933	9.8%
Personal Products	6	1,734,489	13.9%	4,788	9.5%
Industrial Equipment, Components & Metals	7	824,318	6.6%	3,600	7.1%
Aerospace & Defense	6	665,930	5.4%	3,562	7.1%
Automotive	5	1,059,280	8.5%	3,539	7.0%
Retail	3	1,069,729	8.6%	3,483	6.9%
Food & Beverages	3	925,700	7.4%	3,306	6.6%
Technology	6	678,850	5.5%	3,157	6.3%
Finance	2	387,227	3.1%	3,115	6.2%
Office Supplies	4	1,254,836	10.1%	2,999	5.9%
Healthcare	3	192,230	1.5%	1,380	2.7%
Government	4	62,041	0.5%	1,309	2.6%
Air Freight & Logistics	3	242,292	1.9%	1,098	2.2%
Education	3	108,846	0.9%	1,092	2.2%
Other	5	501,258	4.1%	1,651	3.2%
Total/Weighted Average	73	12,442,877	100%	\$ 50,428	100%

(1) A single lease may cover space in more than one building.

The following table sets forth information about the 10 largest tenants in our portfolio based on total annualized rent as of December 31, 2010:

Tenant	Total Leased Square Feet	Percentage of Total Leased Square Feet	Percentage of Total Annualized Rent	
			(dollars in thousands)	
International Paper	573,323	4.6%	\$ 2,765	5.5%
Bank of America	318,979	2.6%	2,233	4.4%
Spencer Gifts	491,025	3.9%	1,890	3.7%
Berry Plastics	315,500	2.5%	1,718	3.4%
Stream International	148,131	1.2%	1,666	3.3%
Archway Marketing Services	386,724	3.1%	1,623	3.2%
ConAgra Foods	342,700	2.8%	1,388	2.8%
Chrysler Group	343,416	2.8%	1,181	2.3%
DuPont	418,406	3.4%	1,151	2.3%
Cequent Performance Products	366,000	2.9%	1,138	2.3%
Total	3,704,204	29.8%	\$ 16,753	33.2%

As of December 31, 2010, our weighted average in-place remaining lease term across our portfolio was approximately 5.9 years. The following table sets forth a summary schedule of lease expirations for leases in place as of December 31, 2010, plus available space, for each of the five calendar years beginning with 2011 and thereafter in our portfolio. The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

<u>Year of Lease Expiration</u>	<u>Number of Leases Expiring</u>	<u>Total Rentable Square Feet</u>	<u>Percentage of Total Expiring Square Feet</u>	<u>Total Annualized Rent ⁽¹⁾</u>	<u>Percentage of Total Annualized Rent</u>
(dollars in thousands)					
Available		1,434,217	10.3%		
2011	10	661,911	4.8%	3,364	6.7%
2012	13	1,515,134	10.9%	6,331	12.6%
2013	8	1,747,803	12.6%	5,485	10.9%
2014	9	1,698,275	12.2%	7,006	13.9%
2015	4	303,732	2.2%	1,450	2.9%
Thereafter	29	6,516,022	47.0%	26,792	53.0%
	<u>73</u>	<u>13,877,094</u>	<u>100%</u>	<u>\$ 50,428</u>	<u>100%</u>

(1) Total annualized rent does not include any gross-up for tenant reimbursements and we had no rent abatements in effect as of December 31, 2010.

Recent Developments

Acquisition Activity

STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of \$24.9 million. We are in various stages of due diligence and underwriting as part of our evaluations of these two potential acquisitions, and each is subject to significant outstanding conditions.

Leasing Activity

In addition, of the leases representing 1,041,705 square feet that were originally expiring in 2011, we executed two early renewals in 2010 representing 379,794 square feet of space and, in the first quarter of 2011, have renewed an additional 379,180 square feet of space. Including those leases, we have now renewed 73% of the square footage and 54% of the annualized rent that was expiring in 2011.

We also have leased 65,182 square feet of vacant space in the first quarter of 2011, at an average rental rate of \$2.50 per square foot, initially equating to \$162,955 of annualized rent (representing an increase of approximately \$98,000 of annualized rent from the previous leases). In addition, we have leased a total of 78,266 square feet to two existing tenants who have expanded into vacant space in their current buildings on a short term and month to month basis.

Financing Activity

We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity of our loan from Anglo Irish Bank Corporation Limited ("Anglo Master Loan (Fund III)"), which debt is due in 2012, to October 2013.

Market Overview

Unless otherwise indicated, all information contained in this Market Overview section is derived from market materials prepared by CBRE-EA as of February 11, 2011, and the projections and beliefs of CBRE-EA stated herein are as of that date.

As of December 31, 2010, the overall U.S. industrial market consisted of approximately 257,000 buildings with 13.8 billion square feet of space. In terms of net rentable area ("NRA"), warehouse/distribution facilities constitute the majority (66.6%) of this space followed by manufacturing (20.6%) and flex/office (which includes research and development) (10.5%). Unclassified buildings (industrial facilities such as sewage treatment centers and airport hangars that are not amenable to private real estate investment) represent the remaining 2.3%.

	NRA (square feet in millions)	Number of Properties
Warehouse/Distribution	9,179	171,227
Manufacturing	2,846	41,596
Flex/Office	1,443	36,496
Other	323	8,049
All Industrial	13,791	257,368

Source: CBRE-EA Industrial Peer Select, Spring 2011.

The single-tenant industrial sector offers investors the opportunity to receive stable income from leases to a variety of firms across the spectrum of industrial sub-property types, and single-tenant industrial buildings are more likely to provide their owners with less volatile cash flows after expenses, as they generally do not require the same degree of tenant and capital improvement expenditures that are required on an ongoing basis to lease multi-tenant space or other classes of commercial property.

Within the context of the broader real estate market, industrial property, including our targeted asset class, has exhibited a number of favorable investment characteristics:

- According to the National Council of Real Estate Investment Fiduciaries Property Index, industrial property has generally outperformed commercial property as a whole on a total return basis over the long term, by generating high and stable cash-flow yields.
- The current market environment provides an opportunity for well-capitalized investors to acquire industrial assets with strong cash flows at prices significantly discounted from levels of a few years ago due to the recent capital market dislocation on commercial real estate values.
- Industrial property fundamentals are expected to gradually improve as new supply remains low, the absorption rate increases and availabilities decrease over the next few years.
- Over the recent past, the Class B warehouse market has demonstrated a relatively higher degree of stability in terms of occupancy compared with newer and larger Class A space. Despite these market fundamentals, Class B space is relatively consistently priced at a discount to Class A space.
- Over the past 20 years, industrial properties in secondary markets on average have generated a superior economic rent growth with slightly lower volatility than their primary market counterparts.

Summary Risk Factors

An investment in our common stock involves material risks. You should consider carefully the risks described below and under "Risk Factors" before purchasing shares of our common stock in this offering:

- Our investments are concentrated in the industrial real estate sector, and we would be adversely affected by a downturn in that sector.
- Our growth will depend upon our ability to acquire properties successfully. We may be unable to consummate acquisitions on advantageous terms, and acquisitions may not perform as we expect.
- We depend on key personnel and the loss of their full service could adversely affect us.
- Our officers and certain directors may have conflicting duties because they have a duty both to us and to the funds that will retain properties not contributed to us.
- We could be adversely affected if we fail to have access to capital on favorable terms.
- We have not obtained third-party property appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. As a result, the consideration for these properties in our formation transactions may exceed their fair market value.
- We depend on tenants for revenue. Defaults by our tenants, as a result of bankruptcy or otherwise, could adversely affect us.
- We may be unable to renew or replace expiring leases or lease empty space on favorable terms or at all.
- Uninsured losses and contingent or unknown liabilities with respect to our properties, including environmentally hazardous conditions, could adversely affect us.
- Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and we could be adversely affected if we are unable to make required payments on our indebtedness, comply with other covenants in our indebtedness or refinance our indebtedness at maturity on favorable terms.
- Our accounting predecessor has experienced historical net losses and accumulated deficits after depreciation and we may experience future losses.
- We may not be able to make distributions at expected levels or at all.
- Our qualification as a REIT will depend on our satisfaction of numerous requirements under highly technical and complex provisions of the Code, and our failure so to qualify could adversely affect us, including our ability to make distributions.
- Investors in this offering will experience an immediate and substantial dilution in the pro forma net tangible book value of our common stock equal to \$11.05 per share.

Debt Financing and Liquidity

As of December 31, 2010, on a pro forma basis, we had mortgage debt outstanding with an estimated aggregate balance of approximately \$213.9 million at a weighted average annual interest rate of 5.7%. All of this debt will bear interest at a fixed rate through its initial term. Of the \$213.9 million of fixed rate debt we expect to have outstanding, \$109.8 million is fixed as a result of interest rate swaps. This debt will be comprised of a \$109.8 million loan maturing in 2012, a \$95.6 million loan maturing in 2018 and an \$8.5 million loan maturing in 2027. See "Business—Description of Certain Debt" for more information about such debt. We have executed a loan modification, which is being

held in escrow and is subject to customary closing conditions, to extend the maturity of our debt due in 2012 to October 2013. The pro forma debt yield on this instrument is 19.3%.

We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility.

Upon completion of this offering and after the debt paydowns discussed under "Use of Proceeds," we expect to have approximately \$60 million in credit facility capacity immediately available to us under the \$100 million credit facility (with up to \$82.5 million available upon the satisfaction of certain lender conditions) to fund working capital and property acquisitions and to execute our business strategy.

Our Formation Transactions and Structure

Background

We have deployed approximately \$1.4 billion through four private equity real estate funds, SCP Green, LLC ("Fund I"), STAG Investments II, LLC ("Fund II"), STAG Investments III, LLC ("Fund III") and STAG Investments IV, LLC ("Fund IV"), and one joint venture, STAG GI. We were formed to acquire the existing assets and operations of our predecessor business.

Our senior management team consists of Mr. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, Gregory W. Sullivan, our Chief Financial Officer, Executive Vice President and Treasurer, Stephen C. Mecke, our Chief Operating Officer and Executive Vice President, Kathryn Arnone, our Executive Vice President, General Counsel and Secretary, and David G. King, our Executive Vice President and Director of Real Estate Operations. They have each led or helped manage private and public real estate companies and funds, including STAG, AMB Property Corp., Trizec Hahn Corporation, Meditrust Corporation and LaQuinta Corporation.

Formation Transactions

Prior to or concurrent with the completion of this offering, we will engage in the following formation transactions, which are designed to consolidate the ownership of our property portfolio under our operating partnership and its subsidiaries, consolidate our acquisition and asset management businesses into a subsidiary of our operating partnership and enable us to qualify as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2011:

- Pursuant to separate contribution agreements, our operating partnership will, directly or indirectly through its wholly-owned subsidiaries, acquire a 100% equity interest in the entities that own our properties in exchange for common units. Based on the midpoint of the range set forth on the front cover of this prospectus, those equity interests will be acquired in exchange for 7,534,440 common units, representing 34.8% of the total number of shares of our common stock outstanding on a fully diluted basis, as set forth below:
 - Fund III will contribute 100% of the equity interests in the entities owning 57 of its properties to our operating partnership in exchange for 772,549 common units;
 - Fund IV will contribute 100% of the equity interests in the entities owning all 19 of its properties to our operating partnership in exchange for 2,083,497 common units; and
 - STAG GI will contribute 100% of the equity interests in the entities owning all 15 of its properties to our operating partnership in exchange for 4,678,394 common units.

- Pursuant to separate contribution agreements, based on the midpoint of the range set forth on the front cover of this prospectus, the members of the management company will contribute their interests in the management company to our operating partnership in exchange for 55,560 common units, representing 0.3% of the total number of shares of our common stock outstanding on a fully diluted basis.
- In connection with the foregoing transactions, we will directly or indirectly assume approximately \$213.9 million in principal amount of mortgage debt (together with all related accrued and unpaid interest) secured by certain of our properties that will remain outstanding.
- With the proceeds of this offering, based on December 31, 2010 balances, we will repay approximately \$193.7 million in indebtedness (including principal and related accrued interest). See "Use of Proceeds."
- We will close on a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances) contemporaneously with the closing of this offering.
- We will enter into a refinancing of our debt due in 2012 to extend the maturity date to October 2013 that we anticipate will close contemporaneously with the closing of this offering.
- Our executive officers will enter into employment agreements with us.
- We will issue 200,441 LTIP units in our operating partnership to our executive officers and independent directors and 80,809 shares of restricted common stock to our employees pursuant to our 2011 Equity Incentive Plan, representing in the aggregate 1.3% of the total number of shares of our common stock outstanding on a fully-diluted basis.

Throughout this prospectus, we provide certain information based on the assumption that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. While the total number of common units that our contributors will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the initial public offering price, the allocation of the total number of common units among our contributors may change. In particular, if we price our shares below the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value equal to \$74.9 million based on the initial public offering price and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis. If we price our shares above the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value, based on the initial public offering price, equal to \$74.9 million plus 64.3% of the increase in the total value of all of the common units that our contributors will receive in our formation transactions above the value of these common units at the midpoint of the range, and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis.

We will not enter into any tax protection agreements in connection with our formation transactions.

Services Agreements and Option Properties

Following completion of our formation transactions, Fund II will continue to operate as a private, fully-invested fund and will retain ownership of its 86 properties, with approximately 13.1 million rentable square feet. We will enter into a services agreement with Fund II on terms we believe to be customary, pursuant to which we will manage its properties in return for an annual asset management fee based on the equity investment in such assets, which will initially equal 0.94% of the equity investment and may increase up to 1.25% of the equity investment to the extent assets are sold and the total remaining equity investment is reduced.

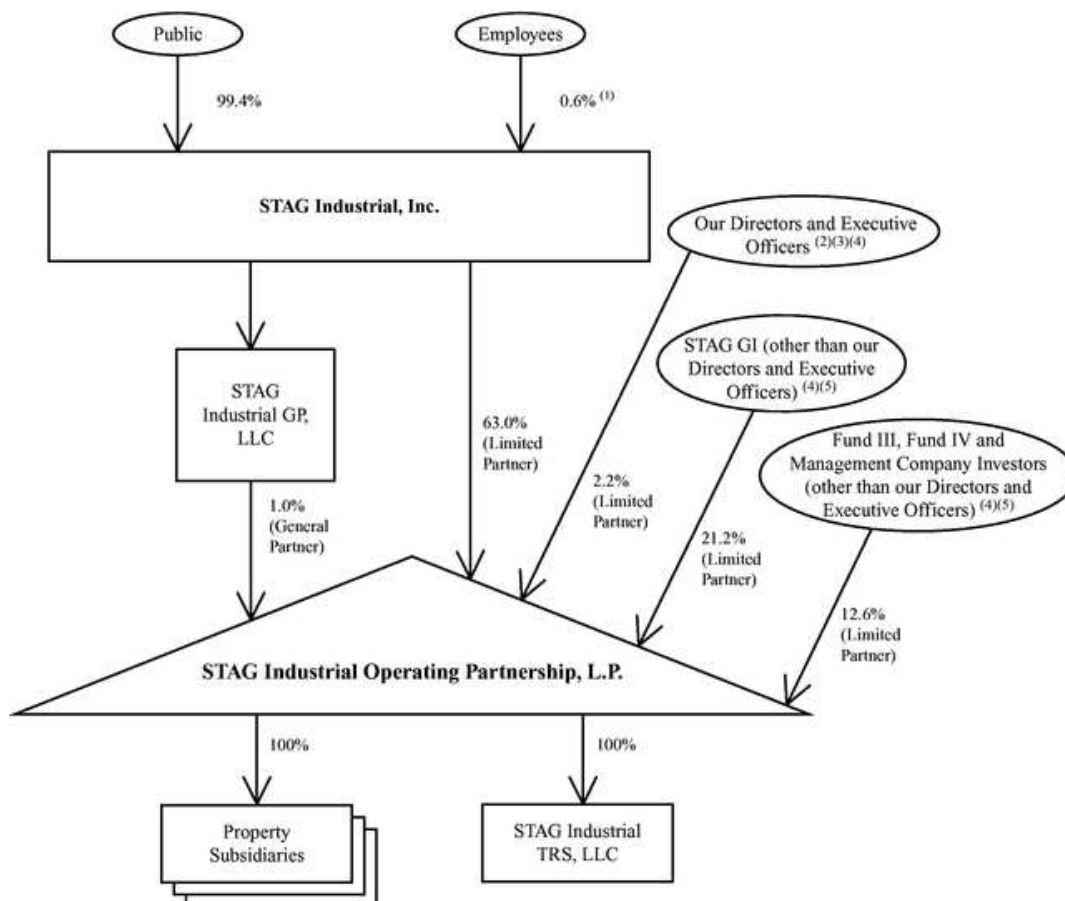
Following completion of our formation transactions, Fund III will retain ownership of three properties with approximately 890,891 rentable square feet that are vacant and that are acquisition opportunities for us (the "Option Properties"). Following completion of our formation transactions, we will enter into a services agreement with Fund III pursuant to which we will manage the Option Properties for an annual fee of \$30,000 per property and provide the limited administrative services (including preparation of reports for the Fund III lender and investors, bookkeeping, tax and accounting services) Fund III will require until its liquidation for an annual fee of \$20,000. Upon approval of our independent directors, we will have the right to acquire any of the Option Properties individually.

In addition, we will enter into a services agreement with Fund IV pursuant to which we will provide the limited administrative services (including preparation of reports for the Fund IV investors, bookkeeping, tax and accounting services) Fund IV will require until its liquidation for an annual fee of \$20,000. STAG GI will not require administrative services from us or our affiliates following completion of our formation transactions.

Following completion of our formation transactions, Fund II, Fund III, Fund IV and STAG GI will make no additional property acquisitions, and our senior management team will devote substantially all of its business time to our business.

Corporate Structure

The chart below reflects our organization immediately following completion of our formation transactions and this offering.



- (1) Upon completion of this offering, we will grant 80,809, shares of restricted common stock, or 0.6% of our outstanding common stock, pursuant to our 2011 Equity Incentive Plan.
- (2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this chart, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at \$16.00 per share, the midpoint of the range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. "See—Benefits to Related Parties—Formation Transactions" below.
- (3) Excludes common units in which a director or executive officer has no pecuniary interest but that are owned by entities that a director or executive officer may directly or indirectly control. Includes LTIP units, as if LTIP units were common units, that will be issued upon closing of this offering to our executive officers and independent directors pursuant to our 2011 Equity Incentive Plan.
- (4) Assumes that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the midpoint of the range, the total number of common units

issued to all of the contributors in the formation transactions will not change, but the allocation of these common units among the contributors will change as described above under "Our Formation Transactions and Structure—Formation Transactions."

- (5) Ownership is through Fund III, Fund IV and/or STAG GI.

Benefits to Related Parties

Upon completion of our formation transactions and this offering, our directors and executive officers and their affiliates will receive material financial and other benefits, as shown below. For a more detailed discussion of these benefits see "Management," "Certain Relationships and Related Transactions" and "Structure and Formation of Our Company—Benefits of Our Formation Transactions and this Offering to Certain Parties."

Formation Transactions. Fund III, Fund IV, STAG GI and the members of the management company will receive 7,590,000 common units as a result of their contribution to us of the entities owning our properties and the management company, as described above under "—Our Formation Transactions and Structure—Formation Transactions." In addition, upon completion of our formation transactions, we will repay or assume indebtedness secured by our properties and unsecured indebtedness, as described under "—Our Formation Transactions and Structure—Formation Transactions" and "Use of Proceeds."

The total number of common units that Fund III, Fund IV, STAG GI and the management company will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the ultimate initial public offering price in this offering. Based on the midpoint of the range set forth on the front cover of this prospectus, upon completion of our formation transactions and this offering, Fund III will receive 772,549 common units, Fund IV will receive 2,083,497 common units, STAG GI will receive 4,678,394 common units and the management company will receive 55,560 common units.

After the expiration of the lock-up period, Fund III, Fund IV and STAG GI may distribute its common units to its members in accordance with the fund's operating agreement. In addition to their invested equity, certain members of Fund III, Fund IV and STAG GI, including certain of our officers, employees and directors, have residual interests, or contingent profit interests, in Fund III, Fund IV and STAG GI. As a result, they may receive distributions related to these residual interests if there are sufficient proceeds after return of capital and preferred returns to themselves and the other equity investors in Fund III, Fund IV and STAG GI. In all cases where there is a residual distribution, the higher the share price of our common stock at the time a fund is liquidated, the greater the portion of the common units the fund will distribute to the holders of the residual interests.

The number of common units being issued in our formation transactions is fixed so that residual interests will not, in any manner, require us to issue additional common units or shares of common stock or otherwise dilute investors in this offering. In addition, because the value of the residual interests depends on the value of our common stock, not on the value of certain properties or portfolios individually, such residual interests align the interests of the holders of residual interests with the interests of our company and shareholders. See "Structure and Formation of Our Company—Benefits of Our Formation Transactions and the Offering to Certain Parties."

The table below sets forth a list of what individual directors and executive officers of our company will receive as a result of the contributions assuming that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the

midpoint of the range, the number of common units that each of the individual directors and executive officers of our company set forth below will receive will change.

Name ⁽¹⁾	Common Units ^{(2) (3)}	
	Number	Value
Benjamin S. Butcher	117,451	\$ 1,879,216
Gregory W. Sullivan	112,873	1,805,968
Stephen C. Mecke	26,514	424,224
Kathryn Arnone	13,060	208,960
David G. King	12,597	201,552

- (1) The amounts shown in the table reflect common units received by the individual directly or received by any entity, but if by an entity only to the extent of the individual's interest in the assets of the entity. Accordingly, the amounts shown in the table above do not reflect common units received by entities that may be controlled by the individual (except to the extent of the individual's interest in the assets of the entity).
- (2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this table, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at \$16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. See "Structure and Formation of Our Company—Benefits of Our Formation Transactions and this Offering to Certain Parties" below.
- (3) Based upon an assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus.

Voting Agreement. An affiliate of GI Partners will receive rights to designate two nominees for election to our board of directors, and Fund III, Fund IV, STAG GI and the contributors of the management company will enter into a voting agreement pursuant to which they will vote any shares of common stock that they own in favor of the election of the two nominees at each annual meeting of shareholders.

Services Agreements and Option Agreement. We will enter into services agreements with each of Fund II, Fund III and Fund IV and an option to purchase agreement with Fund III with respect to the Option Properties. See "—Our Formation Transactions and Structure—Services Agreements and Option Properties."

Registration Rights Agreement. We have agreed to file a shelf registration statement with the SEC covering the resale of the shares of common stock issued or issuable in exchange for common units issued in our formation transactions. We have also agreed to provide rights to these holders of common units to demand additional registration statement filings.

Employment Agreements. Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone will enter into employment agreements with us providing for salary, discretionary bonus and other benefits.

Equity Incentive Plan Grants. We will issue 200,441 LTIP units to our executive officers and independent directors and 80,809 shares of restricted common stock to our employees pursuant to our 2011 Equity Incentive Plan, representing in the aggregate 1.3% of the total number of shares of our common stock outstanding on a fully-diluted basis.

Indemnification Agreements. Our bylaws provide that we will indemnify our directors, executive officers and employees to the fullest extent permitted by Maryland law. We also intend to enter into

indemnification agreements with our directors and executive officers. See "Management—Limitation on Liabilities and Indemnification of Directors and Officers."

Conflicts of Interest

The executive officers for each of the managers of Fund II, Fund III, Fund IV and STAG GI consist of a number of persons who serve as executive officers in similar positions in our company, specifically: Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone. Also, Mr. Butcher, who is a member of our board of directors, also serves on the board of managers and/or management committees of the managers of Fund II, Fund III and Fund IV, and is a member of the management board of STAG GI. F. Alexander Fraser, one of two of our directors selected by GI Partners, is also a member of the management board of STAG GI and serves as a Director at GI Partners, LLC, which is an affiliate of GI Partners and STAG GI. Our executive officers and certain of our directors may have conflicting duties because they have a duty to both us and to Fund II (which will retain ownership of its properties and continue as a private, fully-invested fund until liquidated), Fund III (which will retain ownership of the Option Properties), Fund IV and STAG GI. Upon completion of our formation transactions, all of these entities will be fully invested and, as a result, will not be making any additional investments in income properties. It is possible that the executive officers' and board members' fiduciary duty to and interests in Fund II, Fund III, Fund IV, STAG GI and GI Partners, LLC, including, without limitation, their interests in Fund II and the Option Properties, will conflict with what will be in the best interests of our company.

We did not conduct arm's-length negotiations with respect to the terms and structuring of our formation transactions, resulting in the principals of the management company having the ability to influence the type and level of benefits that they and our other affiliates will receive. We have not obtained third-party appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions.

Additional conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, we, as the indirect general partner of our operating partnership, have duties to our operating partnership and to its limited partners in connection with the management of our operating partnership under Delaware law as modified by our operating partnership agreement. Our duties, as the indirect general partner of our operating partnership, may come into conflict with the duties of our directors and officers to our company.

We plan to adopt policies to reduce potential conflicts of interest. To the extent that specific matters involving us arise where Mr. Fraser may have conflicting duties, we will require that our disinterested directors approve those matters. More generally, our policies will provide that any transaction involving us in which any of our directors, officers or employees has a material interest must be approved by a vote of a majority of our disinterested directors. However, we cannot assure you that these policies will be successful in eliminating the influence of these conflicts. See "Policies with Respect to Certain Activities—Conflicts of Interest Policies."

Tax Status

We will elect to be taxed as a REIT under the Code commencing with our taxable year ending December 31, 2011. As a REIT, we generally will not be subject to U.S. federal income tax on income that we distribute currently to our shareholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including the distribution requirement described below. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, we will not be allowed a deduction for dividends to our shareholders in computing our taxable

income and we may be precluded from qualifying for treatment as a REIT for the four-year period following the year of our failure to qualify. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and property and to U.S. federal income and excise taxes on our undistributed income.

Distribution Policy

We are a newly formed company that has not commenced operations, and as a result, we have not paid any distributions as of the date of this prospectus. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our net income to holders of our common shares out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of \$0.256 per share for a full quarter. On an annualized basis, this would be \$1.024 per share, or an annual distribution rate of approximately 6.4%, based on the midpoint of the range set forth on the cover page of this prospectus. We estimate this initial annual distribution rate will represent approximately 93.7% of estimated cash available for distribution to our common shareholders for the 12 months ending December 31, 2011. We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumption used in our estimate. Any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification, the applicable provisions of the Maryland General Corporation Law ("MGCL") and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make some distributions. We have no intention to use the net proceeds of this offering to make distributions nor do we intend to make distributions using shares of common stock. We cannot assure you that our distribution policy will not change in the future.

Restrictions on Ownership and Transfer of Stock

Due to limitations on the concentration of ownership of a REIT imposed by the Code, not more than 50% of the value of the outstanding shares of beneficial ownership of a REIT may be owned, directly or indirectly, by five or fewer individuals (as defined by the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). As a result, our charter provides that, subject to certain exceptions, no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, either more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of capital stock, or more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding common stock. Our board of directors may, in its discretion, exempt a person from the 9.8% ownership limits under certain circumstances. In connection with our formation transactions, our board of directors will grant a waiver to STAG GI, GI Partners and an affiliate of GI Partners to own up to 25.3% of our outstanding common stock assuming the midpoint of the range set forth on the front cover of this prospectus. Our charter also prohibits any person from, among other matters: beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would result in our being "closely held" within the meaning of Section 856(h) of the Code; owning or transferring our capital stock if such ownership or transfer would result in us becoming a "pension-held REIT" under Section 856(h)(3)(D) of the Code; transferring shares of our capital stock if

such transfer would result in our capital stock being owned by fewer than 100 persons; or beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would cause us to own, directly or indirectly, 10% or more of the ownership interests in a tenant of our company (or a tenant of any entity owned or controlled by us) or would cause any independent contractor to not be treated as such under Section 856(d)(3) of the Code, or beneficially or constructively owning shares of our capital stock to the extent such beneficial or constructive ownership would otherwise cause us to fail to qualify as a REIT. See "Description of Stock—Restrictions on Ownership and Transfer of Stock."

Lock-Up Arrangements

We and our executive officers and directors and the owners of the management company, Fund III, Fund IV and STAG GI have agreed not to sell or transfer any common units or shares of common stock, as applicable, for a period of 180 days in the case of our company and 12 months in the case of our executive officers, directors and contributors after the date of this prospectus. Specifically, all of these parties have agreed, subject to exceptions, not to directly or indirectly offer, pledge, sell or contract to sell any common units or shares of common stock, sell any option or contract to purchase any common units or shares of common stock, purchase any option or contract to sell any common units or shares of common stock, grant any option, right or warrant for the sale of any common units or shares of common stock, lend or otherwise dispose of or transfer any common units or shares of common stock, request or demand that we file a registration statement related to the common units or shares of common stock, or enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common units or shares of common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

The Offering

Common stock offered by us	13,750,000 shares of common stock (plus up to an additional 2,062,500 shares of common stock that we may issue and sell upon the exercise of the underwriters' overallotment option)
Common stock and common units to be outstanding after completion of our formation transactions and this offering	21,621,250 shares/units ⁽¹⁾ ⁽²⁾ ⁽³⁾
Use of proceeds ⁽⁴⁾ ⁽⁵⁾	We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately \$199.1 million (or approximately \$229.8 million if the underwriters exercise their overallotment option in full), in each case assuming a public offering price of \$16.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions of approximately \$14.9 million (or approximately \$17.1 million if the underwriters exercise their overallotment option in full) and estimated organizational and offering expenses of approximately \$6.1 million payable by us. We will contribute the net proceeds we receive from this offering to our operating partnership in exchange for common units in our operating partnership. We expect our operating partnership will use the net proceeds as follows: • approximately \$185.3 million to repay mortgage debt secured by certain of the properties we will acquire in our formation transactions, including approximately \$5.4 million secured by the Option Properties (common units to be issued to Fund III in our formation transactions will be reduced accordingly); • approximately \$4.4 million to repay the loan dated January 31, 2009 from an affiliate of NED to the Fund III subsidiaries that will be contributed to us in our formation transactions; • approximately \$3.0 million to repay the loan originally drawn on May 15, 2007 from Fund III to the management company; • approximately \$2.5 million for general corporate purposes including acquisitions of real estate assets; • approximately \$1.0 million to terminate a portion of an interest rate swap due to the retirement of mortgage debt; • approximately \$1.2 million to repay expenditures associated with the retirement of indebtedness and the attainment of lender consents on existing indebtedness (including financing fees, related legal fees, and contingent waiver fees), and fees associated with the revolving credit facility; • approximately \$1.0 million to repay the line of credit dated May 15, 2007 from an affiliate of NED to the management company; • approximately \$0.5 million to pay transfer taxes associated with the contribution of our properties to us; and

- approximately \$0.2 million to post as escrows for our mortgage debt.

If the underwriters exercise their overallotment option in full, we expect to use the additional \$30.8 million of net proceeds for general corporate purposes, including acquisitions of real estate assets. See "Use of Proceeds."

Proposed New York Stock Exchange symbol	"STIR"

- (1) Assumes the underwriters' overallotment option to purchase up to an additional 2,062,500 shares of common stock is not exercised.
- (2) Does not include 1,319,250 shares of our common stock reserved for future issuance under our 2011 Equity Incentive Plan. Includes 200,441 LTIP units to be granted to our executive officers and independent directors under our 2011 Equity Incentive Plan upon consummation of this offering and 80,809 shares of our restricted common stock to be issued under our 2011 Equity Incentive Plan to certain employees upon consummation of this offering. See "Management—Equity Incentive Plan" for additional information.
- (3) Includes 7,590,000 common units held by limited partners (other than STAG Industrial, Inc.) expected to be outstanding following consummation of our formation transactions.
- (4) The debt repayments described above are estimated based on principal and related accrued interest outstanding as of December 31, 2010.
- (5) Assumes that 13,750,000 shares are sold by us at \$16.00 per share, the midpoint of the range set forth on the front cover of this prospectus, raising net proceeds of approximately \$199.1 million. If our actual net proceeds from this offering are less than our anticipated net proceeds, we would decrease the amount of outstanding borrowings we would repay under our Anglo Master Loan (Fund III).

Summary Financial Information

The following table sets forth summary financial and operating data on (1) a pro forma basis for our company and (2) an historical basis for STAG Predecessor Group. On a pro forma basis, we will own 91 properties, consisting of 57 properties owned by STAG Predecessor Group and 34 properties that constitute STAG Contribution Group. STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, is part of our predecessor business and consists of the subsidiaries of Fund III that will be contributed to us by Fund III in our formation transactions. STAG Contribution Group consists of the properties owned by Fund IV and STAG GI that will be contributed to us in the formation transactions.

In the summary financial and operating data, we have not presented historical information for STAG Industrial, Inc. because we have not had any corporate activity since our formation other than the issuance of shares of common stock in connection with the initial capitalization of our company and activity in connection with our formation transactions and this offering, and because we believe that a discussion of the results of STAG Industrial, Inc. would not be meaningful.

We have not presented historical financial information for the management company as its results are not considered significant, and because we believe that a discussion of these results (which primarily consist of acquisition and asset management fees from Fund II, Fund III and Fund IV and general and administrative costs), would not be meaningful.

You should read the following summary financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation," our unaudited pro forma consolidated financial statements and related notes, the historical combined financial statements and related notes of STAG Predecessor Group, the historical combined statements of revenue and certain expenses and related notes of STAG Contribution Group, and the historical (combined) statements of revenue and certain expenses and related notes of the various properties listed in the Index to the Financial Statements.

The unaudited pro forma condensed consolidated balance sheet data is presented as if this offering and our formation transactions had occurred on December 31, 2010, and the unaudited pro forma statement of operations and other data for the year ended December 31, 2010, is presented as if this offering and our formation transactions had occurred on January 1, 2010. The pro forma financial information is not necessarily indicative of what our actual financial condition would have been as of December 31, 2010 or what our actual results of operations would have been assuming this offering and our formation transactions had been completed as of January 1, 2010, nor does it purport to represent our future financial position or results of operations.

The summary historical combined balance sheet information as of December 31, 2010 and 2009, and the historical combined statement of operations data for the years ended December 31, 2010, 2009, and 2008, have been derived from the combined financial statements of the STAG Predecessor Group audited by PricewaterhouseCoopers LLP, independent registered public accountants, whose report thereon is included elsewhere in this prospectus. The summary historical cost balance sheet information as of December 31, 2008 and the historical combined statement of operations data for the year ended December 31, 2007 have been derived from audited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus. The summary historical combined balance sheet information as of December 31, 2007 and 2006 and the historical combined statement of operations for the period ended December 31, 2006 have been derived from the unaudited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus.

The audited historical financial statements of STAG Predecessor Group in this prospectus, and therefore the historical financial and operating data in the table below, exclude the operating results and financial condition of the Option Properties, the entities that own the Option Properties and the management company.

	Company Pro Forma	STAG Predecessor Group Historical				
	Year Ended December 31,	Year Ended December 31,				Period Ended December 31,
	2010 (unaudited)	2010	2009	2008	2007 ⁽¹⁾ (unaudited)	2006 (unaudited)
(dollars in thousands)						
Statement of Operations Data:						
Revenue						
Rental income	\$ 52,917	\$ 24,249	\$ 25,658	\$ 27,319	\$ 11,162	\$ 941
Tenant recoveries	6,178	3,761	4,508	3,951	1,326	—
Other	1,252	—	—	—	—	—
Total revenue	60,347	28,010	30,166	31,270	12,488	941
Expenses						
Property	9,361	6,123	8,409	5,813	1,437	11
General and administrative	9,198	937	1,078	1,112	648	29
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336
Loss on impairment of assets	—	—	—	3,728	—	—
Total expenses	45,404	16,574	19,744	22,761	6,772	376
Other income (expense)						
Interest income	16	16	66	140	163	4
Interest expense	(13,161)	(14,116)	(14,328)	(15,058)	(7,861)	(616)
Gain (loss) on interest rate swaps	33	(282)	(1,720)	(1,275)	—	—
Total other income (expense)	(13,112)	(14,382)	(15,982)	(16,193)	(7,698)	(612)
Net income (loss)	\$ 1,831	\$ (2,946)	\$ (5,560)	\$ (7,684)	\$ (1,982)	\$ (47)
Balance Sheet Data (End of Period):						
Rental property, before accumulated depreciation	\$ 442,617	\$ 210,186	\$ 210,009	\$ 208,948	\$ 212,688	\$ 31,998
Rental property, after accumulated depreciation	423,356	190,925	195,383	200,268	210,294	31,808
Total assets	523,508	211,004	220,116	229,731	242,134	35,976
Notes payable	213,947	207,550	212,132	216,178	217,360	31,877
Total liabilities	228,118	219,340	221,637	223,171	220,548	32,305
Owners'/shareholders' equity (deficit)	295,390	(8,336)	(1,521)	6,560	21,586	3,671
Other Data: (unaudited)						
Net operating income (NOI) ⁽²⁾	\$ 50,986	\$ 21,887	\$ 21,757	\$ 25,457	\$ 11,051	\$ 930
EBITDA ⁽²⁾	41,821	20,668	18,959	19,342	10,403	901
FFO ⁽²⁾	28,676	6,568	4,697	4,424	2,705	289
Adjusted funds from operations (AFFO) ⁽²⁾	28,907	5,858	6,166	8,081	2,443	243

(1) We have prepared the results of operations for the year ended December 31, 2007 by combining amounts for 2007 obtained by adding the audited operating results of each of the Antecedent for the period of January 1, 2007 to May 31, 2007 and STAG Predecessor Group for the period of June 1, 2007 to December 31, 2007 (since the difference in basis between Antecedent and STAG Predecessor Group were not materially different and the entities were under common management). Although this combined presentation does not comply with GAAP, we believe that it provides a meaningful method of comparison.

(2) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more detailed explanations of net operating income ("NOI"), EBITDA, FFO and adjusted funds from operations ("AFFO"), and reconciliations of NOI, EBITDA, FFO and AFFO to net income computed in accordance with GAAP.

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An investment in our common stock involves risks. In addition to other information in this prospectus, you should carefully consider the following risks before investing in our common stock offered by this prospectus. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders, which could cause you to lose all or a significant portion of your investment in our common stock. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

Risks Related to Our Business and Operations

Our investments are concentrated in the industrial real estate sector, and our business would be adversely affected by an economic downturn in that sector.

All of our 91 properties are industrial properties, including 44 warehouse/distribution facilities, 26 manufacturing facilities and 21 flex/office facilities. This concentration may expose us to the risk of economic downturns in the industrial real estate sector to a greater extent than if our properties were more diversified across other sectors of the real estate industry.

Adverse economic conditions will negatively affect our returns and profitability.

Our operating results may be affected by market and economic challenges, including the current global economic credit environment, which may result from a continued or exacerbated general economic slow down experienced by the nation as a whole or by the local economies where our properties may be located, or by the real estate industry, including the following:

- poor economic conditions may result in tenant defaults under leases;
- re-leasing may require concessions or reduced rental rates under the new leases due to reduced demand;
- adverse capital and credit market conditions may restrict our operating activities; and
- constricted access to credit may result in tenant defaults, non-renewals under leases or inability of potential buyers to acquire properties held for sale.

Also, to the extent we purchase real estate in an unstable market, we are subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of our purchases, or the number of companies seeking to acquire properties decreases, the value of our investments may not appreciate or may decrease significantly below the amount we pay for these investments. The length and severity of any economic slow down or downturn cannot be predicted. Our operations could be negatively affected to the extent that an economic slow down or downturn is prolonged or becomes more severe.

Dislocations in the credit markets and real estate markets could have a material adverse effect on our results of operations, financial condition and ability to pay distributions to you.

Domestic and international financial markets recently experienced significant dislocations brought about in large part by failures in the U.S. banking system. These dislocations have impacted the availability of credit. If this dislocation in the credit markets causes the inability to borrow at attractive rates, our ability to borrow monies to finance the purchase of, or other activities related to, real estate assets will be negatively impacted. If we are unable to borrow monies on terms and conditions that we find acceptable, we likely will have to reduce the number of properties we can purchase, and the return on the properties we do purchase may be lower. Also, if the values of our properties decline we may be

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unable to refinance all of our debt as it matures. All of these events would have a material adverse effect on our results of operations, financial condition and ability to pay distributions.

Events or occurrences that affect areas in which our properties are geographically concentrated may impact financial results.

In addition to general, regional, national and international economic conditions, our operating performance is impacted by the economic conditions of the specific markets in which we have concentrations of properties. We have holdings in the following states (which, as of December 31, 2010, accounted for the percentage of our total annualized rent indicated): North Carolina (17.1%); Ohio (12.7%); Wisconsin (7.2%); and Michigan (6.1%). Our operating performance could be adversely affected if conditions become less favorable in any of the states or regions in which we have a concentration of properties.

We are subject to industry concentrations that make us susceptible to adverse events with respect to certain industries.

We are subject to certain industry concentrations with respect to our properties, including the following (which, as of December 31, 2010, accounted for the percentage of our total annualized rent indicated): Containers & Packaging (14.7%); Business Services (9.8%); Personal Products (9.5%); Industrial Equipment, Components & Metals (7.1%); Aerospace & Defense (7.1%); Automotive (7.0%); Retail (6.9%); Food & Beverages (6.6%); and Technology (6.3%). Such industries are subject to specific risks that could result in downturns within the industries. For example, several of our technology tenants operate in the telecommunications sector. Telecommunications companies face risks regarding their ability to adapt to new technological developments and changes in regulations by the Federal Communications Commission and other federal, state and local agencies. Any downturn in one or more of these industries, or in any other industry in which we may have a significant concentration now or in the future, could adversely affect our tenants who are involved in such industries. If any of these tenants is unable to withstand such downturn or is otherwise unable to compete effectively in its business, it may be forced to declare bankruptcy, fail to meet its rental obligations, seek rental concessions or be unable to enter into new leases, which could materially and adversely affect us.

We are subject to risks involved in single-tenant leases, and the default by one or more tenants could materially and adversely affect us.

Any of our tenants may experience a downturn in its business at any time that may significantly weaken its financial condition or cause its failure. As a result, such tenant may decline to extend or renew its lease upon expiration, fail to make rental payments when due or declare bankruptcy. The default, financial distress or bankruptcy of a single tenant could cause interruptions in the receipt of rental revenue and/or result in a vacancy, which is likely to result in the complete reduction in the operating cash flows generated by the property leased to that tenant and may decrease the value of that property. In addition, a majority of our leases generally require the tenant to pay all or substantially all of the operating expenses normally associated with the ownership of the property, such as utilities, real estate taxes, insurance and routine maintenance. Following a vacancy at a single-tenant property, we will be responsible for all of the operating costs at such property until it can be re-let, if at all.

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If our tenants are unable to obtain financing necessary to continue to operate their businesses and pay us rent, we could be materially and adversely affected.

Many of our tenants rely on external sources of financing to operate their businesses. The U.S. financial and credit markets continue to experience liquidity disruptions, resulting in the unavailability of financing for many businesses. If our tenants are unable to obtain financing necessary to continue to operate their businesses, they may be unable to meet their rent obligations to us or enter into new leases with us or be forced to declare bankruptcy and reject our leases, which could materially and adversely affect us.

As a newly formed REIT, we have no operating history and may not be able to operate our business successfully or implement our business strategies as described in this prospectus.

We were organized in July 2010 and will commence operations upon completion of our formation transactions and this offering. We are subject to all the risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objectives and that the value of your investment could decline substantially.

As a newly formed REIT, we have no experience operating as a publicly traded REIT, which may affect our ability to successfully operate our business or generate sufficient cash flow to make or sustain distributions to our shareholders.

We have no experience operating as a publicly traded REIT. We cannot assure you that our past experience will be sufficient to successfully operate our company as a REIT or a publicly traded company, including the requirements to timely meet disclosure requirements and comply with the Sarbanes-Oxley Act of 2002. Failure to maintain REIT status would have an adverse effect on our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to satisfy our debt service obligations and to pay dividends to you.

We depend on key personnel, the loss of their full service could adversely affect us.

Our success depends to a significant degree upon the continued contributions of certain key personnel including, but not limited to, Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone, whose continued service is not guaranteed, and each of whom would be difficult to replace. While we have entered into employment contracts with Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone, they may nevertheless cease to provide services to us at any time. If any of our key personnel were to cease employment with us, our operating results could suffer. Our ability to retain our management group or to attract suitable replacements should any members of the management group leave is dependent on the competitive nature of the employment market. The loss of services from key members of the management group or a limitation in their availability could adversely impact our financial condition and cash flows. Further, such a loss could be negatively perceived in the capital markets. We have not obtained and do not expect to obtain key man life insurance on any of our key personnel except for Mr. Butcher, the founder of STAG. The policy has limits in the amount of \$5.0 million and covers us in the event of Mr. Butcher's death.

We also believe that, as we expand, our future success depends, in large part, upon our ability to hire and retain highly skilled managerial, investment, financing, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you that we will be successful in attracting and retaining such skilled personnel.

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Our growth will depend upon future acquisitions of properties, and we may be unable to consummate acquisitions on advantageous terms or acquisitions may not perform as we expect.

We acquire and intend to continue to acquire primarily generic distribution warehouses, manufacturing properties and flex/office facilities. The acquisition of properties entails various risks, including the risks that our investments may not perform as we expect. Further, we face competition for attractive investment opportunities from other well-capitalized real estate investors, including both publicly-traded REITs and private institutional investment funds, and these competitors may have greater financial resources than us and a greater ability to borrow funds to acquire properties. This competition will increase as investments in real estate become increasingly attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase price may be significantly elevated. In addition, we expect to finance future acquisitions through a combination of secured and unsecured borrowings, proceeds from equity or debt offerings by us or our operating partnership or its subsidiaries and proceeds from property contributions and divestitures which may not be available and which could adversely affect our cash flows. Any of the above risks could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the market price of, our common stock.

We may be unable to source "limited marketing" deal flow in the future, which could adversely affect our ability to locate and acquire additional properties at attractive prices.

A key component of our growth strategy is to continue to acquire additional industrial real estate assets. Since 2004, approximately 32.5% of the acquisitions we sourced, based on total purchase price, were acquired before they were widely marketed by real estate brokers, or "limited marketing" transactions. Properties that are acquired by "limited marketing" transactions are typically more attractive to us as a purchaser because of the absence of a formal sales process, which could lead to higher prices. If we cannot obtain "limited marketing" deal flow in the future, our ability to locate and acquire additional properties at attractive prices could be somewhat adversely affected.

The fair market value of the consideration for the assets to be acquired by us in our formation transactions may exceed the assets' aggregate book value and fair market value.

We have not obtained updated third-party appraisals of the properties and other assets to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. The initial public offering price of our common stock was determined in consultation with the underwriters based on the history and prospects for the industry in which we compete, our financial information, the ability of our management and our business potential and earning prospects, the prevailing securities markets at the time of this offering, and the recent market prices of, and the demand for, publicly traded shares of generally comparable companies. The initial public offering price does not necessarily bear any relationship to the book value or the fair market value of such assets. As a result, the consideration for these assets in our formation transactions may exceed their book value and fair market value.

The cash available for distribution to shareholders may not be sufficient to pay dividends at expected levels, nor can we assure you of our ability to make distributions in the future. We may use borrowed funds to make distributions.

All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our REIT qualification and other factors as our board of directors may deem relevant from time to time. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we

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make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for U.S. federal income tax purposes to the extent of the holder's adjusted tax basis in its shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock. See "U.S. Federal Income Tax Considerations—Taxation of Shareholders." If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

Our ability to pay our estimated initial annual distribution depends upon our actual operating results, and, in adverse scenarios, we may have to borrow funds under our secured corporate revolving credit facility to pay this distribution, which could slow our growth.

We expect to pay an initial annual dividend of \$1.024 per share, or \$22.1 million in the aggregate, which represents approximately 93.7% of our estimated cash available for distribution of \$23.6 million for the 12 months ending December 31, 2011 calculated as described in "Distribution Policy" (which does not take into account future tenant retention and potential acquisitions). Our ability to pay our estimated initial annual distribution depends upon our actual operating results, and, in adverse scenarios, we may be required either to fund future distributions from cash balances, borrowings under our secured corporate revolving credit facility or to reduce such distributions. Use of our secured corporate revolving credit facility to pay distributions will reduce the amount of our borrowing capacity available for other purposes. If we need to borrow funds on a regular basis to meet our distribution requirements or if we reduce the amount of our distribution, our stock price may be adversely affected.

We have owned our properties for a limited time, and we may not be aware of characteristics or deficiencies involving any one or all of them.

Prior to our formation transactions and this offering, Fund III, Fund IV and STAG GI owned or controlled our 91 initial properties comprising an aggregate 13.9 million rentable square feet. All of these properties have been under management for less than four years. The properties may have characteristics or deficiencies unknown to us that could affect their valuation or revenue potential and such properties may not ultimately perform up to our expectations. We cannot assure you that the operating performance of the properties will not decline under our management.

Risks Related to Our Organization and Structure

We may pursue less vigorous enforcement of terms of contribution, purchase and sale and other agreements because of conflicts of interest with certain of our officers and directors.

Certain of our directors and executive officers have ownership interests in the other entities or properties to be contributed to us in our formation transactions, including Fund III, Fund IV, STAG GI and the management company. Following the completion of our formation transactions and this offering, under the contribution agreements with certain of our directors and executive officers and their affiliates, we will be entitled to indemnification in the event of breaches of the representations and warranties made by them with respect to the entities and properties to be acquired by us. Such indemnification is limited and we are not entitled to any other indemnification in connection with our formation transactions. In addition, we expect that our executive officers will enter into employment agreements with us pursuant to which they will agree, among other things, not to engage in certain business activities in competition with us and pursuant to which they will devote substantially all of their business time to our business. See "Management—Employment Agreements." We may choose not

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to enforce, or to enforce less vigorously, our rights under these agreements due to our ongoing relationship with our directors and executive officers.

Certain of our directors and executive officers exercised significant influence with respect to the terms of our formation transactions, including the economic benefits they will receive, and as a result, the consideration given by us may exceed the fair market value of the properties.

We did not conduct arm's-length negotiations with respect to all of the terms of our formation transactions. In the course of structuring our formation transactions, our directors and executive officers had the ability to influence the type and level of benefits that they and our other officers will receive from us. In addition, certain of our directors and executive officers had substantial pre-existing ownership interests in Fund III, Fund IV, STAG GI and the management company, and will receive substantial economic benefits as a result of our formation transactions. The formation transaction documents provide that the individual allocations of the total formation transaction value to each prior investor are determined by the provisions of the applicable partnership agreement or organizational document of the relevant fund. Also, our directors and executive officers have assumed management and/or director positions with us, for which they will obtain certain other benefits such as employment agreements, restricted stock or LTIP unit grants and other compensation.

Our executive officers and directors have duties to Fund II, Fund III, Fund IV and STAG GI which may create conflicts of interest, which may impede business decisions that could benefit our shareholders.

Certain of our executive officers and directors also serve on the board of managers and/or management committees of the managers of Fund II, Fund III and Fund IV, and are members of the board of directors of STAG GI. Our officers and directors may have conflicting duties because they have a duty to both us and to Fund II (which will retain ownership of its properties and continue as a private, fully-invested fund until liquidated), Fund III (which will retain ownership of the Option Properties), Fund IV and STAG GI. Upon completion of our formation transactions, all of these entities will be fully invested and, as a result, will not be making any additional investments in income properties. However, some Fund II properties may be competitive with our current or future properties. It is possible that the executive officers' and board members' fiduciary duty to Fund II, Fund III, Fund IV and STAG GI, including, without limitation, their interests in Fund II and the Option Properties, will conflict with what will be in the best interests of our company.

Our fiduciary duties as sole member of the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

After the consummation of this offering, we, as the sole member of the general partner of our operating partnership, will have fiduciary duties to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of our shareholders. The limited partners of our operating partnership have agreed that, in the event of a conflict in the fiduciary duties owed by us to our shareholders and, in our capacity as indirect general partner of our operating partnership, to such limited partners, we are under no obligation to give priority to the interests of such limited partners. In addition, those persons holding common units will have the right to vote on certain amendments to the operating partnership agreement (which require approval by a majority in interest of the limited partners, including us) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our shareholders. For example, we are unable to modify the rights of limited partners to receive distributions as set forth in the operating partnership agreement in a manner that adversely

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affects their rights without their consent, even though such modification might be in the best interest of our shareholders.

In addition, conflicts may arise when the interests of our shareholders and the limited partners of the operating partnership diverge, particularly in circumstances in which there may be an adverse tax consequence to the limited partners. Tax consequences to holders of common units upon a sale or refinancing of our properties may cause the interests of our senior management to differ from your own. As a result of unrealized built-in gain attributable to contributed property at the time of contribution, some holders of common units, including our principals, may suffer different and more adverse tax consequences than holders of our common stock upon the sale or refinancing of the properties owned by our operating partnership, including disproportionately greater allocations of items of taxable income and gain upon a realization event. As those holders will not receive a correspondingly greater distribution of cash proceeds, they may have different objectives regarding the appropriate pricing, timing and other material terms of any sale or refinancing of certain properties, or whether to sell or refinance such properties at all.

We may experience conflicts of interest with several members of our senior management team who have or may become limited partners in our operating partnership through the receipt of LTIP units granted under our 2011 Equity Incentive Plan. See "Management—Equity Incentive Plan."

Our growth depends on external sources of capital which are outside of our control, which may affect our ability to seize strategic opportunities, satisfy debt obligations and make distributions to our shareholders.

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

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

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, meet the capital and operating needs of our existing properties or satisfy our debt service obligations. Further, in order to meet the REIT distribution requirements and maintain our REIT status and to avoid the payment of income and excise taxes, we may need to borrow funds on a short-term basis even if the then-prevailing market conditions are not favorable for these borrowings. These short-term borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for U.S. federal income tax purposes or the effect of non-deductible capital expenditures, the creation of reserves, certain restrictions on distributions under loan documents or required debt or amortization payments.

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To the extent that capital is not available to acquire properties, profits may not be realized or their realization may be delayed, which could result in an earnings stream that is less predictable than some of our competitors and result in us not meeting our projected earnings and distributable cash flow levels in a particular reporting period. Failure to meet our projected earnings and distributable cash flow levels in a particular reporting period could have an adverse effect on our financial condition and on the market price of our common stock.

Our charter, the partnership agreement of our operating partnership and Maryland law contain provisions that may delay or prevent a change of control transaction.

Our charter contains 9.8% ownership limits. Our charter, subject to certain exceptions, authorizes our directors to take such actions as are necessary and desirable to limit any person to actual or constructive ownership of no more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our capital stock and no more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock. Our board of directors, in its sole discretion, may exempt a proposed transferee from the ownership limits. However, our board of directors may not grant an exemption from the ownership limits to any proposed transferee whose ownership, direct or indirect, of more than 9.8% of the value or number of our outstanding shares of our common stock could jeopardize our status as a REIT. The ownership limits contained in our charter and the restrictions on ownership of our common stock may delay or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our shareholders. See "Description of Stock—Restrictions on Ownership and Transfer of Stock."

Our board of directors may create and issue a class or series of preferred stock without shareholder approval. Our board of directors is empowered under our charter to amend our charter to increase or decrease the aggregate number of shares of our common stock or the number of shares of stock of any class or series that we have authority to issue, to designate and issue from time to time one or more classes or series of preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock without shareholder approval. Our board of directors may determine the relative rights, preferences and privileges of any class or series of preferred stock issued. As a result, we may issue series or classes of preferred stock with preferences, dividends, powers and rights, voting or otherwise, senior to the rights of holders of our common stock. The issuance of preferred stock could also have the effect of delaying or preventing a change of control transaction that might otherwise be in the best interests of our shareholders.

Certain provisions in the partnership agreement for our operating partnership may delay or prevent unsolicited acquisitions of us. Provisions in the partnership agreement for our operating partnership may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some shareholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights of qualifying parties;
- transfer restrictions on our common units;
- the ability of the general partner in some cases to amend the partnership agreement without the consent of the limited partners; and
- the right of the limited partners to consent to transfers of the general partnership interest and mergers under specified circumstances.

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Any potential change of control transaction may be further limited as a result of provisions of the partnership unit designation for the LTIP units, which require us to preserve the rights of LTIP unit holders and may restrict us from amending the partnership agreement for our operating partnership in a manner that would have an adverse effect on the rights of LTIP unit holders.

Certain provisions of Maryland law could inhibit changes in control. Certain provisions of the MGCL may have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control under circumstances that otherwise could provide our shareholders with the opportunity to realize a premium over the then-prevailing market price of our common stock, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested shareholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter impose special appraisal rights and special shareholder voting requirements on these combinations; and
- "control share" provisions that provide that "control shares" of our company (defined as shares which, when aggregated with other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of "control shares") have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

We have elected to opt out of these provisions of the MGCL, in the case of the business combination provisions of the MGCL, by resolution of our board of directors, and in the case of the control share provisions of the MGCL, pursuant to a provision in our bylaws. However, only upon the approval of our shareholders, our board of directors may by resolution elect to repeal the foregoing opt-outs from the business combination provisions of the MGCL and we may, only upon the approval of our shareholders, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Additionally, Title 8, Subtitle 3 of the MGCL, permits our board of directors, without shareholder approval and regardless of what is currently provided in our charter or our bylaws, to implement takeover defenses, some of which (for example, a classified board) we do not currently have. These provisions 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 our common stock with the opportunity to realize a premium over the then-current market price.

Our charter, bylaws, the partnership agreement for our operating partnership and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our shareholders. See "Certain Provisions of Maryland Law and of Our Charter and Bylaws—Our Board of Directors," "—Business Combinations," "—Control Share Acquisitions," "—Maryland Unsolicited Takeovers Act," "—Advance Notice of Director Nominations and New Business" and "Our Operating Partnership and the Partnership Agreement."

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Under their employment agreements, our executive officers will have the right to terminate their employment and, under certain conditions, receive severance, which may adversely affect us.

In connection with this offering, we are entering into employment agreements with Messrs. Butcher, Sullivan, Mecke and King and Ms. Arnone. These employment agreements provide that each executive may terminate his or her employment and, under certain conditions, receive severance based on two or three times (depending on the officer) the annual total of salary and bonus and immediate vesting of all outstanding equity-based awards. In the case of certain terminations, they would not be restricted from competing with us after their departure. See "Management—Employment Agreements" for further details about the terms of these employment agreements.

Compensation awards to our management may not be tied to or correspond with our improved financial results or share price, which may adversely affect us.

The compensation committee of our board of directors is responsible for overseeing our compensation and employee benefit plans and practices, including our executive compensation plans and our incentive compensation and equity-based compensation plans. Our compensation committee has significant discretion in structuring compensation packages and may make compensation decisions based on any number of factors. As a result, compensation awards may not be tied to or correspond with improved financial results at our company or the share price of our common stock.

If we fail to establish and maintain an effective system of integrated internal controls, we may not be able to accurately report our financial results.

In the past, we have reported our results to the investors in our predecessor business on a fund-by-fund basis. We have generally maintained separate systems and procedures for each fund, which makes it more difficult for us to evaluate and integrate their systems and procedures on a reliable company-wide basis. In addition, for certain funds we were not required to report our results on a GAAP basis. In connection with our operation as a public company, we will be required to report our operations on a consolidated basis under GAAP and, in some cases, on a property by property basis. We are in the process of implementing an internal audit function and modifying our company-wide systems and procedures in a number of areas to enable us to enhance our reporting on a consolidated basis under GAAP as we continue the process of integrating the financial reporting of our predecessor. If we fail to implement proper overall business controls, including as required to integrate our predecessor entities and support our growth, our results of operations could be harmed or we could fail to meet our reporting obligations.

Our board of directors can take many actions without shareholder approval.

Our board of directors has overall authority to oversee our operations and determine our major corporate policies. This authority includes significant flexibility. For example, our board of directors can do the following:

- amend or revise at any time and from time to time our investment, financing, borrowing and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization and operations;
- amend our policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements;
- within the limits provided in our charter, prevent the ownership, transfer and/or accumulation of shares in order to protect our status as a REIT or for any other reason deemed to be in the best interests of us and our shareholders;

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- issue additional shares without obtaining shareholder approval, which could dilute the ownership of our then-current shareholders;
- amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series, without obtaining shareholder approval;
- classify or reclassify any unissued shares of our common stock or preferred stock and set the preferences, rights and other terms of such classified or reclassified shares, without obtaining shareholder approval;
- employ and compensate affiliates;
- direct our resources toward investments that do not ultimately appreciate over time;
- change creditworthiness standards with respect to third-party tenants; and
- determine that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Any of these actions could increase our operating expenses, impact our ability to make distributions or reduce the value of our assets without giving you, as a shareholder, the right to vote.

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

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our shareholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our bylaws require us to indemnify our directors and officers to the maximum extent permitted by Maryland law for liability actually incurred in connection with any proceeding to which they may be made, or threatened to be made, a party, except to the extent that the act or omission of the director or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or was the result of active and deliberate dishonesty, the director or officer actually received an improper personal benefit in money, property or services, or, in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. As a result, we and our shareholders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

General Real Estate Risks

Our performance and value are subject to general economic conditions and risks associated with our real estate assets.

The investment returns available from equity investments in real estate depend on the amount of income earned and capital appreciation generated by the properties, as well as the expenses incurred in connection with the properties. If our properties do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, then our ability to pay distributions to our shareholders could be adversely affected. In addition, there are significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) that

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generally do not decline when circumstances reduce the income from the property. Income from and the value of our properties may be adversely affected by:

- changes in general or local economic climate;
- the attractiveness of our properties to potential tenants;
- changes in supply of or demand for similar or competing properties in an area;
- bankruptcies, financial difficulties or lease defaults by our tenants;
- changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive or otherwise reduce returns to shareholders;
- changes in operating costs and expenses and our ability to control rents;
- changes in or increased costs of compliance with governmental rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder;
- our ability to provide adequate maintenance and insurance;
- changes in the cost or availability of insurance, including coverage for mold or asbestos;
- unanticipated changes in costs associated with known adverse environmental conditions or retained liabilities for such conditions;
- periods of high interest rates and tight money supply;
- tenant turnover;
- general overbuilding or excess supply in the market; and
- disruptions in the global supply chain caused by political, regulatory or other factors including terrorism.

In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or public perception that any of these events may occur, would result in a general decrease in rents or an increased occurrence of defaults under existing leases, which would adversely affect our financial condition and results of operations. Future terrorist attacks may result in declining economic activity, which could reduce the demand for, and the value of, our properties. To the extent that future attacks impact our tenants, their businesses similarly could be adversely affected, including their ability to continue to honor their existing leases.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

Actions by our competitors may decrease or prevent increases in the occupancy and rental rates of our properties.

We compete with other owners, operators and developers of real estate, some of which own properties similar to ours in the same markets and submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose potential tenants, and we may be pressured to reduce our rental rates below those we currently charge in order to retain tenants when our tenants' leases expire. As a result, our financial condition, cash flows, cash available for distribution, trading price of our common stock and ability to satisfy our debt service obligations could be materially adversely affected.

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A significant portion of our properties have leases that expire in the next three years and we may be unable to renew leases, lease vacant space or re-lease space as leases expire, which could adversely affect our results of operations, cash flows and the value of our common stock.

Our results of operations, cash flows and the value of our common stock would be adversely affected if we are unable to lease, on economically favorable terms, a significant amount of space in our operating properties. As of December 31, 2010, leases with respect to 30.2% of our total annualized rent will expire on or before December 31, 2013. We cannot assure you expiring leases will be renewed or that our properties will be re-leased at base rental rates equal to or above the current average base rental rates. In addition, the number of vacant or partially vacant industrial properties in a market or submarket could adversely affect our ability to re-lease the space at attractive rental rates.

A property that incurs a vacancy could be difficult to sell or re-lease, which could adversely affect our results of operations, cash flows and the value of our common stock.

A property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of one of our leases. In addition, certain of the properties we acquire may have some level of vacancy at the time of closing. Certain of our properties may be specifically suited to the particular needs of a tenant. We may have difficulty obtaining a new tenant for any vacant space we have in our properties. If the vacancy continues for a long period of time, we may suffer reduced revenue resulting in less cash available to be distributed to shareholders. In addition, the resale value of a property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

We may not have funding for future tenant improvements, which could adversely affect our results of operations, cash flows and the value of our common stock.

When a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new tenants, we will be required to expend funds to construct new tenant improvements in the vacated space. Except with respect to our current reserves for capital expenditures, tenant improvements and leasing commissions, we cannot assure you that we will have adequate sources of funding available to us for such purposes in the future.

Bankruptcy laws will limit our remedies if a tenant becomes bankrupt and rejects the lease and we may be unable to collect balances due on our leases.

If a tenant becomes bankrupt or insolvent, that could diminish the income we receive from that tenant's leases. Our tenants may experience downturns in their operating results due to adverse changes to their business or economic conditions, and those tenants that are highly leveraged may have a higher possibility of filing for bankruptcy or insolvency. We may not be able to evict a tenant solely because of its bankruptcy. On the other hand, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be an unsecured prepetition claim subject to statutory limitations, and therefore such amounts received in bankruptcy are likely to be substantially less than the remaining rent we otherwise were owed under the leases. In addition, any claim we have for unpaid past rent could be substantially less than the amount owed. If the lease for such a property is rejected in bankruptcy, our revenue would be reduced and could cause us to reduce distributions to shareholders.

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The fact that real estate investments are not as liquid as other types of assets may reduce economic returns to investors.

Real estate investments are not as liquid as other types of investments, and this lack of liquidity may limit our ability to react promptly to changes in economic or other conditions. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investments. In addition, we intend to comply with the safe harbor rules relating to the number of properties that can be disposed of in a year, the tax bases and the costs of improvements made to these properties, and other items that enable a REIT to avoid punitive taxation on the sale of assets. Thus, our ability at any time to sell assets or contribute assets to property funds or other entities in which we have an ownership interest may be restricted. This lack of liquidity may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations, cash flows and our ability to pay distributions on, and the market price of, our common stock.

Acquired properties may be located in new markets where we may face risks associated with investing in an unfamiliar market.

We have acquired, and may continue to acquire, properties in markets that are new to us. When we acquire properties located in these markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures.

Uninsured losses relating to real property may adversely affect your returns.

We attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenue in these properties and could potentially remain obligated under any recourse debt associated with the property. Moreover, we, as the indirect general partner of our operating partnership, generally will be liable for all of our operating partnership's unsatisfied recourse obligations, including any obligations incurred by our operating partnership as the general partner of joint ventures. Any such losses could adversely affect our financial condition, results of operations, cash flows and ability to pay distributions on, and the market price of, our common stock. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future. We evaluate our insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

Contingent or unknown liabilities could adversely affect our financial condition.

As part of our formation transactions, we will assume existing liabilities of contributed operating companies and liabilities in connection with contributed properties, some of which may be unknown or unquantifiable at the time this offering is consummated. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions beyond the scope of our environmental

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insurance coverage, claims of tenants, vendors or other persons dealing with the entities prior to this offering, tax liabilities, and accrued but unpaid liabilities whether incurred in the ordinary course of business or otherwise. As part of our formation transactions, the owners of our predecessor business have only made limited representations and warranties to us regarding the entities, properties and assets that we will own following our formation transactions that survive for a period of one year and agreed to indemnify us and our operating partnership for breaches of such representations subject to specified deductibles and caps, as applicable. Because many liabilities, including tax liabilities, may not be identified within such period, we may have no recourse against any of the owners of our predecessor business for these liabilities.

In addition, we may in the future acquire properties, or may have previously owned properties, subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based on ownership of any of these entities or properties, then we might have to pay substantial sums to settle it, which could adversely affect our cash flows.

Environmentally hazardous conditions may adversely affect our operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, assets or results of operations and, consequently, amounts available for distribution to our shareholders.

Environmental laws in the United States also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties contain asbestos-containing building materials.

We invest in properties historically used for industrial, manufacturing and commercial purposes. Some of these properties contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. All of these operations create a potential

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for the release of petroleum products or other hazardous or toxic substances. Some of our properties are adjacent to or near other properties that have contained or currently contain underground storage tanks used to store petroleum products or other hazardous or toxic substances. In addition, certain of our properties are on or are adjacent to or near other properties upon which others, including former owners or tenants of our properties, have engaged, or may in the future engage, in activities that may release petroleum products or other hazardous or toxic substances.

From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the cost. Further, in connection with property dispositions, we may agree to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

Preliminary assessments of environmental conditions at a property that meet certain specifications are often referred to as "Phase I environmental site assessments" or "Phase I environmental assessments." They are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. Phase I environmental assessments generally include an historical review, a public records review, an investigation of the surveyed site and surrounding properties, and preparation and issuance of a written report, but do not include soil sampling or subsurface investigations and typically do not include an asbestos survey. In connection with our secured corporate revolving credit facility and STAG GI's recent acquisition activity, 65.4% of the total rentable square feet of our portfolio have Phase I environmental site assessments that are less than 12 months old. Material environmental conditions, liabilities or compliance concerns may arise after the environmental assessment has been completed. Moreover, there can be no assurance that:

- future laws, ordinances or regulations will not impose any material environmental liability; or
- the current environmental condition of our properties will not be affected by tenants, by the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third parties unrelated to us.

Compliance or failure to comply with the Americans with Disabilities Act and other similar regulations could result in substantial costs.

Under the Americans with Disabilities Act of 1990, as amended (the "ADA"), places of public accommodation must meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If we are required to make unanticipated expenditures to comply with the ADA, including removing access barriers, then our cash flows and the amounts available for distributions to our shareholders may be adversely affected. While we believe that our properties are currently in material compliance with these regulatory requirements, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us that will affect our cash flows and results of operations.

One of our properties is subject to a ground lease that exposes us to the loss of such property upon breach or termination of the ground lease and may limit our ability to sell this property.

We own one of our properties through a leasehold interest in the land underlying the building and we may acquire additional buildings in the future that are subject to similar ground leases. As lessee under a ground lease, we are exposed to the possibility of losing the property upon expiration, or an

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earlier breach by us, of the ground lease, which may have an adverse effect on our business, financial condition and results of operations, our ability to make distributions to our shareholders and the trading price of our common stock.

In the future, our ground leases may contain certain provisions that may limit our ability to sell certain of our properties. In addition, in the future, in order to assign or transfer our rights and obligations under certain of our ground leases, we may be required to obtain the consent of the landlord which, in turn, could adversely impact the price realized from any such sale.

We also own one property that benefits from payment in lieu of tax ("PILOT") programs and to facilitate such tax treatment our ownership in this property is structured as a leasehold interest with the relevant municipality serving as lessor. With respect to such arrangement, we have the right to purchase the fee interest in the property for a nominal purchase price, so the risk factors set forth above for traditional ground leases are mitigated by our ability to convert such leasehold interest to fee interest. In the event of such a conversion of our ownership interest, however, any preferential tax treatment offered by the PILOT program will be lost.

We may be unable to sell a property if or when we decide to do so, including as a result of uncertain market conditions, which could adversely affect the return on your investment.

We expect to hold the various real properties in which we invest until such time as we decide that a sale or other disposition is appropriate given our investment objectives. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. We cannot predict the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will be dependent upon fluctuating market conditions.

Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure you that we will have funds available to correct such defects or to make such improvements.

We may acquire properties with "lock-out" provisions which may affect our ability to dispose of the properties.

We may acquire properties through contracts that could restrict our ability to dispose of the property for a period of time. These "lock-out" provisions could affect our ability to turn our investments into cash and could affect cash available for distributions to you. Lock-out provisions could also impair our ability to take actions during the lock-out period that would otherwise be in the best interest of our shareholders and, therefore, may have an adverse impact on the value of our common stock relative to the value that would result if the lock-out provisions did not exist.

If we sell properties and provide financing to purchasers, defaults by the purchasers would adversely affect our cash flows.

If we decide to sell any of our properties, we presently intend to use our best efforts to sell them for cash. However, in some instances we may sell our properties by providing financing to purchasers. If we provide financing to purchasers, we will bear the risk that the purchaser may default, which could negatively impact our cash distributions to shareholders and result in litigation and related expenses.

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Even in the absence of a purchaser default, the distribution of the proceeds of sales to our shareholders, or their reinvestment in other assets, will be delayed until the promissory notes or other property we may accept upon a sale are actually paid, sold, refinanced or otherwise disposed of.

Risks Related to Our Debt Financings

Our operating results and financial condition could be adversely affected if we are unable to make required payments on our debt.

Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur, and we are subject to risks normally associated with debt financing, including the risk that our cash flows will be insufficient to meet required payments of principal and interest. There can be no assurance that we will be able to refinance any maturing indebtedness, that such refinancing would be on terms as favorable as the terms of the maturing indebtedness or that we will be able to otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

In particular, loans obtained to fund property acquisitions will generally be secured by first mortgages on such properties. If we are unable to make our debt service payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment, which in turn could cause the value of our common stock and distributions payable to shareholders to be reduced. Certain of our existing and future indebtedness is and may be cross-collateralized and, consequently, a default on this indebtedness could cause us to lose part or all of our investment in multiple properties. See "Policies With Respect to Certain Activities—Financing Policies."

Increases in interest rates could increase the amount of our debt payments and adversely affect our ability to make distributions to our shareholders.

As of December 31, 2010, we had total pro forma outstanding debt of approximately \$213.9 million, and we expect that we will incur additional indebtedness in the future. Interest we pay reduces our cash available for distributions. We have entered into interest rate swaps to mitigate the risk of increasing interest rates for our \$109.8 million in variable rate debt. Since we have incurred and may continue to incur variable rate debt, increases in interest rates raise our interest costs, which reduces our cash flows and our ability to make distributions to you. If we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected, and we may lose the property securing such indebtedness. In addition, if we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments.

Covenants in our mortgage loans and any future credit facility could limit our flexibility and adversely affect our financial condition or our status as a REIT.

The terms of our mortgage loans require us to comply with loan-to-collateral-value ratios, debt service coverage ratios and, in the case of an event of default, limitations on the ability of our subsidiaries that are borrowers under our mortgage loans to make distributions to us or our other subsidiaries. We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from

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STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all. Any facility we obtain will likely include a number of additional customary financial and other covenants. Any of our existing loan covenants or future credit facility covenants may limit our flexibility in our operations and prevent us from making distributions to our shareholders, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we have satisfied our payment obligations.

As of December 31, 2010, we had certain secured loans that are cross-collateralized by multiple properties. If we default on any of these loans we may then be required to repay such indebtedness, together with applicable prepayment charges, to avoid foreclosure on all cross-collateralized properties within the applicable pool. Moreover, any future corporate credit facility of ours may contain certain cross-default provisions which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure the facility in addition to any mortgage or other debt that is in default. If our properties were foreclosed upon, or if we are unable to refinance our indebtedness at maturity or meet our payment obligations, the amount of our distributable cash flows and our financial condition would be adversely affected.

We are a holding company and conduct all of our operations through our operating partnership. We do not have, apart from our ownership of our operating partnership, any independent operations. As a result, we will rely on distributions from our operating partnership to pay any dividends we might declare on our common stock. We will also rely on distributions from our operating partnership to meet our debt service and other obligations, including our obligations to make distributions required to maintain our REIT status. The ability of subsidiaries of our operating partnership to make distributions to the operating partnership, and the ability of our operating partnership to make distributions to us in turn, will depend on their operating results and on the terms of any loans that encumber the properties owned by them. Such loans may contain lockbox arrangements, reserve requirements, financial covenants and other provisions that restrict the distribution of funds. In the event of a default under these loans, the defaulting subsidiary would be prohibited from distributing cash. For example, our subsidiaries are party to mortgage loans that prohibit, in the event of default, their distribution of any cash to a related party, including our operating partnership. As a result, a default under any of these loans by the borrower subsidiaries could cause us to have insufficient cash to make distributions on our common stock required to maintain our REIT status.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to make distributions.

Some of our financing arrangements require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the existing financing on terms as favorable as the original loan or sell the property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the rate of return to shareholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

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

If mortgage debt is unavailable at reasonable rates, we may not be able to finance the purchase of properties. In addition, we run the risk of being unable to refinance mortgage debt when the loans come due or of being unable to refinance such debt on favorable terms. If interest rates are higher when we refinance such debt, our income could be reduced. We may be unable to refinance such debt at appropriate times, which may require us to sell properties on terms that are not advantageous to us or could result in the foreclosure of such properties. If any of these events occur, our cash flows would be reduced. This, in turn, would reduce cash available for distribution to you and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Our hedging strategies may not be successful in mitigating our risks associated with interest rates and could reduce the overall returns on your investment.

We use various derivative financial instruments to provide a level of protection against interest rate risks, but no hedging strategy can protect us completely. These instruments involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such agreements are not legally enforceable. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the 75% or 95% REIT income tests. In addition, the nature and timing of hedging transactions may influence the effectiveness of our hedging strategies. Poorly designed strategies or improperly executed transactions could actually increase our risk and losses. Moreover, hedging strategies involve transaction and other costs. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging transactions will not result in losses that may reduce the overall return on your investment.

Risks Related to this Offering

The purchase price per share of our common stock may not accurately reflect the future value of our company.

The purchase price per share of our common stock offered pursuant to this prospectus reflects the result of negotiations between us and the representatives of the underwriters. The purchase price may not accurately reflect the future value of our company, and the offering price may not be realized upon any subsequent disposition of the shares.

Future offerings of debt securities, which would rank senior to our common stock upon liquidation, and future offerings of equity securities, which would dilute our existing shareholders and may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, senior or subordinated notes and series of preferred stock or common stock. Upon liquidation, holders of our debt securities and shares of preferred stock, if any, and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common stock, or both. Preferred stock, if issued, could have a preference on liquidating distributions or a preference on dividend payments or both that could limit our ability to make a dividend distribution to the holders of

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our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

The number of shares of our common stock available for future sale, including by our affiliates and other continuing investors, could adversely affect the market price of our common stock, and future sales by us of shares of our common stock may be dilutive to existing shareholders.

Sales of substantial amounts of shares of our common stock in the public market, or upon exchange of common units or exercise of any options, or the perception that such sales might occur could adversely affect the market price of our common stock. The exchange of common units for common stock, the exercise of any stock options or the vesting of any restricted stock granted under our 2011 Equity Incentive Plan, the issuance of our common stock or common units in connection with property, portfolio or business acquisitions and other issuances of our common stock or common units could have an adverse effect on the market price of the shares of our common stock. Also, continuing investors that will hold 7,590,000 common units on a pro forma basis are parties to an agreement that provides for registration rights. The exercise of these registration rights could depress the price of our common stock. The existence of shares of our common stock reserved for issuance as restricted shares or upon exchange of options or common units may adversely affect the terms upon which we may be able to obtain additional capital through the sale of equity securities. In addition, future sales by us of our common stock may be dilutive to existing shareholders.

Lock-up agreements may not limit the number of shares of common stock that will be available for sale into the market, which could reduce the market price for our common stock.

Our executive officers and our directors and the owners of the management company, Fund III, Fund IV and STAG GI have entered into lock-up agreements that, subject to exceptions, prohibit them from selling, pledging, transferring or otherwise disposing of our common stock or securities convertible into our common stock for a period of 12 months after the date of this prospectus. The representatives of the underwriters may, in their discretion, release all or any portion of the common stock subject to the lock-up agreements with our directors and officers and the owners of the management company, Fund III, Fund IV and STAG GI at any time without notice or shareholder approval. If the restrictions under the lock-up agreements are waived or terminated, up to approximately 7,790,441 shares of common stock, including securities convertible into our common stock, will be available for sale into the market, subject only to applicable securities rules and regulations and, in some cases, vesting requirements, which could reduce the market price for our common stock.

There are no established trading markets for our common stock and broad market fluctuations could negatively impact the market price of our stock.

Currently, there is no established trading market for our common stock. Our shares of common stock have been approved for listing on the New York Stock Exchange ("NYSE"), subject to official notice of issuance, under the symbol "STIR." We cannot assure you that an active trading market for our common stock will develop after the offering or if one does develop, that it will be sustained.

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

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affect our stock price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results;
- changes in our operations or earnings estimates or publication of research reports about us or the industry;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional shareholders;
- speculation in the press or investment community; and
- general market and economic conditions.

In addition, the stock market has experienced price and volume fluctuations that have affected the market prices of many companies in industries similar or related to ours and may have been unrelated to operating performances of these companies. These broad market fluctuations could reduce the market price of our common stock.

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

As of December 31, 2010, the pro forma net tangible book value of the assets to be acquired by us in our formation transactions was approximately \$105.7 million, or \$4.95 per share of our common stock held by our continuing investors, assuming the exchange of common units for shares of our common stock on a one-for-one basis. As a result, the pro forma net tangible book value per share of our common stock after the consummation of our formation transactions and this offering will be less than the initial public offering price. The purchasers of our common stock offered hereby will experience immediate and substantial dilution of \$11.05 per share in the pro forma net tangible book value per share of our common stock.

Increases in market interest rates may result in a decrease of the value of our common stock.

One of the factors that will influence the price of our common stock will be the dividend yield on our common stock (as a percentage of the price of our common stock) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our common stock to expect a higher dividend yield and, if we are unable to pay such yield, the market price of our common stock could decrease.

The market price of our common stock could be adversely affected by our level of cash dividends.

The market value of the equity securities of a REIT is based primarily upon the market's perception of the REIT's growth potential and its current and potential future cash distributions, whether from operations, sales or refinancings, and is secondarily based upon the real estate market value of the underlying assets. For that reason, our common stock may trade at prices that are higher or lower than our net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our common stock. Our failure to meet the market's expectations with regard to future earnings and cash distributions likely would adversely affect the market price of our common stock.

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STAG Predecessor Group has experienced historical net losses and accumulated deficits after depreciation and amortization and we may experience future losses.

STAG Predecessor Group had historical net losses of \$2.9 million, \$5.6 million and \$7.7 million for the years ended December 31, 2010, 2009 and 2008, respectively. STAG Predecessor Group had historical accumulated deficits after effects of depreciation and amortization of \$8.3 million and \$1.5 million as of December 31, 2010 and December 31, 2009, respectively. There can be no assurance that we will not continue to incur net losses in the future, which could adversely affect our ability to service our indebtedness and our ability to pay dividends or make distributions, any of which could adversely affect the trading price of our common stock.

We will become subject to financial reporting and other requirements for which our accounting, internal audit and other management systems and resources may not be adequately prepared and we may not be able to accurately report our financial results.

Following this offering, we will become subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the requirements of Section 404 of the Sarbanes-Oxley Act. Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm addressing these assessments. These reporting and other obligations will place significant demands on our management, administrative, operational, internal audit and accounting resources and will cause us to incur significant expenses. We may need to upgrade our systems or create new systems; implement additional financial and management controls, reporting systems and procedures; expand our internal audit function; and hire additional accounting, internal audit and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on our business, operating results and stock price.

U.S. Federal Income Tax Risks

Failure to qualify as a REIT would reduce our net earnings available for investment or distribution.

Our qualification as a REIT will depend upon our ability to meet requirements regarding our organization and ownership, distributions of our income, the nature and diversification of our income and assets and other tests imposed by the Code. If we fail to qualify as a REIT for any taxable year after electing REIT status, we will be subject to U.S. federal income tax on our taxable income at corporate rates. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year of losing our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution to shareholders because of the additional tax liability. In addition, dividends to shareholders would no longer qualify for the dividends-paid deduction and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax. For a discussion of the REIT qualification tests and other considerations relating to our election to be taxed as REIT, see "U.S. Federal Income Tax Considerations."

Our shareholders may have current tax liability on distributions they elect to reinvest in our common stock.

In the future, we may institute a dividend reinvestment plan, which would allow our shareholders to acquire additional shares of common stock by automatically reinvesting their cash dividends. If our shareholders participate in a dividend reinvestment plan, they will be deemed to have received, and for income tax purposes will be taxed on, the amount reinvested in shares of our common stock to the

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extent the amount reinvested was not a tax-free return of capital. In addition, our shareholders will be treated for tax purposes as having received an additional distribution to the extent the shares are purchased at a discount to fair market value. As a result, unless a shareholder is a tax-exempt entity, it may have to use funds from other sources to pay its tax liability on the value of the shares of common stock received.

Even if we qualify as a REIT for U.S. federal income tax purposes, we may be subject to other tax liabilities that reduce our cash flow and our ability to make distributions to our shareholders.

Even if we qualify as a REIT for U.S. federal income tax purposes, we may be subject to some U.S. federal, state and local taxes on our income or property. For example:

- In order to qualify as a REIT, we must distribute annually at least 90% of our REIT taxable income to our shareholders (which is determined without regard to the dividends-paid deduction or net capital gain). To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on the undistributed income.
- We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years.
- If we have net income from the sale of foreclosure property that we hold primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we must pay a tax on that income at the highest corporate income tax rate.
- If we sell an asset, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% "prohibited transaction" tax unless such sale were made by our taxable REIT subsidiary ("TRS") or if we qualify for a safe harbor from tax.

We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

REIT distribution requirements could adversely affect our ability to execute our business plan.

From time to time, we may generate taxable income greater than our income for financial reporting purposes, or our taxable income may be greater than our cash flow available for distribution to shareholders (for example, where a borrower defers the payment of interest in cash pursuant to a contractual right or otherwise). If we do not have other funds available in these situations we could be required to borrow funds, sell investments at disadvantageous prices or find another alternative source of funds to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. These alternatives could increase our costs or reduce the value of our equity. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

To maintain our REIT status, we may be forced to forego otherwise attractive opportunities, which may delay or hinder our ability to meet our investment objectives and reduce our shareholders' overall return.

To qualify as a REIT, we must satisfy certain tests on an ongoing basis concerning, among other things, the sources of our income, nature of our assets and the amounts we distribute to our shareholders. We may be required to make distributions to shareholders at times when it would be more advantageous to reinvest cash in our business or when we do not have funds readily available for

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distribution. Compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits and the value of our shareholders' investment.

Recharacterization of sale-leaseback transactions may cause us to lose our REIT status.

We expect to purchase real properties and lease them back to the sellers of such properties. While we will use commercially reasonable efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a "true lease" for tax purposes, thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes, we cannot assure you that the Internal Revenue Service ("IRS") will not challenge such characterization. In the event that any such sale-leaseback transaction is challenged and recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests" or "income tests" and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

The "taxable mortgage pool" rules may increase the taxes that we or our shareholders incur and may limit the manner in which we conduct securitizations.

We may be deemed to be, or make investments in entities that own or are themselves deemed to be, taxable mortgage pools. Similarly, certain of our securitizations or other borrowings could be considered to result in the creation of a taxable mortgage pool for U.S. federal income tax purposes. As a REIT, provided that we own 100% of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. Certain categories of shareholders, however, such as foreign shareholders eligible for treaty or other benefits, shareholders with net operating losses, and certain tax-exempt shareholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. In addition, to the extent that our stock is owned by tax-exempt "disqualified organizations," such as certain government-related entities that are not subject to tax on unrelated business income, we will incur a corporate-level tax on a portion of our income from the taxable mortgage pool. In that case, we are authorized to reduce and intend to reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax by the amount of such tax paid by us that is attributable to such shareholder's ownership. Moreover, we would be precluded from selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for U.S. federal income tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

We may be subject to adverse legislative or regulatory tax changes affecting REITs that could have a negative effect on us.

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

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Our formation transactions may be treated other than as a tax-free transaction for federal income tax purposes and our contributors could be required to recognize taxable gain.

As a result of our formation transactions described above, the contributors expect to defer approximately \$41.4 million of taxable income and taxable gain. The contribution transactions are expected to be tax free, in whole or in part, to us, our operating partnership and the contributors. Our operating partnership will have a carryover tax basis in the assets of the limited liability companies acquired by us by contribution such that our basis will be the same as the basis immediately before our formation transactions, adjusted upward by the gain, if any, recognized by the contributors. As a result of the contributions, we will have substantial built-in taxable income in our assets immediately after our formation transactions.

We intend to take the position that each of the contributions of the interests in the limited liability companies qualify as a tax-free transaction, in whole or in part, under the Code. To the extent any of these contributions does not so qualify, then the contribution would be treated as a taxable asset sale in which the contributors would be required to recognize taxable gain. If the contribution is treated as a taxable event, our adjusted tax basis in the assets of the limited liability companies is expected to equal the then fair market value of the consideration paid for such assets.

ERISA Risks

If you fail to meet the fiduciary and other standards under ERISA or the Code as a result of an investment in our common stock, you could be subject to criminal and civil penalties

Fiduciaries of employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") should take into account their fiduciary responsibilities in connection with a decision to invest in our common stock. If such fiduciaries breach their responsibilities, including (among other things) the responsibility to act prudently, to diversify the plan's assets, and to follow plan documents and investment policies, they may be held liable for plan losses and may be subject to civil or criminal penalties and excise taxes. Similar consequences may result if a plan's investment in shares of our stock constitutes a so-called "prohibited transaction" under ERISA. Plans or arrangements that are not subject to ERISA, such as individual retirement accounts, may be subject to Section 4975 of the Code, which contains similar prohibited transaction rules.

Although it is intended that our underlying assets and our operating partnership's underlying assets will not constitute "plan assets" of ERISA plans within the meaning of Department of Labor regulations and Section 3(42) of ERISA, there can be no assurance in this regard. If our assets or our operating partnership's assets constitute plan assets under ERISA, certain transactions in which we might normally engage could constitute prohibited transactions under ERISA or the Code. If our assets or our operating partnership's assets are plan assets, our managers may be fiduciaries under ERISA.

Governmental employee benefit plans and certain church plans are exempt from ERISA, but these plans may be subject to federal, state or local laws that are similar to the ERISA laws and regulations discussed above.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this prospectus that are forward-looking statements, which are usually identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "seeks," "should," "will," and variations of such words or similar expressions. Our forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Although we believe that our plans, intentions, expectations, strategies and prospects as reflected in or suggested by our forward-looking statements are reasonable, we can give no assurance that our plans, intentions, expectations, strategies or prospects will be attained or achieved and you should not place undue reliance on these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and may be affected by a variety of risks and factors including, without limitation:

- the factors included in this prospectus, including those set forth under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business;"
- the competitive environment in which we operate;
- real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for tenants in such markets;
- decreased rental rates or increasing vacancy rates;
- potential defaults on or non-renewal of leases by tenants;
- potential bankruptcy or insolvency of tenants;
- acquisition risks, including failure of such acquisitions to perform in accordance with projections;
- the timing of acquisitions and dispositions;
- potential natural disasters such as hurricanes;
- national, international, regional and local economic conditions;
- the general level of interest rates;
- potential changes in the law or governmental regulations that affect us and interpretations of those laws and regulations, including changes in real estate and zoning or REIT tax laws, and potential increases in real property tax rates;
- financing risks, including the risks that our cash flows from operations may be insufficient to meet required payments of principal and interest and we may be unable to refinance our existing debt upon maturity or obtain new financing on attractive terms or at all;
- lack of or insufficient amounts of insurance;
- our ability to qualify and maintain our qualification as a REIT;
- litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and
- possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Market data and industry forecasts and projections used in this prospectus have been obtained from CBRE-EA or other independent industry sources. Forecasts, projections and other forward-looking information obtained from CBRE-EA or other sources are subject to similar qualifications and uncertainties as other forward-looking statements in this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of shares of our common stock in this offering will be approximately \$199.1 million (or approximately \$229.8 million if the underwriters exercise their overallotment option in full), in each case assuming a public offering price of \$16.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions of approximately \$14.9 million (or approximately \$17.1 million if the underwriters exercise their overallotment option in full) and estimated organizational and offering expenses of approximately \$6.1 million payable by us. We will contribute the net proceeds of this offering to our operating partnership in exchange for common units in our operating partnership.

We expect our operating partnership will use the net proceeds as follows:

- approximately \$185.3 million (including principal and related accrued interest) to repay mortgage debt secured by certain of the properties we will acquire in our formation transactions, including approximately \$5.4 million secured by the Option Properties (common units to be issued to Fund III in our formation transactions will be reduced accordingly), which bears interest at a weighted average rate of 4.4% per annum and has a weighted average remaining years to maturity of 1.72 years;
- approximately \$4.4 million (including principal and related accrued interest) to repay the loan dated January 31, 2009 from an affiliate of NED to the Fund III subsidiaries that will be contributed to us in our formation transactions, which bears interest at LIBOR plus 12.50% per annum and is scheduled to mature on January 31, 2012;
- approximately \$3.0 million (including principal and related accrued interest) to repay the loan originally drawn on May 15, 2007 from Fund III to the management company, of which \$312,600 was advanced to the management company in the past 12 months for payment of general corporate expenses (including salaries, office rent, interest on corporate debt, etc.), which bears interest at 9.0% per annum and has no stated maturity date;
- approximately \$2.5 million for general corporate purposes including acquisitions of real estate assets;
- approximately \$1.0 million to terminate a portion of an interest rate swap due to the retirement of mortgage debt;
- approximately \$1.2 million to repay expenditures associated with the retirement of indebtedness and the attainment of lender consents on existing indebtedness (including financing fees, related legal fees, and contingent waiver fees), and fees associated with the revolving credit facility;
- approximately \$1.0 million (including principal and related accrued interest) to repay the line of credit dated May 15, 2007 from an affiliate of NED to the management company, which bears interest at 13.0% per annum and is scheduled to mature on December 31, 2011;
- approximately \$0.5 million to pay transfer taxes associated with the contribution of our properties to us; and
- approximately \$0.2 million to post as escrows for our mortgage debt.

If the underwriters exercise their overallotment option in full, we expect to use the additional \$30.8 million of net proceeds for general corporate purposes, including acquisitions of real estate assets.

The debt repayments described above are estimated based on principal and related accrued interest outstanding as of December 31, 2010. The actual amounts of the debt repayments will depend on the principal and related accrued interest outstanding at the time of payment and may be greater

USE OF PROCEEDS

than or less than our estimates above. In addition, the debt repayments described above assume that 13,750,000 shares are sold by us at \$16.00 per share, the midpoint of the range set forth on the front cover of this prospectus, raising net proceeds of approximately \$199.1 million. If our actual net proceeds from this offering are less than our anticipated net proceeds, we would decrease the amount of outstanding borrowings we would repay under our Anglo Master Loan (Fund III).

Pending application of cash proceeds, we intend to invest the net proceeds temporarily in interest-bearing, short-term investment-grade securities, money-market accounts or checking accounts, which are consistent with our intention to qualify for taxation as a REIT. Such investments may include, for example, government and government agency certificates, certificates of deposit, interest-bearing bank deposits and mortgage loan participations. These initial investments are expected to provide a lower net return than we will seek to achieve from investments in our properties.

DISTRIBUTION POLICY

We intend to elect and qualify to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2011. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains. We will not be required to make distributions with respect to income derived from the activities conducted through STAG Industrial TRS, LLC (our "TRS") that is not distributed to us. Our TRS is the entity through which we will provide any third-party management and advisory services, potentially including management services provided to Fund II, Fund III and Fund IV, unless such services can be provided without jeopardizing our REIT status. To the extent our TRS's income is not distributed and is instead reinvested with the operations of our TRS, the value of our equity interest in our TRS will increase. The aggregate value of the securities that we hold in our TRS may not exceed 25% of the total value of our gross assets. In part because of restrictions applicable to us as a REIT, distributions from our TRS to us will not exceed 25% of our gross income with respect to any given taxable year.

We are a newly formed company that has not commenced operations and, as a result, we have not paid distributions as of the date of this prospectus. To satisfy the requirements to qualify as a REIT and generally not be subject to U.S. federal income tax, we intend to make quarterly distributions of all or substantially all of our taxable income to holders of our common stock out of assets legally available therefor. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending at the last day of the then-current fiscal quarter, based on a distribution of \$0.256 per share for a full quarter. On an annualized basis, this would be \$1.024 per share, or an annual distribution rate of approximately 6.4%, based on the midpoint of the range set forth on the cover page of this prospectus. We estimate that this initial annual distribution rate will represent approximately 93.7% of estimated cash available for distribution to our common shareholders for the 12 months ending December 31, 2011. Our intended initial annual distribution rate has been established based on our estimate of cash available for distribution for the 12 months ending December 31, 2011, which we have calculated based on adjustments to our pro forma net income for the 12 months ended December 31, 2010 (after giving effect to the offering and the formation transactions). This estimate was based on our pro forma operating results and does not take into account our growth strategy, nor does it take into account any unanticipated expenditures we may have to make or any debt we may have to incur. In estimating our cash available for distribution for the 12 months ending December 31, 2011, we have made certain assumptions as reflected in the table and footnotes below.

Our estimate of cash available for distribution does not include the effect of any changes in our working capital. Our estimate also does not reflect the amount of cash estimated to be used for investing activities for acquisition and other activities, other than a reserve for recurring capital expenditures and current contractual tenant improvement or leasing commission costs to be incurred in the 12 months ending December 31, 2011 related to any new leases or lease renewals entered into as of April 3, 2011. It also does not reflect the amount of cash estimated to be used for financing activities, other than scheduled debt principal payments on mortgage and other indebtedness that will be outstanding upon completion of this offering. Any such investing and/or financing activities may have a material effect on our estimate of cash available for distribution. Because we have made the assumptions set forth above in estimating cash available for distribution, we do not intend this estimate to be a projection or forecast of our actual results of operations or our liquidity, and we have estimated cash available for distribution for the sole purpose of determining the amount of our initial annual distribution rate. Our estimate of cash available for distribution should not be considered as an alternative to cash flow from operating activities (computed in accordance with GAAP). In addition,

DISTRIBUTION POLICY

the methodology upon which we made the adjustments described below is not necessarily intended to be a basis for determining future dividends or other distributions.

We intend to maintain our initial distribution rate for the 12-month period following completion of this offering unless our actual results of operations, economic conditions or other factors differ materially from the assumptions used in our estimate. Any future distributions we make will be at the discretion of our board of directors and will depend upon our earnings and financial condition, maintenance of REIT qualification and the applicable provisions of the MGCL and such other factors as our board may determine in its sole discretion. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution in order to meet these distribution requirements and we may need to use the proceeds from future equity and debt offerings, sell assets or borrow funds to make distributions. We have no intention to use the net proceeds from this offering to make distributions nor do we intend to make distributions using shares of common stock. We cannot assure you that our distribution policy will not change in the future. Actual distributions may be significantly different from the expected distributions. For more information regarding risk factors that could materially adversely affect our earnings and financial condition, please see "Risk Factors."

We anticipate that, at least initially, our distributions will exceed our then current and accumulated earnings and profits as determined for U.S. federal income tax purposes due to non-cash expenses, primarily depreciation and amortization charges that we expect to incur. Therefore, a portion of these distributions may represent a return of capital for federal income tax purposes. Distributions in excess of our current and accumulated earnings and profits will not be taxable to a taxable U.S. shareholder under current U.S. federal income tax law to the extent those distributions do not exceed the shareholder's adjusted tax basis in his or her common stock, but rather will reduce the adjusted basis of the common stock. Therefore, the gain (or loss) recognized on the sale of that common stock or upon our liquidation will be increased (or decreased) accordingly. To the extent those distributions exceed a taxable U.S. shareholder's adjusted tax basis in his or her common stock, they generally will be treated as a capital gain realized from the taxable disposition of those shares. We expect that approximately 56% of our estimated initial dividend will represent a return of capital for the tax period ending December 31, 2011. The percentage of our shareholder distributions that exceeds our current and accumulated earnings and profits may vary substantially from year to year. For a more complete discussion of the tax treatment of distributions to holders of our common stock, see "U.S. Federal Income Tax Considerations."

The following table describes our pro forma net income before non-controlling interest for the year ended December 31, 2010, and the adjustments we have made thereto in order to estimate our initial cash available for distribution to the holders of our common stock for the year ending December 31, 2011 (dollars in thousands, except per share data). The table reflects our condensed consolidated information, including common units in our operating partnership. Each common unit in

DISTRIBUTION POLICY

our operating partnership may be redeemed for cash, or at our option, one share of our common stock, beginning 12 months after completion of this offering.

Pro forma net income before non-controlling interest for the 12 months ended December 31, 2010	\$ 1,831
Add: Pro forma real estate depreciation and amortization	26,845
Add: Amortization of deferred financing costs	433
Less: Net effects of straight-line rents and amortization of acquired above/below market lease intangibles	(519)
Add: Non-cash compensation expense	799
Less: Gain on interest rate swaps	(33)
Pro forma cash flows provided by operations for the 12 months ended December 31, 2010	29,356
Add: Net increases in contractual rent income and related revenue ⁽¹⁾	1,653
Less: Net decreases in contractual rental and related revenue due to lease expirations, assuming no renewals ⁽²⁾	(3,064)
Estimated cash flows provided by operations for the 12 months ending December 31, 2011	27,945
Less: Provision for tenant improvements and leasing commissions ⁽³⁾	(255)
Less: Estimated annual provision for recurring capital expenditures ⁽⁴⁾	(278)
Estimated cash flows used in investing activities for the 12 months ending December 31, 2011	(533)
Less: Scheduled debt principal payments ⁽⁵⁾	(3,777)
Estimated cash flows used in financing activities for the 12 months ending December 31, 2011	(3,777)
Estimated cash available for distribution for the 12 months ending December 31, 2011	\$ 23,635
Estimated cash available for distribution to non-controlling interests for the 12 months ending December 31, 2011	8,517
Estimated cash available for distribution to common shareholders for the 12 months ending December 31, 2011	15,118
Estimated cash available for distribution for the 12 months ending December 31, 2011	23,635
Estimated annual distribution to non-controlling interest for the 12 months ending December 31, 2011	7,977
Estimated annual distribution to common shareholders for the 12 months ending December 31, 2011	14,163
Estimated annual distribution for the 12 months ending December 31, 2011	\$ 22,140
Estimated distribution per common unit for the 12 months ending December 31, 2011 ⁽⁶⁾	\$ 1.024
Estimated distribution per share for the 12 months ending December 31, 2011 ⁽⁶⁾	\$ 1.024
Payout ratio based on estimated cash available for distribution to our holders of common stock/common units	93.7%

- (1) Represents net increases in contractual rent income and related revenue from new leases, renewals, contractual rent increases and lease termination fees, net of abatements, from existing leases that were not in effect for the year ended December 31, 2010 or that will go into effect during the year ending December 31, 2011, based on leases entered into as of April 3, 2011.
- (2) Represents net decreases in contractual rental and related revenue due to lease expirations assuming no new leases or lease renewals for leases that expired during the year ended December 31, 2010 or will expire during the year ending December 31, 2011, other than renewals of month-to-month leases, unless the new lease or lease renewal was executed and delivered on or before April 3, 2011.
- (3) Provision for tenant improvements and leasing commissions includes any current contractual tenant improvement or leasing commission costs to be paid or incurred in the year ending December 31, 2011 related to any new leases or lease renewals entered into as of April 3, 2011. During the 12 months ending December 31, 2011, we expect to have additional tenant improvement and leasing commission expenditures related to new and renewal leasing that occur after December 31, 2010. Any increases in such expenditures would be directly related to such new and renewal leasing in that such expenditures would be incurred when a new lease is signed or an expiring lease is renewed, and are not included herein because we have no contractual obligations at this time for such future leasing.

DISTRIBUTION POLICY

- (4) Estimated annual provision for recurring capital expenditures is based on \$0.02 per leasable square foot of such expenditures for our consolidated portfolio. This estimate is based on the prior three year average recurring capital expenditures per square foot multiplied by the square footage of our existing portfolio.
- (5) Represents all scheduled debt repayments for the 12 months ending December 31, 2011, including both amortization and other principal repayments, excluding debt that we intend to repay with net proceeds of this offering.
- (6) Estimated distribution per share for the 12 months ending December 31, 2011 is based on 13,750,000 shares outstanding, 200,441 LTIP units outstanding, and 80,809 shares of restricted common stock outstanding following the completion of this offering and estimated distribution per common unit for the 12 months ending December 31, 2011 is based on 7,590,000 common units outstanding following the completion of this offering.

As reflected in the payout ratio shown in the table above, our estimated initial annual dividend of \$1.024 per share, or \$22.1 million in the aggregate, represents approximately 93.7% of our estimated cash available for distribution of \$23.6 million for the 12 months ending December 31, 2011. However, the above table does not include any increases or decreases in revenues or costs associated with: (1) any rental and related revenue increases or decreases from changes in occupancy in our real estate portfolio subsequent to December 31, 2010; (2) rental and related revenue from renewals of expiring leases in our real estate portfolio that may be executed subsequent to December 31, 2010 without regard to tenant retention (the management company has achieved an average tenant retention rate of 73.3% since its first property acquisition in 2004); (3) rental and related revenue from acquisitions completed subsequent to the completion of this offering, not considered probable at the time of the offering, from our current acquisition pipeline and other acquisition opportunities; and (4) any offsetting costs associated with any increases in revenue, such as tenant improvements and leasing commissions. As a result, our actual payout ratio could be higher or lower than the payout ratio shown in the table above.

If the above table was calculated assuming that we renewed all leases expiring during the year ending December 31, 2011 that had not expired and that we had not already renewed as of April 3, 2011 based on our average tenant retention rate of 73.3% and at the then current rental rate, our payout ratio based on estimated cash available for distribution would be 91.7% to our holders of common stock and common units.

CAPITALIZATION

The following table sets forth:

- the historical capitalization of STAG Predecessor Group as of December 31, 2010;
- our unaudited pro forma capitalization as of December 31, 2010, without giving effect to the sale of 13,750,000 shares of common stock in this offering at an assumed initial public offering price of \$16.00 per share (the midpoint of the offering price range on the cover of this prospectus), net of the underwriting discounts and estimated organizational and offering expenses payable by us, use of proceeds of this offering and the grant of LTIP units to our executive officers and independent directors and shares of restricted common stock to certain employees; and
- our unaudited pro forma capitalization as of December 31, 2010.

This table should be read in conjunction with "Use of Proceeds," "Selected Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and STAG Predecessor Group's historical audited financial statements and the unaudited pro forma financial information and related notes appearing elsewhere in this prospectus.

	As of December 31, 2010		
	STAG Predecessor Group Historical	Company Pro Forma Prior to this Offering (unaudited)	Company Pro Forma ^{(1) (2) (3)} (unaudited)
	(dollars in thousands)		
Debt	\$ 207,550	\$ 407,681	\$ 213,947
Owners' equity (deficit)	(8,336)	96,909	
Shareholders' equity (deficit):			
Preferred stock, par value \$0.01 per share, 10,000,000 shares authorized, no shares issued and outstanding	—	—	—
Common stock, par value \$0.01 per share; 100,000,000 shares authorized, 0, 110 and 13,830,809 shares issued and outstanding on a historical, pro forma prior to this offering and pro forma basis, respectively	—	—	138
Additional paid-in capital	—	—	188,819
Non-controlling interest in our operating partnership	—	—	106,433
Total owners' and shareholders' equity (deficit)	(8,336)	96,909	295,390
Total capitalization	\$ 199,214	\$ 504,590	\$ 509,337

(1) Assumes 13,750,000 shares will be sold in this offering at an initial public offering price of \$16.00 per share for net proceeds of approximately \$199.1 million after deducting the underwriting discounts and estimated organizational and offering expenses of approximately \$20.9 million. See "Use of Proceeds."

(2) Does not include the underwriters' option to purchase up to 2,062,500 additional shares of common stock.

(3) The common stock outstanding as shown does not include common units in our operating partnership to be issued in connection with our formation transactions. The common stock outstanding as shown includes 80,809 shares of restricted common stock to be granted to certain employees under our equity incentive plan upon the completion of this offering. The common stock outstanding as shown does not include (1) 200,441 LTIP units to be granted to our executive officers and independent directors under our equity incentive plan or (2) 1,319,250 shares of our common stock reserved for future issuance under our equity incentive plan. See "Management—Equity Incentive Plan."

DILUTION

Purchasers of our common stock offered in this prospectus will experience an immediate and substantial dilution of the net tangible book value of our common stock from the initial public offering price. As of December 31, 2010, we had a net tangible book value of approximately \$(19.1) million, or \$(24.75) per share of our common stock held by continuing investors, assuming the exchange of common units into shares of our common stock on a one-for-one basis. After giving effect to the sale of the shares of our common stock offered hereby, including the use of proceeds as described under "Use of Proceeds," and our formation transactions, the deduction of underwriting discounts and commissions, and estimated formation transaction and offering expenses, the pro forma net tangible book value as of December 31, 2010 attributable to common shareholders, excluding the effects of the grant of LTIP units and including the shares of restricted common stock to our executive officers, directors and certain employees, would have been \$105.7 million, or \$4.95 per share of our common stock. This amount represents an immediate increase in net tangible book value of \$29.70 per share to continuing investors and an immediate dilution in pro forma net tangible book value of \$11.05 per share from the assumed public offering price of \$16.00 per share of our common stock to new public investors. See "Risk Factors—Risks Related to this Offering—Differences between the book value of the assets to be acquired in our formation transactions and the price paid for our common stock will result in an immediate and material dilution of the book value of our common stock." The following table illustrates this per share dilution:

Assumed initial public offering price per share	\$ 16.00
Net tangible book value per share before our formation transactions and this offering ⁽¹⁾	\$ (24.75)
Increase in pro forma net tangible book value per share attributable to our formation transactions ⁽²⁾	\$ 12.44
Increase in pro forma net tangible book value per share attributable to this offering ⁽³⁾	\$ 17.26
Net increase in pro forma net tangible book value per share attributable to the formation transactions and this offering	\$ 29.70
Pro forma net tangible book value per share after our formation transactions and this offering ⁽⁴⁾	\$ 4.95
Dilution in pro forma net tangible book value per share to new investors ⁽⁵⁾	\$ 11.05

- (1) Net tangible book value per share of our common stock before our formation transactions and this offering is determined by dividing net tangible book value based on December 31, 2010 net book value of the tangible assets (consisting of total assets less intangible assets, which are comprised of goodwill, deferred financing and leasing costs, acquired above-market leases and acquired in place lease value, net of liabilities to be assumed, excluding acquired below market leases and acquired above-market ground leases) of STAG Predecessor Group by the number of shares of our common stock issued to Fund III in exchange for STAG Predecessor Group, assuming the exchange of the common units issued to Fund III for shares of our common stock on a one-for-one basis.
- (2) Increase in the net tangible book value attributable to our formation transactions represents the difference between (a) the net tangible book value per share before our formation transactions and this offering and (b) the pro forma net tangible book value, excluding net offering proceeds, divided by the number of outstanding shares of common stock after our formation transactions, but before this offering, assuming the exchange of all outstanding common units for shares of our common stock on a one-for-one basis and excluding the restricted shares of common stock and LTIP units that we will issue upon completion of the offering.
- (3) The increase in pro forma net tangible book value per share attributable to this offering is determined by subtracting (a) the sum of (i) the pro forma net tangible book value per share before our formation transactions and this offering (see note (1) above) and (ii) the increase in pro forma net tangible book value per share attributable to our formation transactions (see note (2) above) from (b)(i) the pro forma net tangible book value per share after our formation transactions and this offering (see note (4) below) divided by (ii) the number of outstanding shares of common stock after our formation transactions and this offering, assuming the exchange of all outstanding common units for shares of our common stock on a one-for-one basis and excluding the restricted shares of common stock and LTIP units that we will issue upon completion of this offering.

DILUTION

- (4) Based on pro forma net tangible book value of approximately \$105.7 million divided by the 21,340,000 shares of common stock to be outstanding after our formation transactions and this offering, assuming the exchange of all outstanding common units for shares of our common stock on a one-for-one basis and excluding the restricted shares of common stock and LTIP units that we will issue upon completion of this offering.
- (5) Dilution is determined by subtracting pro forma net tangible book value per share of our common stock after our formation transactions and this offering from the initial public offering price paid by a new investor for a share of our common stock.

The principal reduction in our pro forma net tangible book value in the table set forth above is not from goodwill but rather from net lease related assets and liabilities which are categorized by GAAP as intangibles. Our lease related intangible assets and liabilities primarily reflect the present value of the difference of in-place leasing rates and prevailing market rates as well as the avoided costs and lost revenue as if the buildings were vacant. If the above table was calculated without excluding lease related intangible assets and liabilities, the pro forma net tangible book value per share after our formation transactions and this offering would be \$8.59 and the dilution in pro forma net tangible book value per share to new investors would be \$7.41. In addition, the computations in the dilution table above do not reflect the fair value of the properties contributed by the STAG Predecessor Group as these assets are accounted for at carryover book basis.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial and operating data on (1) a pro forma basis for our company and (2) an historical basis for the STAG Predecessor Group. On a pro forma basis we will own 91 properties consisting of 57 properties owned by STAG Predecessor Group and 34 properties that constitute STAG Contribution Group. STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, is part of our predecessor business and consists of the subsidiaries of Fund III that will be contributed to us by Fund III in our formation transactions. STAG Contribution Group consists of the properties owned by Fund IV and STAG GI that will be contributed to us in the formation transactions.

In the selected financial and operating data, we have not presented historical financial information for STAG Industrial, Inc. because we have not had any corporate activity since our formation other than the issuance of shares of common stock in connection with the initial capitalization of our company and activity in connection with our formation transactions and this offering, and because we believe that a discussion of the results of STAG Industrial, Inc. would not be meaningful.

We have not presented historical financial information for the management company as its results are not considered significant, and because we believe that a discussion of these results, (which primarily consist of acquisition and asset management fees from Fund II, Fund III and Fund IV and general and administrative costs) would not be meaningful.

You should read the following summary financial and operating data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation," our unaudited pro forma consolidated financial statements and related notes, the historical combined financial statements and related notes of STAG Predecessor Group, the historical combined statements of revenue and certain expenses and related notes of STAG Contribution Group, and the historical (combined) statements of revenue and certain expenses and related notes of the various properties listed in the Index to the Financial Statements.

The unaudited pro forma condensed consolidated balance sheet data is presented as if this offering and our formation transactions had occurred on December 31, 2010, and the unaudited pro forma statement of operations and other data for the year ended December 31, 2010 is presented as if this offering and our formation transactions had occurred on January 1, 2010. The pro forma financial information is not necessarily indicative of what our actual financial condition would have been as of December 31, 2010 or what our actual results of operations would have been assuming this offering and our formation transactions had been completed as of January 1, 2010, nor does it purport to represent our future financial position or results of operations.

The selected historical combined balance sheet information as of December 31, 2010 and 2009, and the historical combined statement of operations data for the years ended December 31, 2010, 2009, and 2008, have been derived from the combined financial statements of the STAG Predecessor Group audited by PricewaterhouseCoopers LLP, independent registered public accountants, whose report thereon is included elsewhere in this prospectus. The summary historical cost balance sheet information as of December 31, 2008 and the historical combined statement of operations data for the year ended December 31, 2007 have been derived from audited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus. The summary historical combined balance sheet information as of December 31, 2007 and 2006 and the historical combined statement of operations for the period ended December 31, 2006 have been derived from the unaudited combined financial statements of the STAG Predecessor Group, which are not included in this prospectus.

SELECTED FINANCIAL INFORMATION

The audited historical financial statements of STAG Predecessor Group in this prospectus, and therefore the historical financial and operating data in the table below exclude the operating results and financial condition of the Option Properties, the entities that own the Option Properties and the management company.

	Company Pro Forma		STAG Predecessor Group Historical				Period Ended December 31,
	Year Ended December 31,	Year Ended December 31,					
		2010 (unaudited)	2010	2009	2008	2007 ⁽¹⁾ (unaudited)	
(dollars in thousands)							
Statement of Operations Data:							
Revenue							
Rental income	\$ 52,917	\$ 24,249	\$ 25,658	\$ 27,319	\$ 11,162	\$ 941	
Tenant recoveries and other income	6,178	3,761	4,508	3,951	1,326	—	
Other	1,252	—	—	—	—	—	
Total revenue	60,347	28,010	30,166	31,270	12,488	941	
Expenses							
Property	9,361	6,123	8,409	5,813	1,437	11	
General and administrative	9,198	937	1,078	1,112	648	29	
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336	
Loss on impairment of assets	—	—	—	3,728	—	—	
Total expenses	45,404	16,574	19,744	22,761	6,772	376	
Other income (expense)							
Interest income	16	16	66	140	163	4	
Interest expense	(13,161)	(14,116)	(14,328)	(15,058)	(7,861)	(616)	
Gain (loss) on interest rate swaps	33	(282)	(1,720)	(1,275)	—	—	
Total other income (expense)	(13,112)	(14,382)	(15,982)	(16,193)	(7,698)	(612)	
Net income (loss)	\$ 1,831	\$ (2,946)	\$ (5,560)	\$ (7,684)	\$ (1,982)	\$ (47)	
Balance Sheet Data (End of Period):							
Rental property, before accumulated depreciation	442,617	210,186	210,009	208,948	212,688	31,998	
Rental property, after accumulated depreciation	423,356	190,925	195,383	200,268	210,294	31,808	
Total assets	523,508	211,004	220,116	229,731	242,134	35,976	
Notes payable	213,947	207,550	212,132	216,178	217,360	31,877	
Total liabilities	228,118	219,340	221,637	223,171	220,548	32,305	
Owners'/shareholders' equity (deficit)	295,390	(8,336)	(1,521)	6,560	21,586	3,671	
Other Data:							
Cash flow provided by operating activities		\$ 9,334	\$ 8,365	\$ 8,431	\$ 3,488	\$ 273	
Cash flow used in investing activities		(2,088)	(2,040)	(411)	(203,669)	(30,041)	
Cash flow (used in) provided by financing activities		(8,451)	(6,921)	(8,524)	204,581	35,315	

SELECTED FINANCIAL INFORMATION

	Company		STAG Predecessor Group			
	Pro Forma		Historical			
	Year Ended December 31,		Year Ended December 31,			
	2010	2010	2009	2008	2007 ⁽¹⁾	Period Ended December 31, 2006
(dollars in thousands)						
Net operating income (NOI) (unaudited) ⁽²⁾						
Rental income	\$ 52,917	\$ 24,249	\$ 25,658	\$ 27,319	\$ 11,162	\$ 941
Tenant recoveries	6,178	3,761	4,508	3,951	1,326	—
Other operating income	1,252	—	—	—	—	—
Property expenses	(9,361)	(6,123)	(8,409)	(5,813)	(1,437)	(11)
Net operating income (NOI)	50,986	21,887	21,757	25,457	11,051	930
Net income (loss)						
Net income (loss)	1,831	(2,946)	(5,560)	(7,684)	(1,982)	(47)
Interest income	(16)	(16)	(66)	(140)	(163)	(4)
(Gain) loss on interest rate swaps	(33)	282	1,720	1,275	—	—
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336
Interest expense	13,161	14,116	14,328	15,058	7,861	616
General and administrative expenses	9,198	937	1,078	1,112	648	29
Loss on impairment	—	—	—	3,728	—	—
Net operating income (NOI)	50,986	21,887	21,757	25,457	11,051	930
EBITDA (unaudited) ⁽²⁾						
Net income (loss)	1,831	(2,946)	(5,560)	(7,684)	(1,982)	(47)
Interest expense	13,161	14,116	14,328	15,058	7,861	616
Interest income	(16)	(16)	(66)	(140)	(163)	(4)
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336
EBITDA	41,821	20,668	18,959	19,342	10,403	901
Funds from operations (FFO) (unaudited) ⁽²⁾						
Net income (loss)	1,831	(2,946)	(5,560)	(7,684)	(1,982)	(47)
Depreciation and amortization	26,845	9,514	10,257	12,108	4,687	336
Funds from operations (FFO)	28,676	6,568	4,697	4,424	2,705	289
Adjusted funds from operations (AFFO) (unaudited) ⁽²⁾						
FFO	28,676	6,568	4,697	4,424	2,705	289
Impairment charges	—	—	—	3,728	—	—
Straight line rental revenue adjustment	(2,001)	(641)	(817)	(1,187)	(415)	(61)
Deferred financing cost amortization	433	118	466	522	160	30
Above/below market lease amortization	1,482	(34)	284	(563)	(7)	(15)
(Gain) loss on interest rate swaps	(33)	282	1,720	1,275	—	—
Acquisition costs ⁽³⁾	—	—	—	—	—	—
Amortization of non-cash compensation	799	—	—	—	—	—
Recurring capital expenditures	(293)	(279)	(164)	(118)	—	—
Lease renewal commissions and tenant improvements	(156)	(156)	(20)	—	—	—
Adjusted funds from operations (AFFO)	28,907	5,858	6,166	8,081	2,443	243

- (1) We have prepared the results of operations for the year ended December 31, 2007 by combining amounts for 2007 obtained by adding the audited operating results of each of the Antecedent for the period of January 1, 2007 to May 31, 2007 and STAG Predecessor Group for the period of June 1, 2007 to December 31, 2007 (since the difference in basis between Antecedent and STAG Predecessor Group were not materially different and the entities were under common management). Although this combined presentation does not comply with GAAP, we believe that it provides a meaningful method of comparison.
- (2) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more detailed explanations of NOI, EBITDA, FFO and AFFO, and reconciliations of NOI, EBITDA, FFO and AFFO to net income computed in accordance with GAAP.
- (3) Represents the costs associated with acquisitions that are expensed under GAAP.

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

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the risks described in "Risk Factors" and elsewhere in this prospectus. You should read the following discussion with "Cautionary Note Regarding Forward-Looking Statements" and the combined financial statements and related notes included elsewhere in this prospectus.

The following discussion and analysis is based on, and should be read in conjunction with, the audited financial statements and notes thereto as of December 31, 2010 and 2009 (and for the years ended December 31, 2010, 2009 and 2008) of STAG Predecessor Group. We have not had any corporate activity since our formation, other than the issuance of 110 shares of our common stock in connection with our initial capitalization and activities in preparation for our formation transactions and this offering. Accordingly, we believe that a discussion of our results of operations would not be meaningful, and this discussion and analysis therefore only discusses the combined results of STAG Predecessor Group. For more information regarding these companies, see "Selected Financial Information." All significant intercompany balances and transactions have been eliminated in the financial statements.

Overview

We are a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. We will continue and grow the single-tenant industrial business conducted by our predecessor business. Mr. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, together with an affiliate of NED, a real estate development and management company, formed our predecessor business, which commenced active operations in 2004. Since inception, we have deployed approximately \$1.4 billion of capital, representing the acquisition of 220 properties totaling approximately 35.3 million rentable square feet in 144 individual transactions.

Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet. Our properties consist of 44 warehouse/distribution properties, 26 manufacturing properties and 21 flex/office properties. As of December 31, 2010, our properties were 89.7% leased to 70 tenants, with no single tenant accounting for more than 5.5% of our total annualized rent and no single industry accounting for more than 14.7% of our total annualized rent.

We intend to continue to target the acquisition of individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States with purchase prices ranging from \$5 million to \$25 million. We believe that, due to observed market inefficiencies, our focus on these properties will allow us to generate returns for our shareholders that are attractive in light of the associated risks, when compared to other real estate portfolios.

We intend to elect and qualify to be taxed as a REIT under the Code for the year ending December 31, 2011, and generally will not be subject to U.S. federal taxes on our income to the extent we currently distribute our income to our shareholders and maintain our qualification as a REIT. We are structured as an UPREIT and will own substantially all of our assets and conduct substantially all of our business through our operating partnership.

As a result of our formation transactions, our future financial condition and results of operations will differ significantly from, and will not be comparable with, the historical financial position and results of operations of STAG Predecessor Group, which will be only a part of our company after the

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

consummation of our formation transactions. Please refer to our unaudited pro forma consolidated financial statements and related notes included elsewhere in this prospectus, which present on a pro forma basis the condition and results of our company as if our formation transactions and this offering and the application of the net proceeds thereof had all occurred on December 31, 2010 for the pro forma consolidated balance sheet and on January 1, 2010 for the pro forma consolidated statement of operations. The pro forma financial information is not necessarily indicative of what our actual financial position and results of operations would have been as of the date or for the periods indicated, nor does it propose to represent our future financial position or results of operations.

Formation Transactions

Concurrently with this offering, we will complete our formation transactions, pursuant to which we will acquire, through a series of contribution transactions, direct or indirect interests in the management company and certain of the industrial properties owned by Fund III and all of the properties owned by Fund IV and STAG GI.

As a result of our formation transactions, we will acquire our property portfolio together with the other assets and operations of the management company. In consideration for the contributions, we will issue an aggregate of 7,590,000 common units with an aggregate value of \$121.4 million, assuming an offering price at the midpoint of the range set forth on the cover page of this prospectus, to the contributors of the management company, Fund III, Fund IV and STAG GI. We will also repay with the proceeds of this offering approximately \$193.7 million of debt and assume approximately \$213.9 million in principal amount of mortgage debt secured by our properties, based on December 31, 2010 balances on a pro forma basis.

Our management has determined that common control does not exist among the entities constituting our predecessor business; accordingly, our formation transactions will be accounted for as a business combination. Any interests in the entities contributed by Fund III are presented in the combined financial statements of STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, at historical cost. The contribution of all interests other than those directly owned by STAG Predecessor Group will be accounted for under the purchase method of accounting and recorded at the estimated fair value of acquired assets and assumed liabilities corresponding to their ownership interests. The fair values of tangible assets acquired are determined on an as-if-vacant basis. The as-if-vacant fair value will be allocated to land, building, tenant improvements and the value of in-place leases based on our own market knowledge and published market data, including current rental rates, expected downtime to lease up vacant space, tenant improvement construction costs, leasing commissions and recent sales on a per square foot basis for comparable properties in our sub-markets. The estimated fair value of acquired in-place leases are the costs we would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair value of leasing commissions and legal costs that would be incurred to lease this property to this occupancy level. Additionally, we evaluate the time period over which such occupancy level would be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period, which generally ranges up to eight to 15 months. Above-market and below-market in-place lease values are recorded as an asset or liability based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. The fair value of the debt assumed was determined using current market interest rates for comparable debt financings.

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Upon consummation of our formation transactions and this offering, our operations will be carried on through our operating partnership, STAG Industrial Operating Partnership, L.P., which we formed on December 21, 2009. Our formation transactions were designed to:

- consolidate the ownership of the property portfolio under our operating partnership and its subsidiaries;
- consolidate our acquisition and asset management businesses into a subsidiary of our operating partnership;
- enable us to qualify as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2011;
- defer the recognition of taxable gain by certain continuing investors; and
- enable prior investors to obtain liquidity (common units) for their investments.

As a result, we expect to be a fully integrated, self-administered and self-managed real estate company with 26 employees providing substantial in-house expertise in asset management, property management, leasing, tenant improvement construction, acquisitions, repositioning, redevelopment, legal and financing.

Factors That May Influence Future Results of Operations

Business and Strategy

We expect to continue our predecessor business' investment strategy of acquiring individual, Class B single-tenant industrial properties predominantly in secondary markets throughout the United States through third-party purchases and structured sale-leasebacks featuring high initial yields and strong current cash-on-cash returns. We believe that the systematic aggregation of such properties results in a diversified portfolio that will produce sustainable returns which are attractive in light of the associated risks. Future results of operations may be affected, either positively or negatively, by our ability to execute this strategy.

Rental Revenue

We receive income primarily from rental revenue from our properties. The amount of rental revenue generated by the properties in our portfolio depends principally on our ability to maintain the occupancy rates of currently leased space and to lease currently available space and space available from lease terminations. As of December 31, 2010, properties owned by our predecessor business were approximately 89.7% leased. The amount of rental revenue generated by us also depends on our ability to maintain or increase rental rates at our properties. Future economic downturns or regional downturns affecting our submarkets that impair our ability to renew or re-lease space and the ability of our tenants to fulfill their lease commitments, as in the case of tenant bankruptcies, could adversely affect our ability to maintain or increase rental rates at our properties. Our pro forma rental income for the year ended December 31, 2010 was \$52.9 million. Approximately \$1.3 million of this rental income was attributable to leases that have terminated or expired where we have not yet re-leased the space. If the space had been vacant for the entire year then the rental income for the year ended December 31, 2010, would have been reduced by \$1.3 million in the aggregate. Our predecessor business since inception has experienced insolvency of three tenants. The write-off related to the three tenants was \$1.1 million in the aggregate. In the future, we may experience additional tenant insolvencies and may be required to recognize additional write-offs.

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

Certain leases entered into by us contain tenant concessions. Any such rental concessions are accounted for on a straight line basis over the term of the lease.

Scheduled Lease Expirations

Our ability to re-lease space subject to expiring leases will impact our results of operations and is affected by economic and competitive conditions in our markets and by the desirability of our individual properties. As of December 31, 2010, in addition to approximately 1,434,217 rentable square feet of currently available space in our properties, leases representing approximately 4.8% of the rentable square footage of such portfolio are scheduled to expire prior to December 31, 2011. The leases scheduled to expire prior to December 31, 2011 represent approximately 6.7% of the total annualized rent for our portfolio.

Conditions in Our Markets

The properties in our portfolio are located in markets throughout the United States. Positive or negative changes in economic or other conditions, adverse weather conditions and natural disasters in these markets may affect our overall performance.

Rental Expenses

Our rental expenses generally consist of utilities, real estate taxes, management fees, insurance and site repair and maintenance costs. For the majority of our tenants, our rental expenses are controlled, in part, by the triple net provisions in tenant leases. In our triple net leases, the tenant is responsible for all aspects of and costs related to the property and its operation during the lease term, including utilities, taxes, insurance and maintenance costs. However, we also have modified gross leases and gross leases in our property portfolio. The terms of those leases vary and on some occasions we may absorb property related expenses of our tenants. In our modified gross leases, we are responsible for some property related expenses during the lease term, but the cost of most of the expenses is passed through to the tenant for reimbursement to us. In our gross leases, we are responsible for all aspects of and costs related to the property and its operation during the lease term. Our overall performance will be impacted by the extent to which we are able to pass-through rental expenses to our tenants.

General and Administrative Expenses

Following this offering, we also will incur increased general and administrative expenses, including legal, accounting and other expenses related to corporate governance, public reporting and compliance with various provisions of the Sarbanes-Oxley Act of 2002. We anticipate that our staffing levels will increase from 26 employees to between 27 and 30 employees during the next 12 to 24 months and, as a result, our general and administrative expenses will further increase.

Certain Items Included in Our Pro Forma Operating Results

While our unaudited pro forma rental income is \$52,917,000 for the year ended December 31, 2010, our total annualized rent (as defined on page ii of this prospectus) is \$50,428,000, as of December 31, 2010. Our total annualized rent excludes \$157,300 of contractual revenue from space ground-leased to two tenants that is included in our unaudited pro forma results of operations for the year ended December 31, 2010. In addition, we note that our unaudited pro forma results of operations for the year ended December 31, 2010 included tenant recoveries in the amount of \$6,178,000 and property expenses in the amount of \$9,361,000. Our unaudited pro forma results of operations for the

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
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year ended December 31, 2010 included, among other items, approximately \$46,800 of net tenant recoveries in excess of property expenses associated with five tenants who terminated their leases during calendar year 2010, which space remained vacant as of December 31, 2010.

Critical Accounting Policies

Our discussion and analysis of the historical financial condition and results of operations of the STAG Predecessor Group are based upon its combined financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses in the reporting period. Actual amounts may differ from these estimates and assumptions. We have provided a summary of significant accounting policies in note 2 to the combined financial statements of the STAG Predecessor Group included elsewhere in this prospectus. We have summarized below those accounting policies that require material subjective or complex judgments and that have the most significant impact on financial condition and results of operations. Management evaluates these estimates on an ongoing basis, based upon information currently available and on various assumptions that it believes are reasonable as of the date hereof. In addition, other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our or the STAG Predecessor Group's results of operations and financial condition to those of other companies.

The following discussion of critical accounting policies uses "we" and "STAG Predecessor Group" interchangeably. Except where specifically stated to the contrary, we expect the critical accounting policies of STAG Industrial, Inc. to be substantially similar to those of the STAG Predecessor Group.

Rental Property and Depreciation

Rental property is carried at cost. We review our properties on a periodic basis for impairment and provide a provision if impairments are identified. To determine if an impairment may exist, we review our properties and identify those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy). If further assessment of recoverability is needed, we estimate the future net cash flows expected to result from the use of the property and its eventual disposition, on an individual property basis. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property on an individual property basis, we will recognize an impairment loss based upon the estimated fair value of such property as compared to its current carrying value.

Depreciation expense is computed using the straight-line method based on the following useful lives:

Buildings	40 years
Building and land improvements	5 - 20 years
Tenant improvements	Shorter of useful life or terms of related lease

Expenditures for tenant improvements, leasehold improvements and leasing commissions are capitalized and amortized or depreciated over the shorter of their useful lives or the terms of each specific lease. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

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

We account for all acquisitions in accordance with the guidance issued by the Financial Accounting Standards Board ("FASB") under FASB Accounting Standard Codification ("ASC"), ASC 805, *Business Combinations*, (formerly known as Statement of Financial Accounting Standards ("SFAS") No. 141(R)). The FASB issued ASC 805 to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. The statement is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We adopted ASC 805 on January 1, 2009 and the adoption did not have a material effect on the combined financial statements.

Upon acquisition of a property, we allocate the purchase price of the property based upon the fair value of the assets acquired, which generally consist of land, buildings, tenant improvements and intangible assets including in-place leases, above market and below market leases and tenant relationships. We allocate the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values are amortized as a reduction of rental income over the remaining term of the respective leases, and the below market lease values are amortized as an increase to base rental income over the remaining initial terms plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases.

Tenant Accounts Receivable, Net

We maintain an allowance for estimated losses that may result from the inability of tenants to make required payments. We regularly assess our ability to collect outstanding payments and in so doing must make estimates of the collectability of tenant accounts receivable. If a tenant fails to make contractual payments beyond any allowance, we may recognize bad debt expense in future periods equal to the amount of unpaid rent and deferred rent.

Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, tenant accounts receivable, interest rate swaps, accounts payable, other accrued expenses and mortgage notes payable. The fair values of the cash and cash equivalents, tenant accounts receivable, accounts payable and other accrued expenses approximate their carrying or contract values.

We calculate the fair value of mortgage notes payable by discounting the future cash flows using the current rates at which loans would be made to borrowers with similar credit ratings for loans with similar remaining maturities and similar loan-to-value ratios.

Derivative Instruments

We account for interest rate swaps in accordance with ASC 815, *Derivatives and Hedging*, (formerly known as SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*). On January 1, 2009, we adopted SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133* (SFAS 161), which changes the disclosure

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

requirements for derivative instruments and hedging activities. The adoption of SFAS 161 (now included in ASC 815) did not have a material impact on our results of operations or financial condition.

We designate interest rate swaps as non-hedge instruments. Accordingly, we recognize the fair value of the interest rate swap as asset or liability on the combined balance sheets with the changes in fair value recognized in the combined statements of operations.

We adopted the fair value measurement provisions as of January 1, 2008 for our interest rate swaps recorded at fair value. The new guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. As of December 31, 2010 and 2009, we applied the provisions of this standard to the valuation of our interest rate swaps, which are the only financial instruments measured at fair value on a recurring basis.

Revenue and Gain Recognition

Rental revenue is recognized on a straight-line basis over the term of the lease when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. Additional rents from expense reimbursements for insurance, real estate taxes and certain other expenses are recognized in the period in which the related expenses are incurred.

Certain tenants are obligated to make payments for insurance, real estate taxes and certain other expenses and these costs, which have been assumed by the tenants under the terms of their respective leases, are not reflected in our combined financial statements. To the extent any tenant responsible for these costs under their respective lease defaults on their lease or it is deemed probable that they will fail to pay for such costs, we would record a liability for such obligation. Recovery revenue related to leases whereby the tenant has assumed the cost for insurance, real estate taxes, and certain other expenses is not recognized in the combined financial statements.

Rental revenue from month-to-month leases or leases with no scheduled rent increases or other adjustments is recognized on a monthly basis when earned.

Lease termination fees are recognized as termination revenue when the related leases are canceled and we have no continuing obligation to provide services to such former tenants. STAG Predecessor Group has no lease termination revenue for the years presented.

We recognize gains on sales of real estate pursuant to the provisions of ASC 360-20-15, *Accounting for Sales of Real Estate* (formerly known as SFAS No. 66). The specific timing of a sale is measured against various criteria in ASC 360-20-15 related to the terms of the transaction and any continuing involvement in the form of management or financial assistance associated with the property. If the sales criteria are not met, we defer gain recognition and accounts for the continued operations of the property by applying the finance, installment or cost recovery methods, as appropriate, until the sales criteria are met.

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

Historical Results of Operations of STAG Predecessor Group

The following table summarizes our historical results of operations for the years ended December 31, 2010, 2009, and 2008.

	Year Ended December 31,		% Change	Year Ended December 31,		% Change
	2010	2009	(dollars in thousands)	2008		
Revenue						
Rental income	\$ 24,249	\$ 25,658	(5)%	\$ 27,319	(6)%	
Tenant recoveries ⁽¹⁾	3,761	4,508	(17)%	3,951	14%	
Total revenue	28,010	30,166	(7)%	31,270	(4)%	
Expenses						
Property	3,254	5,342	(39)%	3,009	78%	
General and administrative	337	478	(29)%	502	(5)%	
Real estate taxes and insurance	2,869	3,067	(6)%	2,804	9%	
Asset management fees	600	600	0%	610	(2)%	
Depreciation and amortization	9,514	10,257	(7)%	12,108	(15)%	
Loss on impairment of assets	—	—	—	3,728	(100)%	
Total expenses	16,574	19,744	(16)%	22,761	(13)%	
Other income (expense)						
Interest income	16	66	(76)%	140	(53)%	
Interest expense	(14,116)	(14,328)	(1)%	(15,058)	(5)%	
Gain (loss) on interest rate swaps	(282)	(1,720)	(84)%	(1,275)	35%	
Total other income (expense)	(14,382)	(15,982)	(10)%	(16,193)	(1)%	
Net loss	\$ (2,946)	\$ (5,560)	(47)%	\$ (7,684)	(28)%	

(1) Tenant recoveries related to reimbursement of real estate taxes, insurance, repairs and maintenance, and other operating expenses are recognized as revenue in the period the applicable expenses are incurred.

Comparison of year ended December 31, 2010 to year ended December 31, 2009

Revenue

Total revenue decreased by \$2.2 million, or 7%, to \$28.0 million for the year ended December 31, 2010 compared to \$30.2 million for the year ended December 31, 2009. A detailed analysis of the increase follows.

Rent. Rental revenue decreased by \$1.4 million, or 5%, to \$24.2 million for the year ended December 31, 2010 compared to \$25.7 million for the year ended December 31, 2009. The decrease is primarily attributable to terminated or expiring leases during the year ended December 31, 2010, offset by an increase in new leases and lease escalations.

Tenant recoveries. Tenant recoveries decreased by \$747,600, or 17%, to \$3.8 million for the year ended December 31, 2010, compared to \$4.5 million for the year ended December 31, 2009. The decrease is primarily attributable to fewer property expenses being recovered due to lower occupancy resulting from terminated or expiring leases that occurred during the year ended December 31, 2010.

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Expenses

Property. Property expense, which consists of property operation and maintenance expenses and bad debt expense decreased by \$2 million, or 39%, to \$3.3 million for the year ended December 31, 2010 compared to \$5.3 million for the year ended December 31, 2009. The decrease was primarily attributable to \$1.9 million in bad debt expense incurred during the year ended December 31, 2009. The bad debt expense resulted primarily from non-payment of rent and reimbursable expenses from three financially troubled tenants.

General and administrative. General and administrative expenses decreased \$141,000, or 29%, to \$337,000 for the year ended December 31, 2010 from \$478,000 for the year ended December 31, 2009. The decrease was primarily attributable to a lower amount of legal and accounting fees incurred.

Real estate taxes and insurance. Real estate taxes and insurance decreased by \$198,000, or 6%, to \$2.9 million for the year ended December 31, 2010 compared to \$3.1 million for the year ended December 31, 2009. The decrease was primarily attributable to lower insurance fees incurred.

Asset management fees. Asset management fees remained unchanged at \$600,000 for the years ended December 31, 2010 and 2009, respectively.

Depreciation and amortization. Depreciation and amortization expense decreased \$743,000, or 7%, to \$9.5 million for the year ended December 31, 2010 compared to \$10.3 million for the year ended December 31, 2009. The decrease was primarily attributable to accelerated amortization of lease intangibles recorded during the year ended December 31, 2009 in connection with certain lease terminations and early vacancies.

Other Income (Expense)

Interest income. Interest income decreased 76% to \$16,000 for the year ended December 31, 2010 from \$66,000 for the year ended December 31, 2009. The decrease was primarily attributable to lower cash balances.

Interest expense. Interest expense decreased \$212,000, or 1%, to \$14.1 million for the year ended December 31, 2010 compared to \$14.3 million for the year ended December 31, 2009. The decrease was attributable to a reduction in loan balances due to amortized principal payments.

Gain (loss) on interest rate swaps. Our loss on interest rate swaps decreased \$1.4 million to \$282,000 for the year ended December 31, 2010 compared to \$1.7 million for the year ended December 31, 2009. The decrease was primarily attributable to an increase in the forward rate of the underlying LIBOR-based floating rate debt.

Comparison of year ended December 31, 2009 to year ended December 31, 2008

Revenue

Total revenue decreased by \$1.1 million, or 4%, to \$30.2 million for the year ended December 31, 2009 compared to \$31.3 million for the year ended December 31, 2008. A detailed analysis of the decrease follows.

Rent. Rent decreased by \$1.7 million, or 6%, to \$25.7 million for the year ended December 31, 2009 compared to \$27.3 million for the year ended December 31, 2008. The two primary components

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of the decrease were lower occupancy levels and the write-off of above market lease intangible assets. Rental revenue decreased \$923,000 due to lower occupancy during 2009. Rental revenue decreased \$690,000 due to the write-off of above market lease intangible assets related to a lease termination.

Tenant recoveries. Tenant recoveries increased by \$557,000, or 14%, to \$4.5 million for the year ended December 31, 2009 compared to \$4.0 million for the year ended December 31, 2008. The increase in tenant recoveries was primarily attributable to the amount of tenant specific billings related to real estate tax and insurance recoveries compared to the previous period. The increase was partially offset by a decrease in tenant recoveries attributable to lower occupancy rates.

Expenses

Property. Property expense, which consists of property operation and maintenance expenses and bad debt expense, increased by \$2.3 million, or 78%, to \$5.3 million for the year ended December 31, 2009 compared to \$3.0 million for the year ended December 31, 2008. The increase was primarily attributable to an increase of \$1.9 million in bad debt expense recorded in 2009. The increase in bad debt expense resulted from nonpayment of rent and reimbursable expenses from five financially troubled tenants. The increase in property expense was also attributable to approximately \$250,000 of environmental remediation costs incurred in connection with our Daytona Beach, FL property.

General and administrative. General and administrative expenses decreased \$24,327, or 5%, to \$478,141 for the year ended December 31, 2009 from \$502,468 for the year ended December 31, 2008. The decrease was primarily attributable to a reduction in legal fees incurred and a reduction in appraisal fees, partially offset by an increase in accounting fees.

Real estate taxes and insurance. Real estate taxes and insurance increased by \$263,088, or 9%, to \$3.1 million for the year ended December 31, 2009 compared to \$2.8 million for the year ended December 31, 2008. The increase was primarily attributable to a payment made for real estate taxes on our St. Louis, MO property on behalf of a non-paying tenant. This increase was partially offset by lower real estate tax assessments at various other properties.

Asset management fees. Asset management fees decreased \$9,883, or 2%, to \$599,869 for the year ended December 31, 2009 from \$609,752 for the year ended December 31, 2008.

Depreciation and amortization. Depreciation and amortization expense decreased \$1.9 million, or 15%, to \$10.3 million for the year ended December 31, 2009 compared to \$12.1 million for the year ended December 31, 2008. The decrease was primarily attributable to accelerated amortization of lease intangibles related to lease terminations during the year ended December 31, 2008. The decrease was also attributable to a reduced asset base for depreciation purposes due to a 2008 asset impairment.

Loss on impairment. There were no impairment charges for the year ended December 31, 2009 compared to \$3.7 million for the year ended December 31, 2008. The 2008 impairment charge was attributable to the impairment of our property located in Daytona Beach, Florida. The loss of occupancy, its continued vacancy and lower market rents indicated that the carrying amount of this property had been impaired.

Other Income (Expense)

Interest income. Interest income decreased \$73,632, or 53%, to \$66,852 for the year ended December 31, 2009 from \$140,484 for the year ended December 31, 2008. The decrease was primarily

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

attributable to declining bank deposit balances resulting from an increase in principal payments on debt during the year ended December 31, 2009.

Interest expense. Interest expense decreased \$729,490, or 5%, to \$14.3 million for the year ended December 31, 2009 compared to \$15.1 million for the year ended December 31, 2008. The decrease was primarily attributable to a reduction in interest rates and loan balances due to amortized principal payments under amended loan agreements.

Gain (loss) on interest rate swaps. Our loss on interest rate swaps increased \$445,720, or 35%, to \$1.7 million for the year ended December 31, 2009 compared to \$1.3 million for the year ended December 31, 2008. The increase was primarily attributable to larger underlying notional amounts under the swap agreements and an increase in the interest rate swap spread.

Liquidity and Capital Resources

Our short-term liquidity requirements consist primarily of funds to pay for operating expenses and other expenditures directly associated with our properties, including:

- interest expense and scheduled principal payments on outstanding indebtedness,
- general and administrative expenses, and
- capital expenditures for tenant improvements and leasing commissions.

In addition, we will require funds for future dividends expected to be paid to our common shareholders and unit holders in our operating partnership.

We intend to satisfy our short-term liquidity requirements through our existing cash and cash equivalents, cash flow from operating activities, the proceeds of this offering and borrowings available under our secured corporate revolving credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, non-recurring capital expenditures and scheduled debt maturities. We intend to satisfy our long-term liquidity needs through cash flow from operations, long-term secured and unsecured borrowings, issuance of equity securities, or, in connection with acquisitions of additional properties, the issuance of common units of the operating partnership property dispositions and joint venture transactions.

Following completion of this offering, our debt will be comprised of a \$109.8 million loan maturing in 2012, a \$95.6 million loan maturing in 2018 and an \$8.5 million loan maturing in 2027. We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity date of our debt due in 2012 to October 2013.

We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. This facility will be used for property acquisitions, working capital requirements and other general corporate purposes. We currently do not intend to use this facility to repay our existing debt obligations upon maturity. The term of the credit facility is three years with a one year extension option, subject to the satisfaction of certain conditions. The credit facility contains customary terms, covenants and other conditions for credit facilities of this type. See "—Secured Corporate Revolving Credit Facility" below.

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In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all.

Contractual Obligations

STAG Predecessor Group. The following table sets forth our principal obligations and commitments, including periodic interest payments related to the indebtedness, of STAG Predecessor Group as of December 31, 2010:

	Total	Payments by Period			
		Less than 1 year ⁽²⁾	1-3 years ⁽³⁾	3-5 years ⁽⁴⁾	More than 5 years
			unaudited		
			(dollars in thousands)		
Principal payments ⁽¹⁾	\$ 207,550	\$ 4,807	\$ 202,743	\$ —	—
Interest payments—fixed rate debt	8,830	8,151	679	—	—
Interest payments—variable rate debt	2,584	2,392	192	—	—
Loan guaranty fee	3,314	3,062	252	—	—
Total	\$ 222,278	\$ 18,412	\$ 203,866	\$ —	—

- (1) The terms of the Anglo Master Loan (Fund III) agreement also stipulate that a capital improvement escrow be funded monthly in an amount equal to the difference between the payments required under a 25-year amortizing loan and a 20-year amortizing loan.
- (2) Period from January 1, 2011 to December 31, 2011.
- (3) Period from January 1, 2012 to December 31, 2014.
- (4) Period from January 1, 2015 to December 31, 2016.

On a Pro Forma Basis Before Paydowns. The following table sets forth our principal obligations and commitments, including periodic interest payments related to the indebtedness outstanding as of December 31, 2010, on a pro forma basis, other than pro forma paydowns from the proceeds of this offering:

	Total ⁽⁶⁾	Payments by Period			
		Less than 1 year ⁽³⁾	1-3 years ⁽⁴⁾	3-5 years ⁽⁵⁾	More than 5 years
			unaudited		
			(dollars in thousands)		
Principal payments ⁽¹⁾⁽²⁾	\$ 399,304	\$ 127,127	\$ 173,490	\$ 3,267	\$ 95,420
Interest payments—fixed rate debt	75,139	16,725	34,410	12,556	11,448
Interest payments—variable rate debt	2,675	2,425	250	—	—
Obligations under ground leases	5,133	110	340	230	4,453
Total	\$ 482,251	\$ 146,387	\$ 208,490	\$ 16,053	\$ 111,321

- (1) The terms of the Anglo Master Loan (Fund III) agreement also stipulate that a capital improvement escrow be funded monthly in an amount equal to the difference between the payments required under a 25-year amortizing loan and a 20-year amortizing loan.

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- (2) Management company debt of \$3.0 million has no stated maturity date and is not included in this table.
- (3) Period from January 1, 2011 to December 31, 2011.
- (4) Period from January 1, 2012 to December 31, 2014.
- (5) Period from January 1, 2015 to December 31, 2016.
- (6) Does not include \$5.4 million subordinate mortgage debt secured by certain of our properties and the option properties.

On a Pro Forma Basis After Paydowns. The following table sets forth our principal obligations and commitments, including periodic interest payments related to the indebtedness outstanding as of December 31, 2010, including pro forma paydowns from the proceeds of this offering:

	Payments by Period				
	Total	Less than 1 year ⁽³⁾	1-3 years ⁽⁴⁾	3-5 years ⁽⁵⁾	More than 5 years
			unaudited (dollars in thousands)		
Principal payments ⁽¹⁾⁽²⁾	\$ 213,947	\$ 3,777	\$ 111,482	\$ 3,267	\$ 95,421
Interest payments—fixed rate debt	\$ 65,548	\$ 12,145	\$ 29,399	\$ 12,556	\$ 11,448
Interest payments—variable rate debt	\$ —	\$ —	\$ —	\$ —	\$ —
Obligations under ground leases	\$ 5,133	\$ 110	\$ 340	\$ 230	\$ 4,453
Total	\$ 284,628	\$ 16,032	\$ 141,221	\$ 16,053	\$ 111,322

- (1) The terms of the Anglo Master Loan (Fund III) agreement also stipulate that a capital improvement escrow be funded monthly in an amount equal to the difference between the payments required under a 25-year amortizing loan and a 20-year amortizing loan.
- (2) Principal payments in connection with the Anglo Master Loan (Fund III) agreement inherent in this table assume that those payments are pro-rated based on the amount of debt remaining after paydown.
- (3) Period from January 1, 2011 to December 31, 2011.
- (4) Period from January 1, 2012 to December 31, 2014.
- (5) Period from January 1, 2015 to December 31, 2016.

In addition to the contractual obligations set forth in the table above, we expect to enter into employment agreements with certain of our executive officers. These employment agreements provide for salary, discretionary bonus, incentive compensation and other benefits, all as more fully described under "Management—Employment Agreements."

Consolidated Indebtedness to be Outstanding After this Offering and Giving Effect to the Financing Transactions

As of December 31, 2010, we had, after pro forma paydowns, total outstanding debt of approximately \$213.9 million. The weighted average annual interest rate on our consolidated indebtedness would have been 5.7% (after giving effect to our interest rate swaps). On a pro forma basis as of December 31, 2010, we had no long-term debt exposed to fluctuations in short-term interest rates.

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The following table sets forth certain information with respect to the indebtedness outstanding as of December 31, 2010 on a pro forma basis:

<u>Loan</u>	<u>Principal</u> <u>(dollars in thousands)</u>	<u>Fixed/Floating</u>	<u>Rate</u>	<u>Maturity</u>
Anglo Master Loan (Fund III) ⁽¹⁾	\$ 109,815	LIBOR + 3.00% ⁽²⁾	5.17%	1/31/2012 ⁽³⁾
CIGNA Investment, Inc. (STAG GI)	60,992	Fixed	6.50%	2/1/2018
CIGNA Investment, Inc. (STAG GI) ⁽⁴⁾	34,625	Fixed	5.75%	2/1/2018
CIBC, Inc. (STAG GI)	8,515	Fixed	7.05% ⁽⁵⁾	8/1/2027
Total/Weighted Average	\$ 213,947		5.7%	

- (1) Secured by certain properties of Fund III. It is anticipated that \$48.0 million of the total loan balance of \$157.8 million will be paid down with offering proceeds resulting in a pro forma balance of \$109.8 million. If our actual net proceeds from this offering are less than our anticipated net proceeds of \$199.1 million, we would decrease the amount of outstanding borrowings we would repay under our Anglo Master Loan (Fund III).
- (2) Swapped for a fixed rate of 2.165% plus the 3.00% spread for an effective fixed rate of 5.165%. The swap expires at the stated maturity date of the loan.
- (3) We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity date of the Anglo Master Loan (Fund III) to October 2013.
- (4) We currently have \$30.4 million of borrowing capacity under this secured acquisition credit facility.
- (5) Interest rate increases to the greater of 9.05% and the treasury rate as of August 1, 2012 plus 2% beginning in August 2012 and continues through maturity.

Certain of our loan agreements contain financial covenants. Our Anglo Master Loan (Fund III) described above contains a loan-to-value requirement with respect to the collateral properties that is measured annually, a minimum debt service coverage ratio that is measured semi-annually, a minimum debt yield requirement, and a minimum guarantor net worth and liquidity requirement. We are currently in compliance with the financial covenants in our loan agreements. We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity of our Anglo Master Loan (Fund III) due in 2012 to October 2013.

We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. This facility will be used for property acquisitions, working capital requirements and other general corporate purposes. The credit facility contains customary terms, covenants and other conditions for credit facilities of this type. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all.

Secured Corporate Revolving Credit Facility

In connection with this offering and the formation transactions, we have executed a loan agreement for a secured corporate revolving credit facility of up to \$100 million with Bank of America,

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N.A. as administrative agent and Merrill Lynch, Pierce, Fenner & Smith Incorporated as lead arranger. The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. The credit facility is secured, among other things, by mortgages granted by various indirect subsidiaries of our operating partnership. It is anticipated that, at the initial closing of the credit facility, there will be approximately 25 properties mortgaged as security for the credit facility, with a total property value of approximately \$150 million, although the actual number and value of properties initially securing the credit facility will be dependent in part on the extent of paydowns from proceeds of this offering. The properties, which will initially be available to be mortgaged under the credit facility, will first need to be released from other secured facilities based on full or partial repayments of such other facilities. Such repayments are anticipated to be derived from this offering and certain other sources. Proceeds from the credit facility will be used for property acquisitions, working capital requirements and other general corporate purposes. The credit facility has a stated three-year term to maturity with an option to extend the maturity date for one additional year. Additionally, the credit facility has an accordion feature that allows us to request an increase in the total commitments of up to \$100 million to \$200 million.

Availability under the credit facility shall be the lesser of (i) the aggregate commitment, (ii) prior to satisfaction of an appraisal condition with respect to the collateral pool, 40% of the value of the borrowing base properties, and following satisfaction of an appraisal condition with respect to the collateral pool, 55% of the value of the borrowing base properties, or (iii) prior to satisfaction of an appraisal condition with respect to the collateral pool, the amount that would result in a debt service coverage ratio for the borrowing base properties of not less than 2.0x based on a 30-year amortization period, and following satisfaction of an appraisal condition with respect to the collateral pool, the amount that would result in a debt service coverage ratio for the borrowing base properties of not less than 1.6x based on a 30-year amortization period, in each case calculated using an interest rate equal to the greatest of (i) the yield on a 10-year United States Treasury Note at such time as determined by the agent plus 3.00%, (ii) 7.50% and (iii) the weighted average interest rate(s) then in effect under the credit agreement. It is anticipated that approximately \$60 million of the credit facility will be available upon completion of this offering and our formation transactions.

Interest and Fees: The credit facility bears interest at a rate per annum equal to LIBOR plus a margin as determined in accordance with the following leverage-based pricing: (i) if our ratio of consolidated debt to total asset value is less than or equal to 40%, then the interest rate will be LIBOR plus 1.75%, (ii) if our ratio of consolidated debt to total asset value is greater than 40%, but less than or equal to 50%, then the interest rate will be LIBOR plus 2.00%, (iii) if our ratio of consolidated debt to total asset value is greater than 50%, but less than or equal to 55%, then the interest rate will be LIBOR plus 2.25%, (iv) if our ratio of consolidated debt to total asset value is greater than 55%, then the interest rate will be LIBOR plus 2.75%. Under certain circumstances, which we do not expect to apply, interest rates under the credit facility may be based on Eurodollar rates with spreads higher than the LIBOR spreads described above. In addition, if there are borrowings under letters of credit, certain other spreads will apply. We will also pay certain customary fees and expense reimbursements.

Financial Covenants: The credit facility includes the following financial covenants: (i) maximum leverage ratio of total liabilities to total asset value not exceeding 55% (provided that such percentage may be increased above 55% but not greater than 60% for 2 consecutive quarters not more than once during the term of the credit facility), (ii) the ratio of consolidated EBITDA (as defined in the agreement) to consolidated fixed charges shall not be less than 2.0 to 1.0, provided that following satisfaction of the appraisal condition for the collateral pool such ratio shall be reduced to 1.75 to 1.0,

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(iii) maximum recourse indebtedness of no more than 15% of total assets, and (iv) tangible net worth of not less than 85% of tangible net worth at the closing of this offering plus 75% of future net equity proceeds along with other covenants which generally limit or restrict investments in unconsolidated joint ventures, mezzanine loans and mortgage receivables, unimproved land, and other investments which are not core to our operating partnership investment focus. In addition, the credit facility prohibits the direct and indirect subsidiaries of our operating partnership which own properties that are mortgaged to secure the credit facility from incurring indebtedness or guaranteeing debt, other than the credit facility itself.

Events of Default: The credit facility contains customary events of default, including but not limited to non-payment of principal, interest, fees or other amounts, defaults in the compliance with the covenants contained in the documents evidencing the credit facility, cross-defaults to other material debt and bankruptcy or other insolvency events.

Off Balance Sheet Arrangements

As of December 31, 2010, neither STAG Predecessor Group nor, on a pro forma basis, our company, had any off-balance sheet arrangements.

Interest Rate Risk

ASC 815, *Derivatives and Hedging* (formerly known as SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*), requires us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value and the changes in fair value must be reflected as income or expense. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income, which is a component of shareholders equity. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. Because our predecessor business did not previously prepare financial statements in accordance with GAAP, we did not designate the hedges at the time of inception and therefore, our existing investment in interest rate swaps does not qualify as an effective hedge, and as such, changes in the swaps' fair market value are being recorded in earnings.

As of December 31, 2010, on a pro forma basis, we had approximately \$109.8 million of mortgage debt subject to interest rate swaps with such interest rate swaps having an approximate \$(2.3) million net fair value. As these interest rate swaps were entered into prior to us reporting on a GAAP basis, they are designated as non-hedge instruments. As of December 31, 2010, Fund IV had hedged \$76.0 million of its variable rate mortgage debt through floating to fixed rate swaps. Such debt will be repaid out of the proceeds of this offering. The related interest rate swaps, one with a notional amount of \$45.0 million with terms to receive LIBOR and pay 1.98% and one with a notional amount of \$31.0 million with terms to receive LIBOR and pay 1.67%, both with expiration dates of August 1, 2011, will be collateralized under our secured corporate revolving credit facility. Management intends to utilize such interest rate swaps to hedge future borrowings under our secured corporate revolving credit facility. As of December 31, 2010, these interest rate swaps have a fair value of approximately \$(0.8) million.

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Cash Flows of the STAG Predecessor Group

The following table summarizes the historical cash flows of STAG Predecessor Group for the years ended December 31, 2010, 2009, and 2008:

	Year Ended December 31,		
	2010	2009	2008
	(dollars in thousands)		
Cash provided by operating activities	\$ 9,334	\$ 8,365	\$ 8,431
Cash used in investing activities	(2,088)	(2,040)	(411)
Cash (used in) provided by financing activities	(8,451)	(6,921)	(8,524)

Comparison of year ended December 31, 2010 to the year ended December 31, 2009

Net cash provided by operating activities. Net cash provided by operating activities increased \$969,000 to \$9.3 million for the year ended December 31, 2010 compared to \$8.4 million for the year ended December 31, 2009. The increase in cash provided by operating activities was primarily attributable to the net changes in current assets and liabilities, most notably an increase due to related parties attributable to the unpaid guarantee fees.

Net cash used in investing activities. Net cash used in investing activities increased \$48,000 to \$(2.1) million for the year ended December 31, 2010 compared to \$(2.0) million for the year ended December 31, 2009. The change is attributable to a increase in building improvements made during the year ended December 31, 2010.

Net cash used in financing activities. Net cash used in financing activities increased \$1.5 million to \$(8.5) million for the year ended December 31, 2010 compared to \$(6.9) million for the year ended December 31, 2009. The increase was primarily attributable to an increase in principal payments on mortgage loans, partially offset by a decrease in deferred financing fees.

Comparison of year ended December 31, 2009 to year ended December 31, 2008

Net cash provided by operating activities. Net cash provided by operating activities decreased \$66,000 to \$8.4 million for the year ended December 31, 2009 compared to \$8.4 million for the year ended December 31, 2008. The decrease in 2009 cash provided by operating activities was primarily attributable to net changes in current assets and liabilities.

Net cash used in investing activities. Net cash used in investing activities increased \$1.6 million to \$(2.0) million for the year ended December 31, 2009 compared to \$(0.4) million for the year ended December 31, 2008. The change is attributable to an increase in building improvements made during 2008.

Net cash used in financing activities. Net cash used in financing activities decreased \$1.6 million to \$(6.9) million for the year ended December 31, 2009 compared to \$(8.5) million for the year ended December 31, 2008. The decrease in cash used in financing activities was primarily attributable to a decrease in distributions of \$4.8 million and an increase in proceeds from other notes payable of \$4.4 million. The decrease was offset by an increase in deferred financing costs of \$0.4 million and an increase in principal payments on mortgage loans of \$7.2 million.

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Non-GAAP Financial Measures

In this prospectus, we disclose and discuss NOI, EBITDA, FFO and AFFO, all of which meet the definition of "non-GAAP financial measure" set forth in Item 10(e) of Regulation S-K promulgated by the SEC. As a result we are required to include in this prospectus a statement of why management believes that presentation of these measures provides useful information to investors.

None of NOI, EBITDA, FFO or AFFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, NOI, EBITDA, FFO and AFFO should be compared with our reported net income or net loss and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

Net Operating Income (NOI)

We consider NOI to be an appropriate supplemental measure to net income because it helps both investors and management to understand the core operations of our properties. We define NOI as operating revenue (including rental income, tenant recoveries, and other operating revenue) less property-level operating expenses (which includes third-party property management fees and general and administrative expenses at the property level). NOI excludes depreciation and amortization, impairments, gain/loss on sale of real estate, interest expense and other non-operating items.

	Company Pro Forma Year Ended December 31, 2010	
	(unaudited)	
	(dollars in thousands)	
Rental income	\$	52,917
Tenant recoveries		6,178
Other operating income		1,252
Total revenue		60,347
Property expenses		(9,361)
Net operating income	\$	50,986

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The following is a reconciliation from reported net income, the most direct comparable financial measure calculated and presented in accordance with GAAP, to NOI:

	Company Pro Forma Year Ended December 31, 2010 (unaudited) (dollars in thousands)
Net income before non-controlling interest	\$ 1,831
Interest income	(16)
Gain on interest rate swaps	(33)
Depreciation and amortization	26,845
Interest expense	13,161
General and administrative expenses	9,198
Net operating income	\$ 50,986

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

We believe that EBITDA is helpful to investors as a supplemental measure of the operating performance of a real estate company because it is a direct measure of the actual operating results of our industrial properties. We also use this measure in ratios to compare our performance to that of our industry peers. The following table sets forth a reconciliation of our pro forma EBITDA for the period presented to net income:

	Company Pro Forma Year Ended December 31, 2010 (unaudited) (dollars in thousands)
Net income before non-controlling interest	\$ 1,831
Interest expense	13,161
Interest income	(16)
Depreciation and amortization	26,845
EBITDA	\$ 41,821

Funds from Operations (FFO)

We calculate FFO before non-controlling interest in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of

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REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO should not be used as a measure of our liquidity, and is not indicative of funds available for our cash needs, including our ability to pay dividends.

The following table sets forth a reconciliation of our pro forma FFO before non-controlling interest for the period presented to net income, the nearest GAAP equivalent:

	Company Pro Forma Year Ended December 31, 2010
	(unaudited)
	(dollars in thousands)
Net income before non-controlling interest	\$ 1,831
Depreciation and amortization	26,845
Funds from operations (FFO)	\$ 28,676

Adjusted Funds from Operations (AFFO)

In addition to presenting FFO in accordance with the NAREIT definition, we also disclose AFFO, which is FFO after a specific and defined supplemental adjustment to:

- exclude the impact of impairment charges and/or any extraordinary, non-recurring cash expenditures,
- exclude significant non-cash items that were included in net income, and
- include significant cash items that were excluded from net income.

Although our FFO as adjusted clearly differs from NAREIT's definition of FFO, we believe it provides a meaningful supplemental measure of our operating performance because we believe that, by excluding items noted above, management and investors are presented with an indicator of our operating performance that more closely achieves the objectives of the real estate industry in presenting FFO.

As with FFO, our reported AFFO may not be comparable to other REITs' AFFO, should not be used as a measure of our liquidity, and is not indicative of our funds available for our cash needs, including our ability to pay dividends.

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The following table sets forth a reconciliation of our pro forma AFFO for the periods presented to FFO:

	Company Pro Forma Year Ended December 31, 2010 (unaudited) (dollars in thousands)
Funds from operations (FFO)	\$ 28,676
Impairment charges	—
Straight line rental revenue adjustment	(2,001)
Deferred financing cost amortization	433
Above/below market lease amortization	1,482
Gain on interest rate swaps	(33)
Acquisition costs	—
Recurring capital expenditures	(293)
Amortization of non-cash compensation	799
Lease renewal commissions and tenant improvements	(156)
Adjusted funds from operations (AFFO)	\$ 28,907

Inflation

The majority of our leases are either triple net or provide for tenant reimbursement for costs related to real estate taxes and operating expenses. In addition, most of the leases provide for fixed rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and tenant payment of taxes and expenses described above. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

Quantitative and Qualitative Disclosure About Market Risk

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We use derivative financial instruments to manage, or hedge, interest rate risks related to our borrowings, primarily through interest rate swaps.

An interest rate swap is a contractual agreement entered into by two counterparties under which each agrees to make periodic payments to the other for an agreed period of time based on a notional amount of principal. Under the most common form of interest rate swap, known from our perspective as a floating-to-fixed interest rate swap, a series of floating, or variable, rate payments on a notional amount of principal is exchanged for a series of fixed interest rate payments on such notional amount.

As of December 31, 2010, we had total pro forma outstanding debt of approximately \$213.9 million, and we expect that we will incur additional indebtedness in the future. Interest we pay reduces our cash available for distributions. Approximately \$109.8 million of our pro forma outstanding debt as of December 31, 2010 bears interest at a variable rate, but this entire variable debt amount has been hedged through a floating-to-fixed interest rate swap whereby we swapped the variable rate interest on the hedged debt for a fixed rate of interest. The variable rate component of our pro forma

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mortgage debt is LIBOR based. If LIBOR were to increase by 100 basis points, we do not expect there would be any significant effect on the interest expense on our pro forma variable rate debt.

As of December 31, 2010, on a pro forma basis, approximately \$213.9 million of our consolidated borrowings bore interest at fixed rates, as shown in the table below.

	2011	2012	2013	2014	2015	2016+	Total	Fair Value
	(dollars in thousands)							
Secured Mortgage Notes Payable								
Fixed Rate	\$ 1,178	\$ 1,395	\$ 1,390	\$ 1,481	\$ 1,582	\$ 97,106	\$ 104,132	\$ 104,132
Average Interest Rate	6.43%	6.40%	6.47%	6.48%	6.49%	6.45	6.45%	—
Variable Rate ⁽¹⁾	\$ 2,599	\$ 2,659	\$ 104,557	—	—	—	\$ 109,815	\$ 109,815
Total Debt	\$ 3,777	\$ 4,054	\$ 105,947	\$ 1,481	\$ 1,582	\$ 97,106	\$ 213,947	\$ 213,947

- (1) The contractual annual interest rate on this indebtedness is LIBOR plus 3.00% and has been swapped for a fixed rate of 2.165% plus the 3.00% spread, for an effective fixed interest rate of 5.165%.

As of December 31, 2010, Fund IV had hedged \$76.0 million of its variable rate mortgage debt through floating to fixed rate swaps. Such debt will be repaid out of the proceeds of this offering. The related interest rate swaps, one with a notional amount of \$45.0 million with terms to receive LIBOR and pay 1.98% and one with a notional amount of \$31.0 million with terms to receive LIBOR and pay 1.67%, both with expiration dates of August 1, 2011, will be collateralized under our secured corporate revolving credit facility. Management intends to utilize such interest rate swaps to hedge future borrowings under our secured corporate revolving credit facility.

As of December 31, 2010, on a pro forma basis, we were party to the interest rate swaps shown in the table below.

	Notional Amount	Fair Value at December 31, 2010	Fixed Pay Rate	Expiration Date
Interest Rate Swaps				
Anglo Master Loan Swap	\$ 109,815	\$ (2,280)	2.165%	January 31, 2012
RBS/Citizens/Bank of America	\$ 45,000	\$ (509)	1.98%	August 1, 2011
RBS/Citizens/Bank of America	\$ 31,000	\$ (286)	1.67%	August 1, 2011
Total/Weighted Average	\$ 185,815	\$ (3,075)	2.01%	

The market values of the swaps depend heavily on the current market fixed rate, the corresponding term structures of variable rates and the expectation of changes in future variable rates. As expectations of future variable rates increase, the market values of the swaps increase. We will treat the swaps as non-hedge instruments and, accordingly, recognize the fair value of the swaps as assets or liabilities on our balance sheet, with the change in fair value recognized in our statements of operations.

No assurance can be given that our predecessor business's hedging activities, or any future hedging activities by us, will have the desired beneficial effect on our results of operations or financial condition.

Interest risk amounts are our management's estimates and were determined by considering the effect of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

MARKET OVERVIEW

Unless otherwise indicated, all information contained in this Market Overview section is derived from market materials prepared by CBRE-EA as of February 11, 2011, and the projections and beliefs of CBRE-EA stated herein are as of that date.

In this Market Overview section, we use technical phrases such as availability rate, capitalization rate, effective rent, net absorption and rent growth percentage. We define these phrases where they are first used. The phrases are industry terms, and we consider their definition and use in the disclosure below to be helpful and appropriate because of their prevalence in industry publications and frequent usage among those individuals and organizations that consider investing in real estate companies.

Market Opportunity

The single-tenant industrial sector offers investors the opportunity to receive stable income from leases to a variety of firms across a broad spectrum of industrial sub-property types. As compared to multi-tenant and other classes of commercial property, single-tenant industrial buildings are more likely to provide their owners with less volatile cash flows after expenses, as single-tenant industrial buildings generally do not require the same degree of tenant and capital improvement expenditures on an ongoing basis.

In recent years, the single-tenant industrial market has attracted a diverse set of buyers and sellers, from private funds, REITs and individual investors, similar to the multi-tenant industrial market. Despite a low level of investment sales recorded in 2009 and early 2010, over the past decade, single-tenant properties have consistently accounted for close to 20% of the total industrial investment sales volume tracked by Real Capital Analytics. As liquidity is gradually restored to the broader commercial real estate market, opportunities for conventional sale and sale-leaseback opportunities from owner-users are likely to increase.

Due to the recent capital market dislocation on commercial real estate values, the single-tenant industrial market currently offers a favorable investment opportunity, as recent transactions indicate average sales prices have declined and capitalization rates have increased in recent quarters compared with prior years, according to Real Capital Analytics. Capitalization rates represent the ratio of a property's annual net operating income to its purchase price. Recent sales transactions indicate that opportunities exist to acquire select single-tenant industrial assets at a favorable cost basis compared with pre-distortion periods.

Within the context of the broader real estate market, industrial property has exhibited a number of favorable investment characteristics. Based on the National Council of Real Estate Investment Fiduciaries ("NCREIF") Property Index, industrial property has generally outperformed commercial property as a whole on a total return basis over the long term by generating high and stable cash-flow yields. Furthermore, Class B industrial space and secondary markets offer a higher degree of stability in occupancies and rents, relative to Class A space and primary markets. At the same time, Class B property prices are regularly discounted significantly compared to Class A property prices, providing a compelling investment opportunity for Class B property.

While current industrial market occupancy and rent conditions remain challenging, statistics compiled by CBRE-EA indicate market rents and occupancies are likely to improve in 2011.

Size of the Industrial Sector

As of December 31, 2010, the overall U.S. industrial market consisted of approximately 257,000 buildings with 13.8 billion square feet of space. In terms of net rentable area ("NRA"), warehouse/distribution facilities constituted the majority (66.6%) of this space, followed by manufacturing (20.6%),

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and flex/office (which includes research and development) (10.5%). Unclassified buildings (industrial facilities such as sewage treatment centers and airport hangars that are not amenable to private real estate investment) represent the remaining 2.3%.

	NRA (square feet in millions)	Number of Properties
Warehouse/Distribution	9,179	171,227
Manufacturing	2,846	41,596
Flex/Office	1,443	36,496
Other	323	8,049
All Industrial	13,791	257,368

Source: CBRE-EA Industrial Peer Select, Spring 2011.

According to data compiled by CoStar Group, Inc. for the 20 largest industrial markets in the United States, single-tenant industrial buildings are estimated to account for approximately 49% of total industrial NRA and 51% of total industrial properties.

Performance of the Industrial Sector

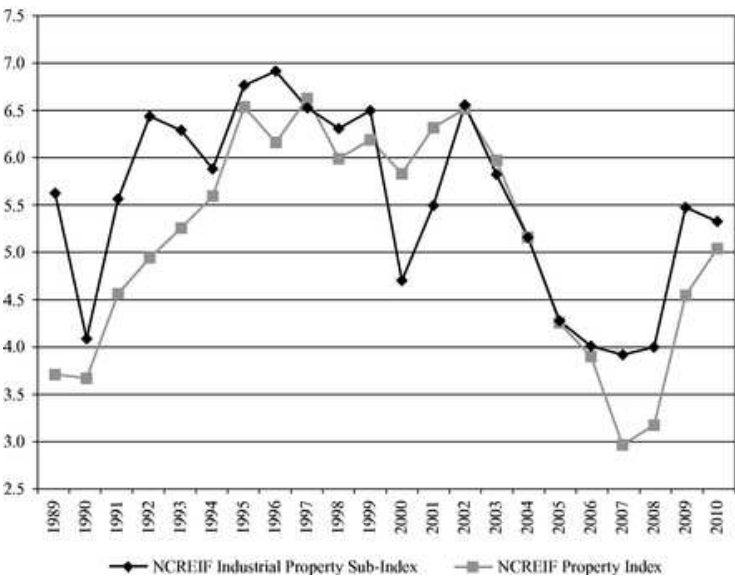
According to the NCREIF Property Index, historically, the industrial sector has been among the top performing real estate sectors, exceeding the total returns for the NCREIF Property Index in aggregate by approximately one-third of a percentage point on a per-year average over the 20-year period ending with the fourth quarter of 2010. As with all other property types, total returns declined in the industrial sector between the fourth quarters of 2008 and 2009, as asset values retrenched sharply due to increased risk aversion, a lack of liquidity in the commercial real estate sector and overall economic conditions. Since that time period, asset values have begun to recover sharply, allowing the industrial sector to gain momentum by posting positive total returns during each quarter of 2010. Over the long run, the industrial market has a delivered risk-adjusted performance that exceeds the performance of the commercial real estate market as a whole.

Among the factors that help differentiate the performance of the industrial sector are its comparatively low cost of operation and high, stable cash flow yields. Over the past 20 years, average cash flow yield for the industrial sector has outperformed comparable yields for the NCREIF Property Index in aggregate. In addition, the industrial sector exhibited some of the most stable cash flow yields (measured in terms of standard deviation) of all property types over a 25-year period. Distinct factors that account for the industrial sector's overall cash flow stability relative to other property types include the nature of industrial leases, which tend to be longer term than many other types of commercial property leases and often require tenants to pay utilities, taxes, insurance and maintenance costs, and the low capital and tenant improvement expenditure requirements compared with other property types.

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Comparative Cash Flow Yields

Average Cash Flow Yield (%) ⁽¹⁾



(1) Cash flow yields represent income returns reported in the NCREIF Property Index and the NCREIF Industrial Property Sub-Index, as described in more detail below.

Source: NCREIF, CBRE-EA calculations 2010Q4

The industrial sector can be distinguished from other property sectors by more favorable volatility characteristics. A greater component of the return in the industrial sector comes from the income component of return rather than appreciation, where the majority of volatility is derived. CBRE-EA believes that the prospect for return in commercial real estate due to capital appreciation over the next few years will be somewhat limited by a stagnation in rent growth until 2012 and in occupancy, which will limit the near-term prospects for capital appreciation through growth in net operating income. Therefore, CBRE-EA believes that current investors are likely to be rewarded by targeting assets that provide a high cash flow component of the total return, such as those found in the industrial sector.

The foregoing analysis is based on information contained in the NCREIF Property Index. NCREIF is an institutional real estate investment industry association that collects, processes, validates and disseminates investment and operating information reporting on the risk/return behavior of real estate assets owned or controlled by tax-exempt institutional investors. The NCREIF Property Index is a composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All

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properties in the NCREIF Property Index have been acquired, at least in part, on behalf of tax-exempt institutional investors, mostly pension funds. The NCREIF Property Index generally measures the following three types of returns on a quarterly basis for each property that is included in the index:

- Income return, which measures percentage return attributable to the property's net operating income. Income return is measured as a percentage by, generally, dividing each property's net operating income for the quarter by the market value of the property at the beginning of the quarter, as adjusted to reflect the cost of capital improvements or partial sales occurring during the quarter and with simplifying assumptions made regarding the timing of the receipt of net operating income and any capital improvements or partial sales.
- Capital value return, which measures percentage return attributable to any increase or decrease in the market value of the property during the quarter. The capital value return also takes into account any capital improvements or partial sales during the quarter and makes simplifying assumptions made regarding the timing any capital improvements or partial sales and the receipt of net operating income.
- Total return, which combines income return and capital value return.

The NCREIF Property Index is based on data that is submitted by NCREIF's members that are investment managers or institutional investors. The market value that is utilized in the index for each property is the market value for that property as reported by the applicable NCREIF member using standard commercial real estate appraisal methodology, and each property must be independently appraised a minimum of once every three years. In determining the NCREIF Property Index, each property's return is weighted by its market value. Within the NCREIF Property Index, the properties are categorized into four property types, Apartment, Industrial, Office and Retail, and data is available for each separate property type. The industrial sector returns described above were obtained from the NCREIF Industrial Property Sub-Index. The principal components of the NCREIF Industrial Property Sub-Index include single and multi-tenant warehouse, manufacturing and flex/office (which includes research and development) properties.

Industrial Property Fundamentals

Below is a brief summary of availability, demand and supply conditions in the overall U.S. industrial market. Because the information presented is for primary and secondary markets in the United States, and not for secondary markets exclusively, the information may not reflect prevailing conditions in the markets on which we focus.

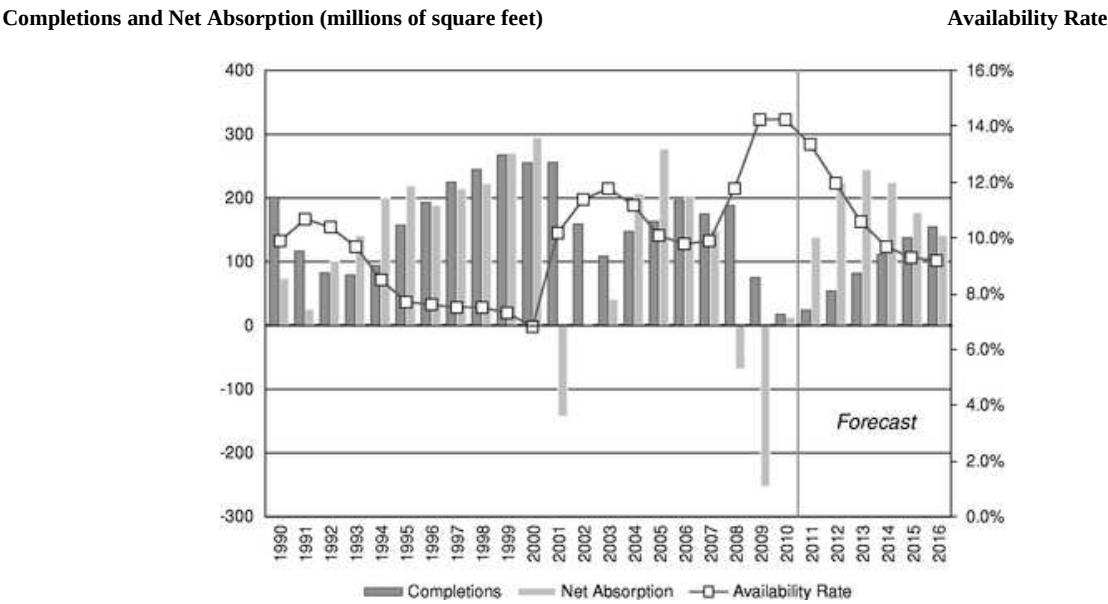
- Availability: As of December 31, 2010, the average industrial space availability rate, or the percentage supply of space available for lease, across the 58 largest industrial markets where CBRE-EA compiles data was 14.3%. As of the fourth quarter of 2010, this rate marked the first quarterly decline in availability since the availability rate started increasing beginning in the fourth quarter of 2007. Between the third and fourth quarters of 2010, the industrial availability rate decreased by three-tenths of a percentage point. This rate is still the second highest availability rate since CBRE-EA began tracking data on the industrial market in 1989.
- Demand, net absorption: Industrial net absorption, or the change over a period of time in the total amount of space occupied after taking into account changes in the supply of space, hit a record low in 2009 as almost 253 million square feet of space was vacated on a net basis. Early in 2010, the rate of decline slowed substantially, and by the third quarter of 2010, net absorption turned positive. For the entire year of 2010, a net 12.8 million square feet was absorbed.

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According to CBRE-EA's outlook, growth in demand is expected to improve steadily in 2011, as a net 138 million square feet is expected to be absorbed.

- Supply:** Construction of industrial facilities plummeted in 2010 as a result of weak demand fundamentals and tightened lending conditions that made it very difficult to obtain financing. During the third quarter of 2010, a mere 1.7 million square feet of space was completed, the lowest quarterly completion rate on record. For the entire year of 2010, only 17.3 million square feet was completed, roughly one-tenth of the annual average completions registered during the preceding decade. Industrial construction was constrained as the most recent recession began, compared to construction before the 1990-1 and 2001 recessions. CBRE-EA believes that the low construction trend will help support rent growth as industrial market demand recovers. Industrial construction is expected to remain quite low in 2011 due to the amount of existing industrial space that was vacated during the recent recession.
- Rent:** With the sharp rise in availability, CBRE-EA's measure of gross effective industrial warehouse rent fell by an estimated 6.7% in 2010. This decline followed a 10.3% decline in 2009, which was the steepest annual decrease on record. CBRE-EA's warehouse rent index measures changes in effective rents on signed leases (net of free rent concessions) at the metropolitan area level. With high levels of availability and tepid demand, rents are expected to continue to drop slightly during the first half of 2011. However, a rebound in demand, combined with a dramatic decline in new supply, is expected to result in conditions favorable for rent appreciation by 2012.

Availability and Construction Trends

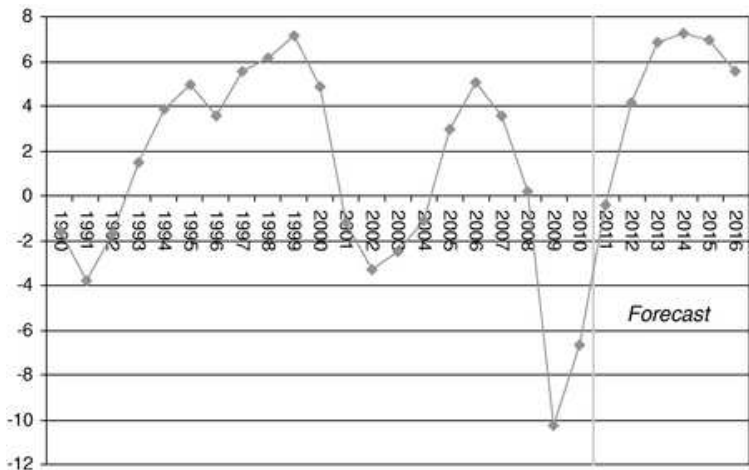


Source: CBRE-EA Industrial Outlook, Spring 2011.

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Annual Warehouse/Distribution Rent Growth

Warehouse/Distribution Rent Growth (%) ⁽¹⁾



(1) The warehouse/distribution rent growth percentage reflects the annual (year-over-year) percentage change in the CBRE-EA Warehouse Rent Index. This index measures gross effective warehouse rent (contract rent in dollars per square foot, net of free rent concessions) based on signed warehouse leases. The index is computed at the market level, then aggregated across the 57 primary industrial markets that CBRE-EA covers to form a summary national index.

Source: CBRE-EA Industrial Outlook, Spring 2011.

Historical Occupancy and Valuation Characteristics of Class B Warehouse/Distribution Market

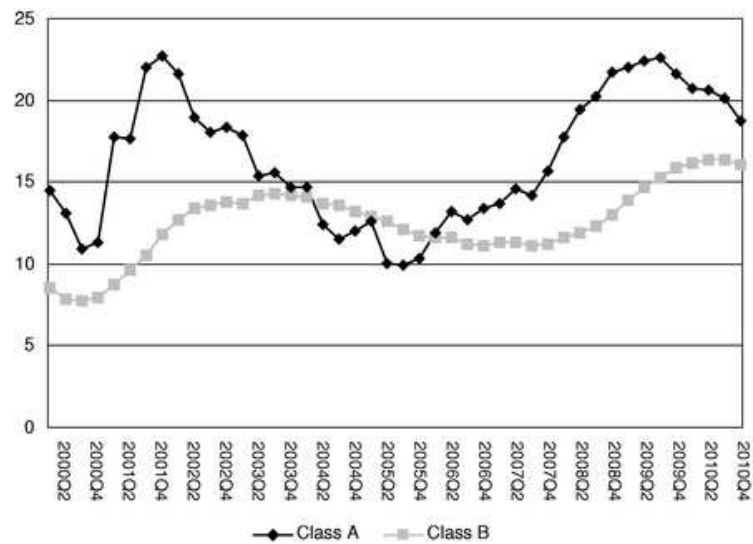
Over the recent past, the Class B warehouse/distribution market has demonstrated a relatively higher degree of stability in occupancy and rent levels compared with the market for newer, larger Class A space. Despite these stronger market fundamentals, Class B space is relatively consistently priced at a discount to Class A space.

The Class A warehouse/distribution market was approximated by buildings that were constructed after 1997 and have a net rentable area of 350,000 square feet or greater. The Class B warehouse/distribution market was approximated by buildings that were constructed in 1997 or earlier or had a net rentable area of less than 350,000 square feet. The Class B market has witnessed lower average availability rates over the past 10 years and a much smaller increase in availability during the recent downturn.

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Availability Rates for Warehouse/Distribution Centers by Class

Warehouse/Distribution Availability Rate (%)



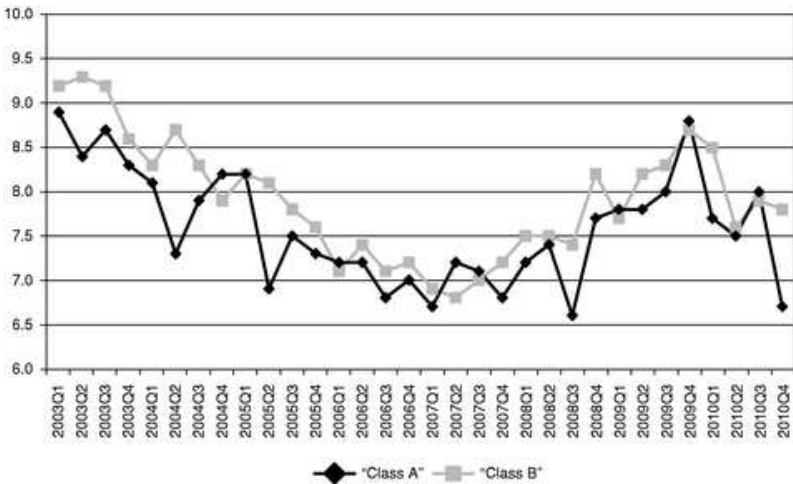
Source: CBRE-EA Industrial Peer Select, Spring 2011.

Meanwhile, average capitalization rates on Class B warehouse/distribution space have been higher than those in the Class A segment. CBRE-EA compiled average quarterly capitalization rates on closed transactions from Real Capital Analytics, using the same definitions as above for the Class A and Class B warehouse/distribution markets. Since 2003, the average capitalization rate for Class B warehouse/distribution properties has been approximately three-tenths of a percentage point higher than the average capitalization rate for Class A warehouse/distribution properties, which means that, on average, the purchase price for Class B warehouse/distribution properties generating a certain amount of annual net operating income has been lower than the purchase price for Class A warehouse/distribution properties generating the same amount of annual net operating income.

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Class A and Class B Warehouse/Distribution Capitalization Rate Trends

Average Capitalization Rate %



Sources: Real Capital Analytics, CBRE-EA calculations

Performance and Liquidity of Secondary Industrial Markets

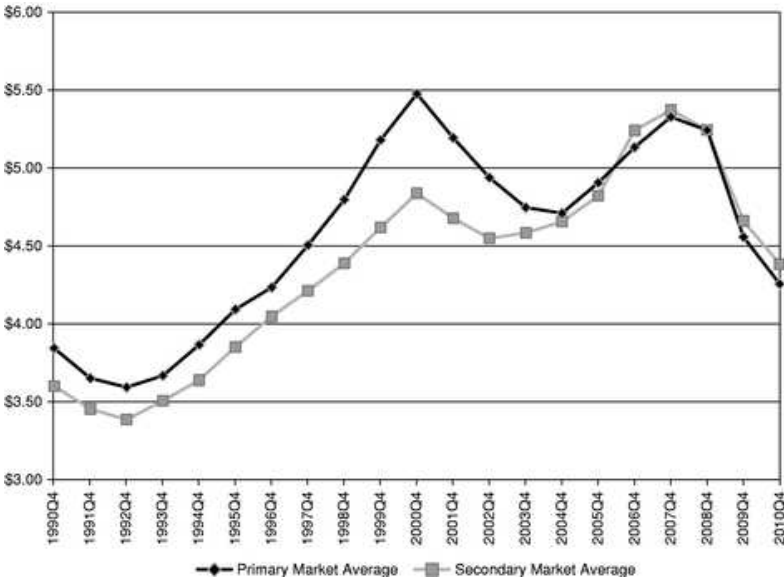
Despite their relatively small size, secondary industrial markets have, on average, a remarkable amount of fundamental stability in rents and occupancies. Large industrial and distribution markets may offer a substantial amount of depth, which allows owners more options to re-tenant vacant space, a feature that has been attractive to a variety of investors. However, this favorable attribute of larger markets appears to be offset by a higher degree of volatility in occupancy and rent due to a higher tenant dependence on external trade and distribution flows, which tend to be more volatile than locally-generated demand, and a higher propensity for speculative construction in larger markets.

To examine the fundamental performance of primary and secondary industrial markets, CBRE-EA examined historical annual changes in economic rent, which represents the product of the average market net asking rents and the occupancy rates. CBRE-EA created a "Primary" market aggregate economic rent index for the 29 largest industrial metropolitan areas, which each have a minimum market total of 193.3 million in net rentable square footage. This was compared to a "Secondary" market aggregate economic rent index, consisting of the remaining 29 of the 58 metropolitan markets (23.3 million to 193.2 million square feet). Over the period from 1990 through 2010, annual economic rent growth averaged a 1.13% increase per year in the Secondary markets, more than one-half of a percentage point higher than in the Primary markets. In addition, the standard deviation of Secondary market economic rent growth, a measure of volatility, was approximately 17% lower than the comparable measure for Primary markets. Over time, industrial properties in the Secondary markets, on average, have generated superior economic rent growth with slightly lower volatility than their Primary market counterparts.

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Industrial Economic Rent Trends in Primary and Secondary Markets

Average Economic Rent (dollars per square foot) ⁽¹⁾



(1) Economic rent represents the product of the average market net asking rents and the occupancy rates.

Source: CBRE-EA Industrial Outlook and calculations, Spring 2011

Market Liquidity and Transaction Volumes

Recent historical sales trends indicate that Secondary markets also offer a comparable amount of sales transaction liquidity to Primary markets. Active sales markets are important to investors who may wish to attract multiple bids when they attempt to exit or recapitalize their investments at different points in time.

Indeed, during the recent active period of industrial property transactions, Primary and Secondary markets on average witnessed similar activity levels. CBRE-EA examined industrial property sales measured in square footage provided at the metropolitan area level by Real Capital Analytics over the 2004-2008 period. Over this period, the proportion of market inventory square footage that sold averaged close to 3.3% per annum, a figure that was nearly identical for Primary and Secondary market aggregations. Although the proportion of inventory that sold varied across metropolitan area markets, there appeared to be no distinction in transaction liquidity between Primary and Secondary markets as a whole.

Current Market for Investment Opportunities

CBRE-EA believes that recent financial crisis and the dislocation in the capital markets has created a favorable environment for new investment, as industrial property prices are being discounted significantly on an absolute and relative basis.

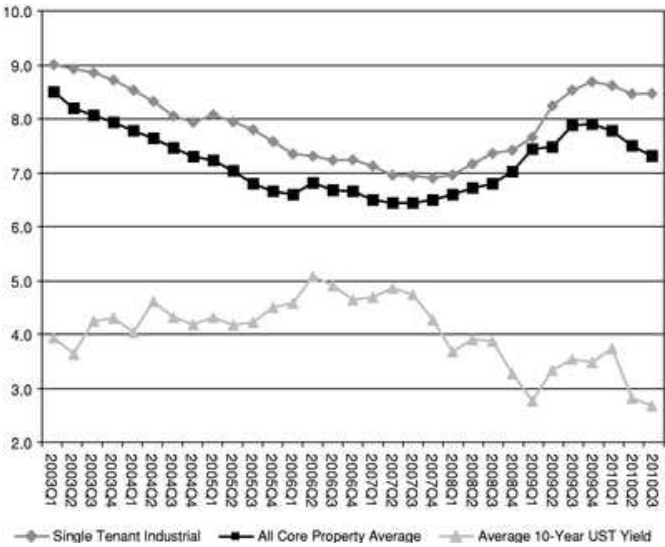
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According to NCREIF, appraisal-based industrial property asset values fell by more than 30.5% by the first quarter of 2010 from their late 2007 peak, before stabilizing with a 4.7% increase between the first and fourth quarters of 2010, reflecting a growing demand from investors for well-leased, high quality properties. The Moody's/REAL Commercial Property Price Index (CPPI), which measures price changes based on an index of repeat sales transactions, indicated that industrial property values declined by more than 37.4% from the fourth quarter of 2007 to the third quarter of 2009. During recent quarters, the downward trend in industrial property values has stabilized, according to the CPPI, as the most recent third quarter 2010 industrial index remained close to year-earlier levels. Nonetheless, the overall decline in capital values over the past two years, combined with previously aggressive lending practices, has resulted in an expanding pool of distressed industrial property, where owners are unable to fully re-finance their mortgage loan balances at maturity. Real Capital Analytics identified 1,334 industrial deals representing an estimated value of \$9.5 billion that were listed "troubled" as of the fourth quarter of 2010, implying that the current owner faced financial difficulty or bankruptcy, or a loan refinance/default issue.

Corresponding with the change in property values, average capitalization rates on all commercial property transactions, including those in the industrial sector, also rose sharply between late 2007 and late 2009, before falling over the course of 2010. The average capitalization rate on closed single-tenant industrial property sales during the third quarter of 2010, however, was more than one and one-half percentage points higher than the 2007 average lows, according to data compiled by Real Capital Analytics. Furthermore, the spreads between capitalization rates for single-tenant industrial properties and the 10-year U.S. Treasury rate were at some of their widest levels since early 2003.

Capitalization Rate Trends

Capitalization Rate and Yield (%) ⁽¹⁾



(1) Capitalization rates represent the ratio of a property's annual net operating income to its purchase price.

Source: Real Capital Analytics and CBRE-EA calculations, 2010Q3

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While a further decline in real estate rents and operating fundamentals over the short-term is likely to continue to keep capitalization rates at high levels, CBRE-EA believes that most of the capitalization rate re-setting has already taken place, in part due to a constrained debt market, and a much higher than usual risk premium that investors associate with investing in commercial real estate relative to other asset classes. CBRE-EA also believes that opportunities for acquiring high quality assets through foreclosure or directly from distressed sponsors will increase over the next several years, as a growing pipeline of maturing mortgage loans fail to fully refinance under an environment of stringent lender mortgage refinance guidelines and reduced industrial property values. CBRE-EA estimates that some \$5.6 billion in industrial loans will mature through 2012 in the CMBS sector alone. As a result, the current market environment will continue to provide an opportunity for well-capitalized investors to acquire assets with strong cash flows at significantly discounted prices compared to levels witnessed just two years ago.

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Overview

STAG Industrial, Inc. is a newly formed, self-administered and self-managed full-service real estate company focused on the acquisition, ownership and management of single-tenant industrial properties throughout the United States. We will continue and grow the single-tenant industrial business conducted by our predecessor business. Mr. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, together with an affiliate of NED, a real estate development and management company, formed our predecessor business, which commenced active operations in 2004. Since inception, we have deployed approximately \$1.4 billion of capital, representing the acquisition of 220 properties totaling approximately 35.3 million rentable square feet in 144 individual transactions.

Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet. Our 91 properties are 44 warehouse/distribution properties, 26 manufacturing properties and 21 flex/office properties. As of December 31, 2010, our properties were 89.7% leased to 70 tenants, with no single tenant accounting for more than 5.5% of our total annualized rent and no single industry accounting for more than 14.7% of our total annualized rent.

We intend to continue to target the acquisition of individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States with purchase prices ranging from \$5 million to \$25 million. We believe, due to observed market inefficiencies, our focus on owning and expanding a portfolio of such properties will, when compared to other real estate portfolios, generate returns for our shareholders that are attractive in light of the risks associated with these returns because:

- Industrial properties generally require less capital expenditure than other commercial property types and single-tenant properties generally require less expenditure for leasing, operating and capital costs per property than multi-tenant properties.
- In our view, investment yields on single-tenant individual property acquisitions are typically greater than investments yields on portfolio acquisitions. With appropriate asset diversification, individual asset risk can be mitigated across an aggregated portfolio.
- Class B industrial properties tend to have higher current returns and lower volatility than Class A industrial properties.
- Secondary markets generally have less occupancy and rental rate volatility than primary markets.
- In our view, we typically do not face significant competition from other institutional industrial real estate buyers for acquisitions, as these buyers tend to focus on larger properties in select primary markets. Our typical competitors are local investors who often do not have ready access to debt or equity capital.
- Tenants in our target properties tend to manage their properties directly, which allows us to grow our portfolio without substantially increasing the size of our asset management infrastructure.

For a description of what we consider to be Class A and Class B properties, see "—Our Properties" below.

Reflecting the market inefficiencies we have observed, our target properties are generally leased to:

- investment grade credit tenants on shorter term leases (less than four to six years);

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- sub-investment grade credit tenants on longer term leases (greater than four to six years); or
- a variable combination of the above.

We believe the market inefficiently prices our target properties because investors underestimate the probability of tenant retention beyond the primary lease term or overestimate the expected cost of tenant default. Further, we believe our relationships with a national network of commercial real estate brokers and our underwriting processes, utilizing our proprietary model, allow us to acquire properties at a discount to their intrinsic values, where intrinsic values are determined by the properties' future cash flows. Through the evaluation of more than 3,800 qualified transactions (that is, transactions that pass our initial screening) since 2004, we believe we have developed a unique approach to melding real estate and tenant-credit underwriting analyses, which allows us to identify assets that we believe are undervalued by the market. The significant volume of acquisition opportunities presented to us each year provides us with market intelligence that further supports our underwriting and due diligence processes.

We were incorporated on July 21, 2010 under the laws of the State of Maryland. We intend to elect and qualify to be taxed as a REIT under the Code for the year ending December 31, 2011, and generally will not be subject to U.S. federal taxes on our income to the extent we currently distribute our income to our shareholders and maintain our qualification as a REIT. We are structured as an UPREIT and will own substantially all of our assets and conduct substantially all of our business through our operating partnership.

Competitive Strengths

We believe that our investment strategy and operating model distinguish us from other owners, operators and acquirers of industrial real estate in a number of ways, including:

- **Proven Growth Profile:** Since 2004, we have deployed approximately \$1.4 billion of capital, representing the acquisition of 220 properties totaling approximately 35.3 million rentable square feet in 144 individual transactions. Our systems and personnel have enabled us to acquire as many as seven properties in five transactions totaling \$58.1 million in cost in a single month. Moreover, our pursuit of many small acquisitions helps produce a smooth and predictable growth rate.
- **Established Intermediary Relationships:** Approximately 32.5% of the acquisitions we sourced, based on total purchase price have been in "limited marketing" transactions where there has been no formal sales process. We believe we have developed a reputation as a credible and active buyer of single-tenant industrial real estate, which provides us access to significant acquisition opportunities that may not be available to our competitors.
- **Recent Acquisition Activity:** Our affiliate, STAG GI, LLC, formed STAG GI, a joint venture with GI Partners. Since formation in July 2010, STAG GI has acquired 15 industrial properties, representing 4.0 million rentable square feet located in nine states. In addition, STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of \$24.9 million.
- **Scalable Platform:** We intend to grow our portfolio through acquisitions of single-tenant industrial properties in secondary markets throughout the United States. We own properties in a variety of different markets within 26 states. We believe we have developed the experience and

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systems infrastructure necessary to acquire, own and manage properties throughout the United States, which will allow us to efficiently grow our portfolio in those markets and others. In addition, our focus on net lease properties ensures that our current staff of 26 employees (with incremental additions) will be sufficient to support our growth. As of March 30, 2011, we were pursuing approximately \$470 million of specific additional potential acquisitions that we have identified as warranting further investment consideration after an initial review.

- **Expertise in Underwriting Single-Tenant Properties:** Our expertise and market knowledge have been derived from our significant acquisition activity, our relationships with a national network of commercial real estate brokers and our presence in numerous markets. Since 2004, we have acquired 220 properties in 144 individual transactions. Through this experience, we developed a proprietary underwriting process. We integrate real estate and corporate credit analysis to project the future cash flows of potential acquisitions. Central to our underwriting is assessing the probability of tenant retention during the lease term and beyond. We evaluate the tenant's use of the subject property, the tenant's cost to relocate, the supply/demand dynamic in the relevant submarket and the tenant's financial condition. We then analyze the costs associated with a vacancy event by estimating market rent, potential downtime and re-tenanting costs for the subject property. We believe that our senior management team has proven expertise and procedures in assessing tenant retention and vacancy costs, and therefore an advantage in identifying, underwriting and closing on attractive acquisition opportunities.
- **Selectivity:** We are selective when deploying capital. The 144 transactions effected by our predecessor business, its affiliates and STAG GI since 2004 represent only 3.7% of more than 3,800 qualified transactions (that is, transactions that pass our initial screening) evaluated during that time.
- **Stable and Predictable Cash Flows:** Our portfolio is diversified by tenant, industry and geography, which tends to reduce risk and earnings volatility. As of December 31, 2010, no single tenant accounted for more than 5.5% of our total annualized rent; no single industry represented more than 14.7% of our total annualized rent; and no single state was the site for properties generating more than 17.1% of our total annualized rent. Cash flow consistency across our portfolio is enhanced by our weighted average in-place remaining lease term of approximately 5.9 years as of December 31, 2010, low costs for tenant improvements and leasing commissions and low capital expenditures (which, for the properties we owned in 2010, averaged 1% and 4% of net operating income during 2010, respectively). It is further enhanced by our expected high tenant retention rate. The management company has achieved an average tenant retention rate (with respect to 108 leases) of 73.3% since its first property acquisition in 2004. Our relatively high tenant retention ratio serves to minimize downtime and costs. We lease our properties primarily on a triple-net lease basis, which mitigates cash flow volatility arising from fluctuations in property operating expenses and capital expenditure requirements. We have no current plans to pursue development or "value add" lease up strategies; however, we may pursue tenant-driven redevelopment opportunities for the properties we own from time to time. We believe our consistent cash flows will provide an attractive and stable current risk adjusted return to our shareholders through an expected dividend of \$1.024 per share on an annualized basis, or an annual dividend rate of approximately 6.4% based on the midpoint of the range set forth on the front cover of this prospectus. See "Distribution Policy."
- **Conservative Balance Sheet and Liquidity Position:** Upon consummation of our formation transactions, and after giving effect to debt paydowns at the closing of this offering, we will have a debt-to-EBITDA ratio of approximately 5.1x, based on our pro forma EBITDA for the

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12 months ended December 31, 2010. We intend to target a debt-to-EBITDA ratio of between 5.0x and 6.0x, although we may exceed these levels from time to time as we complete acquisitions. Following completion of this offering, our debt will be comprised of a \$109.8 million loan maturing in 2012, an \$95.6 million loan maturing in 2018 and an \$8.5 million loan maturing in 2027. All of this debt will bear interest at a fixed rate through its initial term as a result of interest rate swaps. We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity date of our debt due in 2012 to October 2013. The pro forma debt yield on this instrument is 19.3%. We have executed a loan agreement establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all. Our transparent capital structure does not include development financings, joint venture investments or other off balance sheet indebtedness. We believe that this leverage and liquidity profile, as well as the transparency and flexibility of our balance sheet and our UPREIT structure, facilitates future refinancings of our indebtedness and positions us to capitalize on external growth opportunities in the near term.

- **Experienced Management Team:** The five senior members of our management team have significant real estate industry experience, including: Mr. Butcher with 28 years of experience; Mr. Sullivan with 29 years of experience; Mr. Mecke with 26 years of experience; Ms. Arnone with 23 years of experience; and Mr. King with 15 years of experience. All five have had an active role with our predecessor business for at least the past four years. Four have previous public REIT or public real estate company experience. In addition, GI Partners, a representative of which will be a member of our board of directors, has significant experience sponsoring real estate companies, including a public REIT, Digital Realty Trust, Inc.

Our Strategies

Our primary business objectives are to own and operate a balanced and diversified portfolio of single-tenant industrial properties that maximizes cash flows available for distribution to our shareholders, and to enhance shareholder value over time by achieving sustainable long-term growth in FFO per share through the following strategies.

Investment Strategy

Our primary investment strategy is to acquire individual Class B, single-tenant industrial properties predominantly in secondary markets throughout the United States through third-party purchases and structured sale-leasebacks featuring high initial yields and strong ongoing cash-on-cash returns.

We believe secondary markets tend to have less occupancy and rental rate volatility and less buyer competition compared with primary markets. As of December 31, 2010, our properties had an average annualized rent of \$4.05 per rentable square foot of leased space.

The performance of single-tenant properties tends to be binary in nature—either a tenant is paying rent or the owner is paying the entire carrying cost of the property. We believe that this binary nature frequently causes the market to inefficiently price our target assets. In an attempt to avoid this binary

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risk and paying the entire carrying cost of a vacant property, potential investors in single-tenant properties may turn to the application of rigid decision rules that would induce buyers of single-tenant properties to avoid acquisitions where the tenant does not have an investment grade rating or where the remaining primary lease term is less than an arbitrary number such as 12 years. By adhering to such inflexible decision rules, other investors may miss attractive opportunities that we can identify and acquire.

We further believe that our method of using and applying the results of our due diligence and our ability to understand and underwrite risk allows us to exploit this market inefficiency. Lastly, we believe that the systematic aggregation of individual properties will result in a diversified portfolio that mitigates the risk of any single property and will produce sustainable returns which are attractive in light of the associated risks. A diversified portfolio with low correlated risk—essentially a "virtual industrial park"—facilitates debt financing and mitigates individual property ownership risk.

We will not employ a "top-down" market selection approach to identifying acquisitions but rather will evaluate potential acquisitions within the context of the market in which they are located. Each submarket has its own unique market characteristics that determine the timing and amount of cash flow that can reasonably be expected to be derived from the ownership of real estate asset in that market.

Growth Strategy

External Growth through Acquisitions: Our target acquisitions will be, predominantly in secondary markets across the United States, in the \$5 million to \$25 million range. Where appropriate potential returns present themselves, we also may acquire assets in primary markets. Other institutional industrial real estate buyers tend to concentrate their efforts on larger deal sizes in select primary markets. Therefore, the competition for our target assets is primarily local investors who are not likely to have ready access to debt or equity capital. In addition, our UPREIT structure may enable us to acquire industrial properties on a non-cash basis in a tax efficient manner. We will also continue to develop our large existing network of relationships with real estate and financial intermediaries. These individuals and companies give us access to significant deal flow—both those broadly marketed and those exposed through only limited marketing. These properties will be acquired primarily from third party owners of existing leased buildings and secondarily from owner-occupiers through sale-leaseback transactions. The market for third-party investment sales transactions is less competitive than the sale-leaseback market and therefore presents an opportunity to earn returns that we believe are attractive in light of the associated risks. We will continue to focus our acquisition activities on our core property types: warehouse/distribution facilities, manufacturing facilities, and flex/office facilities (light assembly and research and development). Because we believe flex/office properties typically have higher tenant improvement and re-leasing costs and less likelihood of tenant retention compared to our other core property types, we intend to focus more on warehouse/distribution facilities and manufacturing facilities and less on flex/office facilities. From time to time, if an attractive opportunity presents itself, we may consider portfolio acquisitions. As of March 30, 2011, we were evaluating approximately \$470 million of specific potential acquisitions that we have identified as warranting further investment consideration after an initial review. We believe that a significant portion of the 13.8 billion square feet of industrial space in the United States falls within our target investment criteria and that there will be ample supply of suitable acquisition opportunities.

Consistent with our growth strategy, STAG GI, LLC and GI Partners formed STAG GI, which has assembled a portfolio of 15 single-tenant industrial properties that will be contributed to our operating partnership upon completion of our formation transactions and this offering. Upon completion of our formation transactions and this offering, STAG GI will not pursue further acquisitions.

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As part of our formation transactions, upon approval of our independent directors, we will have the right to acquire any of the Option Properties individually for a period of up to three months after notification that the property has stabilized, defined as 85% or greater occupancy pursuant to leases at least two years in remaining duration. See "Structure and Formation of Our Company—Services Agreements and Option Properties."

Internal Growth through Asset Management: Our asset management team will seek to maximize cash flows by maintaining high retention rates and leasing vacant space, managing operating expenses and maintaining our properties. We seek to accomplish these objectives by improving the overall performance and positioning of our assets by utilizing our tenant relationships and leasing expertise to maintain occupancy and increase rental rates. Our asset management team collaborates with our internal credit function to actively monitor the credit profile of each of our tenants on an ongoing basis. Additionally, we work with national and local brokerage companies to market and lease available properties on advantageous terms. During the period from March 3, 2004 to March 31, 2011, the management company achieved a lease renewal rate of 73.3%. As of December 31, 2010, our portfolio had approximately 1,434,217 square feet, or 10.3% of our total rentable square feet, available for lease.

The principal "value-added" component of our asset management process is cost effective tenant retention. Our asset management team maintains an active dialogue with all tenants to identify lease extension opportunities, both at lease expiration dates and during the term of the lease in response to changing tenant requirements. In addition, our asset management team monitors its assets on an ongoing basis through engagement and supervision of local property managers and regular site visits and keeps current on local market conditions through discussions with brokers and principals and by tracking sales via various reporting services.

Our asset management functions with respect to our properties include strategic planning and decision making, centralized leasing activities and management of third party leasing and property management companies. Our asset management/credit team oversees property management activities relating to our properties, which include controlling capital expenditures and expenses that are not reimbursable by tenants, making regular property inspections, overseeing rent collections and cost control and planning and budgeting activities. Tenant relations matters, including monitoring of tenant compliance with their property maintenance obligations and other lease provisions, are handled by in-house personnel for most of our properties and by third-party building managers for other properties under our management.

Critical to our operating strategy is our active monitoring of each tenant's credit profile. On a continuing basis, our asset management/credit team monitors the financial data provided by our tenants, including quarterly, semi-annual, or annual financial information. We also have access to executive management teams to discuss historical performance and future expectations of our tenants. The credit monitoring process involves the review of key news developments, financial statement analysis, management discussions, and the exchange of information with the other asset management specialists.

We also seek to maximize rental income by working to retain existing tenants and by actively marketing space for which tenant renewals are not obtained. We will take an active approach to managing our lease portfolio, typically preparing our renewal or releasing strategy 12 months prior to scheduled lease expiration dates and entering into discussions with tenants well in advance of such expiration dates. Further, we will seek to stagger lease termination dates so as to minimize the possibility of significant portions of the portfolio becoming vacant at the same time. We aim to increase the cash flow generated by our current properties in the portfolio and from the properties that we

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acquire in the future through rent increase provisions in our leases. In addition, we intend to work actively to maintain or improve occupancy levels by retaining existing tenants, thereby minimizing "down time" and releasing costs, and improving the occupancy levels through the leasing of any vacant space.

Underwriting Strategy

We believe that our market knowledge, systems and processes allow us to analyze efficiently the risks in an asset's ability to produce cash flow going forward. We blend fundamental real estate analysis with corporate credit analysis in our proprietary model to make a probabilistic assessment of cash flows that will be realized in future periods. For each asset, our analysis focuses on:

- **Real Estate.** We evaluate the physical real estate within the context of the market (and submarket) in which it is located and the prospect for re-tenanting the property if it becomes vacant by estimating the following:
 - market rent for this building in this location;
 - downtime to re-lease and related carrying costs;
 - cost (tenant improvements, leasing commissions and required capital expenditures) to achieve the projected market rent within the projected downtime; and
 - single-tenant or multi-tenant reuse.
- **Deal Parameters.** We evaluate the tenant and landlord obligations contained within the existing or proposed lease and other transaction documents.
- **Tenant Credit.** We apply fundamental credit analysis to evaluate the tenant's credit profile by focusing on the tenant's current and historical financial status, general business plan, operating risks, capital sources and earnings expectations. We also analyze SEC filings, press releases, management calls, rating agency reports and other public information. In the case of a private, non-rated firm, we will obtain financial information from the tenant and calculate common measures of credit strength such as debt-to-EBITDA and coverage ratios. For publicly rated firms, we use the credit information issued by Moody's Investor Services, Standard & Poor's, and Fitch Ratings. Using this data and publicly available bond default studies of comparable tenant credits, we estimate the probability of future rent loss due to tenant default.
- **Tenant Retention.** We assess the tenant's use of its property and the degree to which the property is central to the tenant's ongoing operations, the tenant's potential cost to relocate, the supply/demand dynamic in the relevant submarket and the availability of suitable alternative properties. We believe tenant retention tends to be greater for properties that are critical to the tenants' businesses. Examples of properties which we believe are critical to the tenant's business include the following:
 - Our 148,298 square foot property located in Tavares, Florida is the tenant's corporate headquarters and is the only site where the tenant designs and manufactures its sophisticated baggage handling systems. In addition, the building is outfitted with state of the art, high-tech equipment that enables the tenant to produce precision systems.
 - Our 187,200 square foot property located in Newton, North Carolina is the sole site for the assembly of advanced satellite antennae and communications equipment used by the U.S. Department of Defense and certain foreign countries to meet critical command, control, communications, computing and intelligence surveillance requirements. This property is

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operated on a 24 hour a day basis and has convenient access to interstate highways and rail service to three major ports for the distribution of its products.

- Our 366,000 square foot property located in Goshen, Indiana is the tenant's sole U.S. manufacturing facility and its key industrial customers are located nearby. The tenant recently improved the building, consolidated its operations from two other U.S. facilities to this location and hired an additional 30 employees.

Financing Strategy

We intend to preserve a flexible capital structure and to utilize primarily debt secured by pools of properties, structured such that in the case of default, the lender's remedies are generally limited to recovery on the collateral. Although we are not required to maintain any particular leverage ratio under our charter or bylaws, we intend to target a long-term average debt-to-EBITDA ratio of between 5.0x and 6.0x, although we may exceed these levels from time to time as we complete acquisitions.

We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all. We expect to fund property acquisitions initially through a combination of cash available from offering proceeds, our credit facilities and traditional mortgage financing. Where possible, we also anticipate using common units issued by our operating partnership to acquire properties from existing owners seeking a tax-deferred transaction. We intend to meet our long-term liquidity needs through cash provided by operations and use of other financing methods as available from time to time including, but not limited to, secured and unsecured debt, perpetual and non-perpetual preferred stock, additional common equity issuances, letters of credit and other arrangements. In addition, we may invest in properties subject to existing mortgages or similar liens.

STAG GI Investments, LLC

STAG GI, LLC and GI Partners formed STAG GI, which has assembled a portfolio of 15 single-tenant industrial properties that it will contribute to our operating partnership as part of our formation transactions. Upon completion of our formation transactions and this offering, STAG GI will contribute its 15 properties to our operating partnership in exchange for common units and will not pursue any further acquisitions. In addition, STAG GI has entered into a purchase and sale agreement for the purchase of one 231,000-square foot industrial property and it also has executed a non-binding letter of intent for the purchase of an industrial property with 305,550 square feet, which represents an aggregate purchase price for both properties of \$24.9 million. STAG GI will assign the purchase and sale agreement and letter of intent to us at closing. We are in various stages of due diligence and underwriting as part of our evaluations of these two potential acquisitions, and each is subject to significant outstanding conditions. We can give no assurance that we will acquire either of the properties or, if we do, what the terms or timing of any such acquisition will be. Further, STAG GI will agree to a 12-month lock-up period on its common units. Following the expiration of the 12-month lock-up period, STAG GI may distribute such common units to the members of STAG GI and liquidate

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the venture. Under certain circumstances, GI Partners will have the right to nominate two members of our board of directors. See "Management—Board of Directors."

Our Properties

In connection with our formation transactions and this offering, in exchange for an estimated total of 7,534,440 common units, we will acquire entities that own our 91 properties. Our target properties fit into three general categories:

- Warehouse/Distribution—properties generally 200,000 to 1,000,000 square feet in size with ceiling heights between 22 feet and 36 feet and used to store and ship various materials and products.
- Manufacturing—properties generally 75,000 to 250,000 square feet in size with ceiling heights between 16 feet and 22 feet and used to manufacture all types of goods and products.
- Flex/Office—properties generally 50,000 square feet to 200,000 square feet in size and used for office space, light manufacturing, research and development and warehousing.

We target Class B properties, as compared to Class A properties. The distinction between Class A industrial and Class B industrial properties is subjective. However, we consider Class A and Class B industrial properties to be as follows:

- Class A industrial properties typically possess most of the following characteristics: concrete tilt-up construction, clear height in excess of 26 feet, a ratio of dock doors to floor area that is more than one door per 10,000 square feet, truck courts sized to accommodate easy maneuvering of long-haul tractor trailer trucks, energy efficient design characteristics, less than 15 years old and square footage generally in excess of 200,000 square feet.
- Class B industrial properties typically vary from Class A industrial properties in that they have some but not all of the features of the Class A industrial properties. These properties remain functional but are less attractive to high volume distribution users.

Our definition of Class A and Class B may be different from those used by other companies.

The following table provides information about the properties we will own upon consummation of our formation transactions. Except as otherwise noted in the footnotes, we will own fee simple interests in all of the properties.

Property Address	City	Number of Properties	Asset Type	Year Built/Year Renovated ⁽¹⁾	Total Rentable Square Feet
Delaware					
111 Pencader Drive	Newark	1	Flex/Office	1991	28,653
113 Pencader Drive	Newark	1	Flex/Office	1991	24,012
Florida					
530 Fentress Boulevard	Daytona Beach	1	Manufacturing	1982/1985	142,857
1301 North Palafox Street	Pensacola	1	Flex/Office	1921/2005	30,620
3100 West Fairfield Drive	Pensacola	1	Flex/Office	1969/1994	7,409
476 Southridge Industrial Drive	Tavares	1	Manufacturing	1989/2003	148,298
Georgia					
1707 Shorewood Drive	LaGrange	1	Warehouse/Distribution	1980/1989	249,716 ⁽⁴⁾
Idaho					
805 North Main Street	Pocatello	1	Flex/Office	1960/1999	43,353

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Property Address	City	Number of Properties	Asset Type	Year Built/Year Renovated ⁽¹⁾	Total Rentable Square Feet
Indiana					
1515 East State Road 8	Albion	8	Manufacturing	1966/1994	319,513
2350 County Road 6	Elkhart	1	Warehouse/Distribution	1977	150,715 ⁽⁵⁾
53105 Marina Drive	Elkhart	1	Warehouse/Distribution	1978/1983	18,000
2600 College Avenue	Goshen	1	Warehouse/Distribution	1978/2002	366,000
Iowa					
102 Sergeant Square Drive	Sergeant Bluff	1	Flex/Office	1980/1987	148,131
Kansas					
One Fuller Way	Great Bend	2	Warehouse/Distribution	1972/2002	572,114
Kentucky					
300 Spencer Mattingly Lane	Bardstown	1	Warehouse/Distribution	1996/1999	102,318
1355 Lebanon Road	Danville	1	Warehouse/Distribution	1971/1997	766,185
Maine					
One Hatley Road	Belfast	5	Flex/Office	1997/2000	318,979 ⁽⁶⁾
19 Mollison Way	Lewiston	1	Flex/Office	1995	60,000
Maryland					
15 Loveton Circle	Sparks	2	Flex/Office	1980/2003	34,800
Massachusetts					
37 Hunt Road	Amesbury	1	Flex/Office	2000	78,040
219 Medford Street	Malden	1	Manufacturing	1974/1980	46,129
243 Medford Street	Malden	1	Manufacturing	1975/1980	63,814
Michigan					
50900 E. Russell Schmidt	Chesterfield	1	Warehouse/Distribution	1969/2009	311,042
50501 E. Russell Schmidt	Chesterfield	1	Warehouse/Distribution	1971/2007	68,300
50371 E. Russell Schmidt	Chesterfield	1	Warehouse/Distribution	1972	49,612
50271 E. Russell Schmidt	Chesterfield	1	Warehouse/Distribution	1971	49,849
2640 Northridge	Grand Rapids	1	Warehouse/Distribution	1995	210,000
900 Brooks Avenue	Holland	1	Warehouse/Distribution	1969/2007	307,576 ⁽⁷⁾
414 E. 40th Street	Holland	1	Manufacturing	1970/1985	198,822
Minnesota					
4750 County Road 13 NE	Alexandria	1	Manufacturing	1991/2007	172,170
19850 Diamond Lake Road	Rogers	1	Warehouse/Distribution	2001	386,724
Mississippi					
4795 I-55 North	Jackson	1	Flex/Office	1968/2002	39,909
1102 Chastain Drive	Jackson	1	Flex/Office	1975/2007	11,600
Missouri					
8950 & 8970 Pershall Road	Hazelwood	1	Warehouse/Distribution	1966/1996	249,441
3801 Lloyd King Drive	O'Fallon	1	Warehouse/Distribution	1995/2009	77,000
New Jersey					
251 Circle Drive North	Piscataway	1	Warehouse/Distribution	1977/1982	228,000
190 Strykers Road	Lopatcong	1	Manufacturing	1984	87,500
New York					
60 Industrial Parkway	Cheektowaga	1	Warehouse/Distribution	1968/2004	121,760
5786 Collett Road ⁽²⁾	Farmington	1	Warehouse/Distribution	1995	149,657

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Property Address	City	Number of Properties	Asset Type	Year Built/Year Renovated ⁽¹⁾	Total Rentable Square Feet
North Carolina					
1187 Telcom Drive	Creedmor	1	Warehouse/Distribution	1975/2001	243,048
165 American Way	Jefferson	2	Manufacturing	1998/2005	103,577
200 Woodside Drive	Lexington	1	Warehouse/Distribution	1999/2002	201,800
300 Forum Parkway	Rural Hall	1	Warehouse/Distribution	1993	250,000
3700 Display Drive	Charlotte	1	Warehouse/Distribution	2001	465,323
10701 Nations Ford Road	Charlotte	1	Warehouse/Distribution	1975/1999	491,025
1500 Prodelin Drive	Newton	1	Warehouse/Distribution	2001	187,200
313 Mooresville Blvd.	Mooresville	1	Warehouse/Distribution	2009	300,000
Ohio					
4401 Southern Blvd	Boardman	1	Manufacturing	1958	95,000
365 McClurg Road	Boardman	1	Warehouse/Distribution	1958/1998	175,900
1011 Glendale Milford Road	Cincinnati	1	Flex/Office	1957/2003	114,532 ⁽⁸⁾
818 Mulberry Street	Canton	1	Warehouse/Distribution	1871/2005	448,000
4646 Needmore Road	Dayton	1	Flex/Office	1974/1998	113,000
800 Pennsylvania Avenue	Salem	1	Manufacturing	1968/1987	251,000
5160 Greenwich Road	Seville	1	Warehouse/Distribution	1962/2003	75,000 ⁽⁹⁾
5180 Greenwich Road	Seville	1	Warehouse/Distribution	1962/2003	270,000 ⁽⁹⁾
9777 Mopar Drive	Streetsboro	1	Warehouse/Distribution	1996	343,416
7990 Bavaria Road	Twinsburg	1	Warehouse/Distribution	1992	120,774
1100 Performance Place	Youngstown	1	Warehouse/Distribution	1996/2003	153,708
Oregon					
4050 Fairview Industrial Drive (Building A)	Salem	1	Manufacturing	1999	108,000
4050 Fairview Industrial Drive (Building B)	Salem	1	Manufacturing	2000	47,900
Pennsylvania					
700 Waterfront Drive	Pittsburgh	1	Flex/Office	1998	53,183
405 Keystone Drive	Warrendale	1	Warehouse/Distribution	1999	148,000
South Dakota					
1400 Turbine Drive	Rapid City	1	Flex/Office	1991/1996	137,000
Tennessee					
538 Myatt Drive	Madison	1	Warehouse/Distribution	1984	418,406
90 Deer Xing Road	Vonore	1	Warehouse/Distribution	2002	342,700
4405 Michigan Avenue Road	Cleveland	1	Warehouse/Distribution	1988	151,704
Texas					
3311 Pinewood Drive	Arlington	1	Warehouse/Distribution	1970/1985	94,132
2550 N. Mays Street	Round Rock	1	Manufacturing	1979/2007	79,180
101 Apron Road ⁽³⁾	Waco	1	Warehouse/Distribution	1998	66,400
Virginia					
6051 North Lee Highway	Fairfield	1	Manufacturing	1997/2004	75,221
2311 North Lee Highway	Lexington	1	Warehouse/Distribution	1985	15,085

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Property Address	City	Number of Properties	Asset Type	Year Built/Year Renovated ⁽¹⁾	Total Rentable Square Feet
Wisconsin					
2111 S. Sandra Street	Appleton	1	Manufacturing	1979/1990	145,519 ⁽¹⁰⁾
605 Fourth Street	Mayville	1	Manufacturing	1959/1988	339,179
8900 N. 55 th Street	Milwaukee	2	Warehouse/Distribution	1973/2002	117,564
200 West Capitol Drive	Milwaukee	1	Manufacturing	1926/1947	270,000
1615 Commerce Drive	Sun Prairie	1	Warehouse/Distribution	1989/1993	427,000 ⁽¹¹⁾
Total		91			13,877,094

(1) Renovation means a material upgrade, alteration or addition to a building or building systems resulting in increased marketability of the property.

(2) Subject to ground lease under PILOT program.

(3) Subject to ground lease.

(4) Includes 38,026 rentable square feet of office space.

(5) Includes 49,015 rentable square feet of office space.

(6) Includes 25,236 rentable square feet of warehouse/distribution space.

(7) Includes 24,576 rentable square feet of office space.

(8) Includes 57,195 rentable square feet of warehouse/distribution space.

(9) Ohio Wholesale's total rental payment allocated by building square footage.

(10) Includes 14,754 rentable square feet of office space.

(11) Includes 62,161 rentable square feet of office space.

Property Diversification

The following table sets forth information relating to diversification by property type in our portfolio based on total annualized rent as of December 31, 2010.

Property Type	Total Number of Properties	Occupancy ⁽¹⁾	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Total Annualized Rent per Leased Square Foot	Total Annualized Rent (dollars in thousands)	Percentage of Total Annualized Rent
Warehouse/Distribution	44	89.5%	9,940,194	71.6%	\$ 3.42	\$ 30,376	60.2%
Flex/Office	21	89.1%	1,243,221	9.0%	9.92	10,993	21.8%
Manufacturing	26	90.6%	2,693,679	19.4%	3.71	9,059	18.0%
Total/Weighted Average	91	89.7%	13,877,094	100%	\$ 4.05	\$ 50,428	100%

(1) Calculated as the average occupancy weighted by each property's rentable square footage. A few properties have more than one tenant.

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Geographic Diversification

The following table sets forth information relating to geographic diversification by state in our portfolio based on total annualized rent as of December 31, 2010.

State	Total Number of Properties	Occupancy ⁽¹⁾	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Total Annualized Rent per Leased Square Foot	Total Annualized Rent (dollars in thousands)	Percentage of Total Annualized Rent
North Carolina	9	100.0%	2,241,973	16.2%	\$ 3.85	\$ 8,636	17.1%
Ohio	11	75.0%	2,160,330	15.6%	3.94	6,386	12.7%
Wisconsin	6	98.9%	1,299,262	9.4%	2.83	3,636	7.2%
Michigan	7	93.8%	1,195,201	8.6%	2.75	3,080	6.1%
Tennessee	3	100.0%	912,810	6.6%	3.29	2,999	5.9%
Maine	6	100.0%	378,979	2.7%	7.33	2,778	5.5%
Indiana	11	89.9%	854,228	6.2%	3.44	2,645	5.2%
Minnesota	2	100.0%	558,894	4.0%	4.25	2,374	4.7%
Kentucky	2	97.3%	868,503	6.3%	2.71	2,290	4.5%
Florida	4	56.6%	329,184	2.4%	9.91	1,846	3.7%
New Jersey	2	100.0%	315,500	2.3%	5.45	1,718	3.4%
Massachusetts	3	58.5%	187,983	1.4%	7.19	790	1.6%
All Others	25	81.5%	2,574,247	18.3%	5.36	11,250	22.4%
Total/Weighted Average	91	89.7%	13,877,094	100%	\$ 4.05	\$ 50,428	100%

(1) Calculated as the average occupancy weighted by each property's rentable square footage. A few properties have more than one tenant.

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Industry Diversification

The following table sets forth information relating to tenant diversification by industry in our portfolio based on total annualized rent as of December 31, 2010.

Industry	Total Number of Leases ⁽¹⁾	Total Leased Square Feet	Percentage of Total Leased Square Feet	Total Annualized Rent (dollars in thousands)	Percentage of Total Annualized Rent
Containers & Packaging	8	1,975,891	15.9%	\$ 7,416	14.7%
Business Services	5	759,960	6.1%	4,933	9.8%
Personal Products	6	1,734,489	13.9%	4,788	9.5%
Industrial Equipment, Components & Metals	7	824,318	6.6%	3,600	7.1%
Aerospace & Defense	6	665,930	5.4%	3,562	7.1%
Automotive	5	1,059,280	8.5%	3,539	7.0%
Retail	3	1,069,729	8.6%	3,483	6.9%
Food & Beverages	3	925,700	7.4%	3,306	6.6%
Technology	6	678,850	5.5%	3,157	6.3%
Finance	2	387,227	3.1%	3,115	6.2%
Office Supplies	4	1,254,836	10.1%	2,999	5.9%
Healthcare	3	192,230	1.5%	1,380	2.7%
Government	4	62,041	0.5%	1,309	2.6%
Air Freight & Logistics	3	242,292	1.9%	1,098	2.2%
Education	3	108,846	0.9%	1,092	2.2%
Other	5	501,258	4.1%	1,651	3.2%
Total/Weighted Average	73	12,442,877	100%	\$ 50,428	100%

(1) A single lease may cover space in more than one building.

Tenants

Our portfolio of properties has a stable and diversified tenant base. As of December 31, 2010, our properties were 89.7% leased to 70 tenants in a variety of industries, with no single tenant accounting for more than 5.5% and no single industry accounting for more than 14.7% of our total annualized rent. Our 10 largest tenants account for 33.2% of our annualized rent. We intend to continue to maintain a diversified mix of tenants to limit our exposure to any single tenant or industry.

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The following table sets forth information about the 10 largest tenants in our portfolio based on total annualized rent as of December 31, 2010.

<u>Tenant</u>	<u>Total Leased Square Feet</u>	<u>Percentage of Total Leased Square Feet</u>	<u>Total Annualized Rent</u> (dollars in thousands)	<u>Percentage of Total Annualized Rent</u>
International Paper	573,323	4.6%	\$ 2,765	5.5%
Bank of America	318,979	2.6%	2,233	4.4%
Spencer Gifts	491,025	3.9%	1,890	3.7%
Berry Plastics	315,500	2.5%	1,718	3.4%
Stream International	148,131	1.2%	1,666	3.3%
Archway Marketing Services	386,724	3.1%	1,623	3.2%
ConAgra Foods	342,700	2.8%	1,388	2.8%
Chrysler Group	343,416	2.8%	1,181	2.3%
DuPont	418,406	3.4%	1,151	2.3%
Cequent Performance Products	366,000	2.9%	1,138	2.3%
Total	3,704,204	29.8%	\$ 16,753	33.2%

Leases

Overview

Triple net lease. In our triple net leases, the tenant is responsible for all aspects of and costs related to the property and its operation during the lease term. The landlord may have responsibility under the lease to perform or pay for certain capital repairs or replacements to the roof, structure or certain building systems, such as heating and air conditioning and fire suppression. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of December 31, 2010, there were 64 triple net leases in our property portfolio, or 93.8% of our total annualized rent.

Modified gross lease. In our modified gross leases, the landlord is responsible for some property related expenses during the lease term, but the cost of most of the expenses is passed through to the tenant for reimbursement to the landlord. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of December 31, 2010, there were five modified gross leases in our property portfolio, or 3.8% of our total annualized rent.

Gross lease. In our gross leases, the landlord is responsible for all aspects of and costs related to the property and its operation during the lease term. The tenant may have the right to terminate the lease or abate rent due to a major casualty or condemnation affecting a significant portion of the property or due to the landlord's failure to perform its obligations under the lease. As of December 31, 2010, there were four gross leases in our property portfolio, or 2.5% of our total annualized rent.

Lease Expirations

As of December 31, 2010, our weighted average in-place remaining lease term was approximately 5.9 years. In addition, during the period from March 3, 2004 to March 31, 2011, the management company has achieved an average tenant retention rate (with respect to 108 leases) of 73.3% based on expiring rental payments. The following table sets forth a summary schedule of lease expirations for leases in place as of December 31, 2010, plus available space, for each of the 10 calendar years

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beginning with 2011 and thereafter in our portfolio (dollars in thousands, except per square foot data). The information set forth in the table assumes that tenants exercise no renewal options and no early termination rights.

Year of Lease Expiration	Number of Leases Expiring	Total Rentable Square Feet	Percentage of Total Expiring Square Feet	Total Annualized Rent ⁽¹⁾	Percentage of Total Annualized Rent	Total Annualized Rent per Leased Square Foot	Total Annualized Rent at Expiration	Total Annualized Rent per Leased Square Foot at Expiration
Available		1,434,217	10.3%					
2011	10	661,911	4.8%	3,364	6.7%	5.08	3,380	5.11
2012	13	1,515,134	10.9%	6,331	12.6%	4.18	6,460	4.26
2013	8	1,747,803	12.6%	5,485	10.9%	3.14	5,560	3.18
2014	9	1,698,275	12.2%	7,006	13.9%	4.13	7,124	4.19
2015	4	303,732	2.2%	1,450	2.9%	4.77	1,565	5.15
2016	7	1,192,774	8.6%	5,436	10.8%	4.56	6,028	5.05
2017	7	1,377,018	9.9%	6,257	12.4%	4.54	6,788	4.93
2018	1	318,979	2.3%	2,233	4.4%	7.00	2,654	8.32
2019	2	521,645	3.8%	2,803	5.6%	5.37	3,559	6.82
2020	1	53,183	0.4%	420	0.8%	7.90	513	9.65
Thereafter	11	3,052,423	22.0%	9,643	19.0%	3.16	10,804	3.54
Total/Weighted Average	73	13,877,094	100%	\$ 50,428	100%	\$ 4.05	\$ 54,435	\$ 4.37

(1) Total annualized rent does not include any gross-up for tenant reimbursements and we had no rent abatements in effect as of December 31, 2010.

Historical Tenant Improvements and Leasing Commissions

The following table sets forth certain historical information regarding leasing related (revenue generating) tenant improvement and leasing commission costs for tenants at the properties in our portfolio through December 31, 2010 (dollars in thousands, except per square foot data).

	2010	Square Feet	2010 PSF ⁽¹⁾	2009	Square Feet	2009 PSF ⁽¹⁾	2008	Square Feet	2008 PSF ⁽¹⁾
Tenant Improvements									
New ⁽²⁾	\$ 152	87,513	\$ 1.74	\$ —	—	\$ —	\$ —	—	\$ —
Renewal ⁽³⁾	26	580,407	0.04	—	477,542	—	—	—	—
Total Tenant Improvements	\$ 178	667,920	\$ 0.27	\$ —	477,542	\$ —	\$ —	—	\$ —
Leasing Commissions									
New	\$ 184	87,513	\$ 2.10	\$ —	—	\$ —	\$ —	—	—
Renewal	130	580,407	0.22	20	477,542	0.04	—	—	—
Total Leasing Commissions	\$ 314	667,920	\$ 0.47	\$ 20	477,542	\$ 0.04	\$ —	—	\$ —
Total Tenant Improvements & Leasing Commissions	\$ 492	667,920	\$ 0.74	\$ 20	477,542	\$ 0.04	\$ —	—	\$ —

(1) Tenant improvements and lease commission per square foot ("PSF") amount is calculated by dividing the aggregate costs by the aggregate square footage for all deals that were completed during that year.

(2) New leases represent all leases other than renewal leases.

(3) Renewal leases represent new leases entered into with existing tenants for the same premises. Previously leased month-to-month leases are not included in this calculation.

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Historical Capital Expenditures

The following table sets forth certain information regarding historical maintenance (non-revenue generating) capital expenditures at the properties in our portfolio that we are acquiring from Fund III and Fund IV through December 31, 2010 (dollars in thousands, except per square foot data). STAG GI has not had any capital expenditures to date on any of the properties it owns, none of which was acquired by STAG GI earlier than July 30, 2010.

	2010	Square Feet	2010 PSF ⁽¹⁾	2009	Square Feet	2009 PSF ⁽¹⁾	2008	Square Feet	2008 PSF ⁽¹⁾
Total Non-Recurring Capital Expenditures ⁽²⁾	\$ 1,619	10,530,870	\$ 0.15	\$ 1,274	9,582,673	\$ 0.13	\$ 197	8,608,095	\$ 0.02
Total Recurring Capital Expenditures ⁽³⁾	\$ 293	10,530,870	\$ 0.03	\$ 196	9,582,673	\$ 0.02	\$ 118	8,608,095	\$ 0.01
Total Non-Recurring & Recurring Capital Expenditures	\$ 1,912	10,530,870	\$ 0.18	\$ 1,470	9,582,673	\$ 0.15	\$ 315	8,608,095	\$ 0.03

- (1) Capital Expenditure PSF amount is calculated by dividing the aggregate costs by the aggregate square footage over the relevant time period including properties where no capital was incurred.
- (2) Non-recurring capital expenditures are long lived expenditures such as the replacement of roofs.
- (3) Recurring capital expenditures are shorter lived expenditures.

To date, we have not purchased a property that requires development or significant renovation. From time to time, we may purchase a building that will require a near term roof replacement. We typically factor the cost of the roof replacement into the purchase price or hold reserves for the replacement. On an annual basis, we budget the projected costs of repairs and maintenance but, as the majority of our properties are single tenant assets, these costs are minimal.

Property Management Agreements

Among the properties being contributed by Fund III, Fund IV and STAG GI, we manage 56 properties and the other 35 properties are managed by external property managers where the leases require an on-site manager, where the buildings are vacant or where there are multiple tenants under gross leases. While the fees paid under these property management agreements vary according to the number and size of the properties managed, generally all of these property management agreements contain one year terms, automatically renewed unless terminated with 30 days notice, provide for payment of set fees and reimbursement of certain costs, and allow termination without cause with 30 days notice.

Description of Certain Debt

Immediately following the completion of our formation transactions and this offering, we expect our outstanding mortgage debt to be:

- a loan from Anglo Irish Bank Corporation Limited with an estimated outstanding balance of approximately \$109.8 million and a variable interest rate of LIBOR plus 3.00% per annum (rate swapped to fixed rate of 5.165%), secured by mortgages on certain properties formerly owned by Fund III, scheduled to mature on January 31, 2012 (we have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity date to October 2013);
- a note under the loan from Connecticut General Life Insurance Company ("CIGNA") with an estimated outstanding balance of approximately \$61.0 million and an interest rate of 6.50% per annum, secured by certain properties formerly owned by STAG GI, scheduled to mature on February 1, 2018;

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- a note under the loan from CIGNA with an estimated outstanding balance of approximately \$34.6 million and an interest rate of 5.75% per annum, secured by certain properties formerly owned by STAG GI, scheduled to mature on February 1, 2018 (which will have approximately \$30.4 in borrowing capacity remaining at our formation); and
- a note from CIBC, Inc. with an estimated outstanding balance of \$8.5 million and an interest rate of 7.05% per annum, secured by a property formerly owned by STAG GI, scheduled to mature on August 1, 2027. The interest rate increases to the greater of 9.05% and the treasury rate as of August 1, 2012 plus 2% beginning in August 2012 and continues through maturity.

These loan agreements are generally non-recourse and contain financial covenants. The Anglo Master Loan (Fund III) contains a loan-to-value requirement with respect to the collateral properties that is measured annually and a minimum debt service coverage ratio that is measured semi-annually. Our loan with CIGNA contains, at each loan advance, a loan-to-value requirement with respect to the collateral properties and a minimum debt service coverage ratio. We are currently in compliance with the financial covenants in our loan agreements.

We have executed a loan modification, which is being held in escrow and is subject to customary closing conditions, to extend the maturity date of the above Anglo Master Loan (Fund III) due in 2012 to October 2013. The pro forma debt yield on this instrument is 19.3%.

We have executed a loan agreement with several financial institutions establishing a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances). The credit facility is being held in escrow and will be available upon the closing of this offering and satisfaction of other customary closing conditions. We intend to use this facility for property acquisitions, working capital requirements and other general corporate purposes. The credit facility contains customary terms, covenants and other conditions for credit facilities of this type.

In addition, in connection with our formation transactions, we will be assuming an existing secured acquisition credit facility from STAG GI that currently has \$30.4 million of borrowing capacity and a commitment letter for an additional \$65 million secured acquisition credit facility. There is no assurance that we will be able to enter into a definitive agreement relating to the additional acquisition facility that we find acceptable, or at all.

Upon completion of this offering and after the debt paydowns discussed under "Use of Proceeds," we expect to have approximately \$60 million credit facility capacity immediately available to us under the \$100 million credit facility (with up to \$82.5 million available upon the satisfaction of certain lender conditions) to fund working capital and property acquisitions and to execute our business strategy.

Regulation

General

Our properties are subject to various laws, ordinances and regulations, including regulations relating to common areas and fire and safety requirements. We believe that we have the necessary permits and approvals to operate each of our properties.

Americans with Disabilities Act

Our properties must comply with Title III of the ADA to the extent that such properties are "public accommodations" as defined under the ADA. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our

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properties where such removal is readily achievable. Although we believe that the properties in our portfolio in the aggregate substantially comply with present requirements of the ADA, and we have not received any notice for correction from any regulatory agency, we have not conducted a comprehensive audit or investigation of all of our properties to determine whether we are in compliance and therefore we may own properties that are not in compliance with the ADA.

ADA compliance is dependent upon the tenant's specific use of the property, and as the use of a property changes or improvements to existing spaces are made, we will take steps to ensure compliance. Noncompliance with the ADA could result in additional costs to attain compliance, imposition of fined by the U.S. government or an award of damages or attorney's fees to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our properties and to make alterations to achieve compliance as necessary.

Environmental Matters

The properties that we acquire will be subject to various federal, state and local environmental laws. Under these laws, courts and government agencies have the authority to require us, as owner of a contaminated property, to clean up the property, even if we did not know of or were not responsible for the contamination. These laws also apply to persons who owned a property at the time it became contaminated, and therefore it is possible we could incur these costs even after we sell some of the properties we acquire. In addition to the costs of cleanup, environmental contamination can affect the value of a property and, therefore, an owner's ability to borrow using the property as collateral or to sell the property. Under applicable environmental laws, courts and government agencies also have the authority to require that a person who sent waste to a waste disposal facility, such as a landfill or an incinerator, pay for the clean-up of that facility if it becomes contaminated and threatens human health or the environment. We invest in properties historically used for industrial, manufacturing and commercial purposes. Certain of our properties are on or are adjacent to or near other properties upon which others, including former owners or tenants of our properties have engaged, or may in the future engage, in activities that may generate or release petroleum products or other hazardous or toxic substances.

Environmental laws in the United States also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. According to Phase I environmental assessments prepared at the time of acquisition, 12 of our properties are known to have asbestos containing materials. No immediate action was recommended to address these instances and, as a result, we do not currently plan to take any actions to address these instances. Additionally, 14 of our properties are suspected of having asbestos containing materials due to the age of the building and observed conditions. No immediate action was recommended to address these instances and, as a result, we do not currently plan to take any actions to address these instances. In the event of a building renovation or demolition, a comprehensive asbestos inspection would be performed to determine proper handling and disposal of any asbestos containing materials.

Furthermore, various court decisions have established that third parties may recover damages for injury caused by property contamination. For instance, a person exposed to asbestos at one of our properties may seek to recover damages if he or she suffers injury from the asbestos. Lastly, some of

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these environmental laws restrict the use of a property or place conditions on various activities. An example would be laws that require a business using chemicals to manage them carefully and to notify local officials that the chemicals are being used.

We could be responsible for any of the costs discussed above. The costs to clean up a contaminated property, to defend against a claim, or to comply with environmental laws could be material and could adversely affect the funds available for distribution to our shareholders. All of our properties were subject to a Phase I or similar environmental assessment by independent environmental consultants at the time of acquisition. We generally expect to continue to obtain a Phase I or similar environmental assessment by independent environmental consultants on each property prior to acquiring it. However, these environmental assessments may not reveal all environmental costs that might have a material adverse effect on our business, assets, results of operations or liquidity and may not identify all potential environmental liabilities.

In addition, we maintain a portfolio environmental insurance policy that provides coverage for potential environmental liabilities, subject to the policy's coverage conditions and limitations.

In 2009, a former tenant in our property in Daytona Beach, Florida became insolvent and ceased operations. When the tenant ceased operations, the Florida Department of Environmental Protection sought to have the hazardous materials, solid wastes and used oil removed from the site and all of the process equipment decontaminated. Due to the insolvency of the former tenant, such tasks became the responsibility of our predecessor business. We contracted with qualified environmental remediation specialists to dispose of the hazardous materials and decontaminate and remove the process equipment. The project was monitored by the Florida Department of Environmental Protection. In a letter dated February 25, 2010, the Florida Department of Environmental Protection stated that no hazardous waste, solid waste or used oil remained at the property, which closed the matter. Total remediation costs incurred were approximately \$291,000, the majority of which has been paid by our environmental insurance.

We can make no assurances that future laws, ordinances or regulations will not impose material environmental liabilities on us, or the current environmental condition of our properties will not be affected by tenants, the condition of land or operations in the vicinity of our properties (such as releases from underground storage tanks), or by third parties unrelated to us.

Insurance

We carry comprehensive general liability, fire, extended coverage and rental loss insurance covering all of the properties in our portfolio under a blanket insurance policy. In addition, we maintain a portfolio environmental insurance policy that provides coverage for potential environmental liabilities, subject to the policy's coverage conditions and limitations. Generally, we do not carry insurance for certain losses, including, but not limited to, losses caused by floods, earthquakes, acts of war, acts of terrorism or riots. Upon completion of our formation transactions and this offering, we believe the policy specifications and insured limits will be appropriate and adequate given the relative risk of loss, the cost of the coverage and standard industry practice; however, our insurance coverage may not be sufficient to fully cover all of our losses.

Competition

In acquiring our target properties, we compete with other public industrial property sector REITs, single-tenant REITs, income oriented non-traded REITs, private real estate fund managers and local real estate investors and developers. The last named group, local real estate investors and developers,

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historically has represented our dominant competition for deals but they typically do not have ready access to credit. We also face significant competition in leasing available properties to prospective tenants and in re-leasing space to existing tenants.

Employees

As of December 31, 2010, our predecessor business employed 25 full-time employees. We believe that our relationships with our employees are good. None of the employees is represented by a labor union.

Legal Proceedings

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

Our Corporate Information

Our principal executive offices are located at 99 High Street, 28th Floor, Boston, Massachusetts 02110. Our telephone number is (617) 574-4777. Our website is www.stagreit.com. The information found on, or otherwise accessible through, our website is not incorporated into, and does not form a part of, this prospectus or any other report or document we file with or furnish to the SEC.

MANAGEMENT

Directors, Executive Officers and Certain Other Officers

Our board of directors shall consist of seven members, including a majority of directors who we believe are "independent" directors with independence being determined in accordance with the listing standards established by the NYSE. All members will serve annual terms. Upon the expiration of their terms at the annual meeting of the shareholders in May 2012, directors will be elected to serve a term of one year or until their successors are duly elected and qualify.

The following sets forth certain information with respect to our directors, executive officers and certain other officers.

Name*	Age	Positions
Benjamin S. Butcher	57	Chief Executive Officer, President and Chairman of the Board
Gregory W. Sullivan	56	Chief Financial Officer, Executive Vice President and Treasurer
Stephen C. Mecke	48	Chief Operating Officer and Executive Vice President
Kathryn Arnone	61	Executive Vice President, General Counsel and Secretary
David G. King	43	Executive Vice President and Director of Real Estate Operations
Bradford F. Sweeney	40	Senior Vice President of Acquisitions
Michael C. Chase	38	Senior Vice President of Acquisitions
F. Alexander Fraser	38	Director Nominee†
Jeffrey D. Furber	52	Independent Director Nominee
Larry T. Guillemette	55	Independent Director Nominee
Edward F. Lange, Jr.	51	Independent Director Nominee†
Francis X. Jacoby III	49	Independent Director Nominee
Hans S. Weger	47	Independent Director Nominee

* The address of each director and officer listed is 99 High Street, 28th Floor, Boston, Massachusetts 02110.

† GI Partners nominee. We entered into a voting agreement with GI Partners. We agreed that GI Partners will have the right to select two members of our initial board of directors and that, subject to GI Partners maintaining a minimum ownership interest in our company, we will cause two persons selected by GI Partners to be nominated for election to our board of directors at each annual meeting of our shareholders. See "—Board of Directors."

Benjamin S. Butcher will serve as our Chief Executive Officer, President and Chairman of the Board. Mr. Butcher has overseen growth of the management company over the last seven years serving as a member of the Board of Managers and Management Committees of STAG and its affiliates from 2003 to 2011. Since the management company's inception, Mr. Butcher and his team have managed the deployment of approximately \$1.4 billion of capital representing the acquisition of 220 properties. From 1999 to 2003, Mr. Butcher was engaged as a private equity investor in real estate and technology. During that time, one of these investments, Apptus, Inc., an application services provider with a total capitalization of approximately \$2.0 million, filed a petition under Chapter 7 of the United States Bankruptcy Code in June 2001. From 1997 to 1998, Mr. Butcher served as a Director at Credit Suisse First Boston, where he sourced and executed transactions for the Principal Transactions Group (real estate debt and equity). Prior to that, he served as a Director at Nomura Asset Capital from 1993 to 1997, where he focused on marketing and business development for its commercial mortgage-backed securities group. Mr. Butcher received his Bachelor of Arts degree from Bowdoin College and his Master of Business Administration degree from the Tuck School of Business at Dartmouth. In light of his extensive company-specific operational, finance and market experience, his leadership abilities, and his expertise in the acquisition, ownership and management of single-tenant industrial properties, we have determined that it is in the best interests of our company and our shareholders for Mr. Butcher to serve as a director on the board of directors.

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Gregory W. Sullivan will serve as our Chief Financial Officer, Executive Vice President and Treasurer. Mr. Sullivan served on the Investment Committees and Boards of Managers of the management company from 2004 to 2011 and served as Executive Vice President for Corporate Development for NED from 2002 to 2011, where his role was to expand and diversify NED's real estate and non-real estate private equity activities. Prior to joining NED in 2002, Mr. Sullivan was Executive Vice President and Chief Financial Officer of Trizec Hahn Corporation from 1994 to 2001, a public real estate company headquartered in Toronto. From 1987 to 1994, Mr. Sullivan served in various capacities at AEW Capital Management in Boston including overseeing investments for the company's real estate opportunity fund and heading the capital markets group. In addition, from 1982 to 1987, he served as a senior finance officer at M/A-COM, Inc., a Boston based telecommunications company and, from 1980 to 1982, he served as an investment banker at Smith Barney in New York. Mr. Sullivan received his Bachelor of Sciences degree from the University of Vermont and his Master of Business Administration degree from The Wharton School of the University of Pennsylvania.

Stephen C. Mecke will serve as our Chief Operating Officer and Executive Vice President. Mr. Mecke served as Chief Investment Officer for the management company from 2004 to 2011, where he was responsible for all asset acquisition and asset management activities. Prior to joining the management company, Mr. Mecke ran the acquisitions groups for M--P--A, a private real estate fund that represented a large east coast endowment fund, from June 2001 to November 2004 and Mr. Mecke also worked at Meditrust Corporation, a publicly traded real estate investment trust, as Vice President of Acquisitions and various other positions from June 1992 to December 2000. Mr. Mecke received his Bachelor of Arts degree from Hobart College and his Master of Business Administration degree from Northeastern University.

Kathryn Arnone will serve as our Executive Vice President, General Counsel and Secretary. Ms. Arnone served as General Counsel for the management company from 2006 to 2011, where she was responsible for all of the company's legal matters, including supervising real estate matters, property sales, corporate governance matters and employment issues. Prior to joining the management company, Ms. Arnone was Vice President and Assistant General Counsel at La Quinta Corporation, a lodging REIT where she specialized in acquisitions and sales matters, from January 2003 to February 2006. In addition, Ms. Arnone served first as Associate General Counsel and then as General Counsel—Healthcare Division at Meditrust Corporation, a healthcare REIT, from October 1997 to December 2002, where she supervised a portfolio of first mortgage loans and sale-leaseback leases. Prior to these positions, Ms. Arnone worked for several private law firms from 1988 to 1997. Ms. Arnone received her Bachelor of Arts degree from Smith College and her Juris Doctor degree from Harvard Law School.

David G. King will serve as our Executive Vice President and Director of Real Estate Operations. Mr. King served as a Managing Director for the management company from 2005 to 2011, where he was responsible for portfolio management for the company. From 1997 to 2005, Mr. King worked for AMB Property Corporation, a publicly traded REIT, as Regional Management Officer where he had primary responsibility for leasing, management, development, acquisition sourcing and dispositions of the firm's industrial and office portfolios in the Mid-Atlantic region and in various other positions. Mr. King received his Bachelor of Arts degree from the University of Vermont and his Master of Public Administration degree from Indiana University.

Bradford F. Sweeney will serve as our Senior Vice President of Acquisitions. Mr. Sweeney served as Managing Director for the management company from 2004 to 2011, where he was responsible for managing an acquisition team in the sourcing, underwriting, negotiating and closing of deals with a territory of approximately half the country. Prior to joining the management company, Mr. Sweeney was employed at Fidelity Investments Real Estate Group from June 1995 to October 2004 in various

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capacities, most recently as an Investment Officer where he was responsible for sourcing, negotiating, underwriting and closing private equity and mezzanine debt investments in various real estate asset types. Mr. Sweeney received his Bachelor of Arts degree from Saint Michael's College and has earned the Chartered Financial Analyst designation.

Michael C. Chase will serve as our Senior Vice President of Acquisitions. Mr. Chase served as Managing Director for the management company from 2003 to 2011, where he was responsible for managing an acquisition team in the sourcing, underwriting, negotiating and closing of deals with a territory of approximately half the country. Prior to joining the management company, Mr. Chase was the Vice President of Acquisitions at Paradigm Properties, where he was responsible for originating, underwriting, analyzing and closing new investments from March 1999 to June 2002. He also was a broker in the Boston office of Grubb & Ellis focusing primarily on investment sales from June 1996 to February 1999. Mr. Chase received his Bachelor of Science degree from the University of Vermont.

F. Alexander Fraser will serve as a director upon completion of our formation transactions and this offering. Mr. Fraser serves as a Director at GI Partners, LLC, a private equity firm focused on investments in asset-backed businesses and properties in North America and Western Europe. Prior to joining GI Partners, LLC in 2005, Mr. Fraser worked as a Vice President in the Real Estate Investment Banking Group at J.P. Morgan Securities, Inc. in New York from 2004 to 2005, where he advised REITs, real estate operating companies and real estate opportunity funds on capital markets activities, merger and acquisition transactions and strategic initiatives. Mr. Fraser also worked as an investment banker and sell-side equity analyst for Thomas Weisel Partners, LLC. In addition, Mr. Fraser currently serves on the boards of STAG GI, FlatIron Crossing, Advoserv and Plum Healthcare and previously served on the boards of Telx Group and Sunset Gower Studio. Mr. Fraser holds a Bachelor of Arts degree from Colgate University and a Masters of Business Administration from the University of Virginia. In light of his extensive investment banking, capital markets and real estate experience and his experience providing strategic advice to REITs, we have determined that it is in the best interests of our company and our shareholders for Mr. Fraser to serve as a director on the board of directors.

Jeffrey D. Furber will serve as an independent director upon completion of our formation transactions and this offering. Mr. Furber serves as the Chief Executive Officer of AEW Capital Management, a real estate investment management company, and the Chairman of AEW Europe, where he has oversight responsibility for all of AEW's operating business units in the United States, Europe and Asia. Mr. Furber also chairs the firm's management committee, which is responsible for AEW's strategic direction and for managing the firm's resources, and is a member of the firm's investment committees and investment policy group. Prior to joining AEW in 1997, Mr. Furber served as Managing Director of Winthrop Financial Associates, a wholly-owned subsidiary of Apollo Advisors, and served as President of Winthrop Management. In these capacities, he was responsible for acquisitions, asset management and capital markets activity, including the sourcing of equity and mezzanine debt investments. Mr. Furber is a graduate of Dartmouth College and Harvard Business School. In light of his significant capital markets and industry experience, we have determined that it is in the best interests of our company and our shareholders for Mr. Furber to serve as a director on the board of directors.

Larry T. Guillemette will serve as an independent director upon completion of our formation transactions and this offering. Mr. Guillemette has served as Chairman of the board of directors, Chief Executive Officer and President of Amtrol Inc., a multi-national pressure vessel manufacturer ("Amtrol"), since February 2006. Mr. Guillemette also served as Executive Vice President and Chief Financial Officer of Amtrol from 2000 to 2006 and as Executive Vice President of Marketing and Business Development from 1998 to 2000. To complete a financial restructuring (a debt-to-equity conversion) in connection with the maturity of debt incurred in 1996 to finance the acquisition of

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Amtrol by its sole stockholder, Amtrol filed a petition for reorganization under Chapter 11 of the United States Bankruptcy Code in December 2006 and emerged from Chapter 11 in June 2007. Prior to joining Amtrol, Mr. Guillemette served as Chief Executive Officer and President of Balcrank Products, Inc., a manufacturer of lubrication equipment for the automotive service market and other industrial product lines from 1991 to 1998. From 1990 to 1991, he served as Senior Vice President and Senior Financial Officer of The O'Connor Group, a real estate investment, management and development firm. Prior to that, from 1986 to 1990, Mr. Guillemette served as a Vice President for Hampton Partners/G.M. Cypres & Co., Inc., an investment banking partnership. Mr. Guillemette holds a Bachelor of Arts degree from Dartmouth College and a Masters of Business Administration from the Amos Tuck School of Business at Dartmouth. In light of his extensive leadership experience through his senior officer and director positions and his company accounting and real estate experience, we have determined that it is in the best interests of our company and our shareholders for Mr. Guillemette to serve as a director on the board of directors.

Francis X. Jacoby III will serve as an independent director upon completion of our formation transactions and this offering. Mr. Jacoby is currently President of Kensington Investment Company, Inc., the wealth management office for a family that owns travel-related businesses and passenger ships and makes significant investments in real estate, private equity and venture capital. From May 2001 to June 2008, Mr. Jacoby served as the Senior Vice President and Chief Financial Officer for GID Investment Advisers LLC, a family wealth management office whose primary focus is developing, acquiring and managing apartment communities, suburban office properties and flex industrial business parks throughout the United States for its own account and for joint ventures with institutional investors. Prior to that, Mr. Jacoby served as the Executive Vice President and Chief Financial Officer for Leggat McCall Properties, LLC from September 1995 to May 2001, where he was responsible for raising debt and equity capital to support the company's real estate development and acquisition activities. From July 1983 to September 1995, Mr. Jacoby held a variety of senior management positions in the acquisitions, asset management and finance departments of Winthrop Financial Associates, a real estate investment company which owned and managed multiple property types. Mr. Jacoby holds a Bachelor of Arts degree from Dartmouth College and a Masters of Business Administration from Boston University. In light of his 25 years of investment and capital markets experience and his significant real estate investment experience, including structuring, negotiating and closing complex transactions, we have determined that it is in the best interests of our company and our shareholders for Mr. Jacoby to serve as a director on the board of directors.

Edward F. Lange, Jr. will serve as an independent director upon completion of our formation and this offering. From July 2000 to July 2010, Mr. Lange served as an executive officer of BRE Properties, Inc. (NYSE: BRE), a publicly-traded REIT focused on the development, acquisition and management of apartment communities, and served on the board of directors from July 2008 to July 2010. Mr. Lange served as the Executive Vice President and Chief Operating Officer of BRE from January 2007 to July 2010. In addition, Mr. Lange served as Executive Vice President and Chief Financial Officer of BRE from July 2000 to April 2008, and during the period from November 2008 to September 2009. Prior to joining BRE, Mr. Lange served as Executive Vice President and Chief Financial Officer of Health Care REIT, Inc., an Ohio-based senior housing REIT, from 1996 to 2000. He also was a Senior Vice President of Finance and a member of the executive management team of the Mediplex Group, Inc. and affiliated companies from 1992 to 1996. Mr. Lange holds a Master of Business Administration degree from the University of Connecticut and a Bachelor's degree in Urban Planning from the University of Massachusetts. In light of his public company experience with financial and operational issues from his service as Chief Operating Officer and Chief Financial Officer at two publicly-traded REITs, we have determined that it is in the best interests of our company and our shareholders for Mr. Lange to serve as a director on the board of directors.

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Hans S. Weger will serve as an independent director upon completion of our formation transactions and this offering. From August 1998 through January 2011, Mr. Weger served as Chief Financial Officer, Executive Vice President and Treasurer of LaSalle Hotel Properties (NYSE: LHO), a publicly-traded REIT focused on the acquisition, ownership, redevelopment and leasing of primarily upscale and luxury full-service hotels. In addition, Mr. Weger served as Secretary of LaSalle Hotel Properties from October 1999 through January 2011. Mr. Weger was responsible for all financial, accounting, human resources and information technology activities. Prior to joining LaSalle, Mr. Weger served as Vice President and Treasurer for La Quinta Inns, Inc. where he was responsible for all financing activities. From 1992 until 1997, Mr. Weger served in various management roles with Harrah's Entertainment, Inc. where he was responsible for strategic planning, mergers and acquisitions and project financing. Mr. Weger holds a Bachelor of Sciences degree in finance from the University of Southern Mississippi and a Masters in Business Administration from the University of Chicago. In light of his real estate and real estate financing knowledge and his public company financial reporting and operations experience as the Chief Financial Officer of a publicly-traded REIT, we have determined that it is in the best interests of our company and our shareholders for Mr. Weger to serve as a director on the board of directors.

Board of Directors

Our business is managed through the oversight and direction of our board of directors. A majority of our board of directors is "independent," as determined by our board of directors, consistent with the rules of the NYSE. Our independent directors are nominated by our nominating and corporate governance committee.

Our board consists of seven directors, two of whom are affiliated with our company and five of whom are independent directors. The directors will keep informed about our business at meetings of our board and its committees and through supplemental reports and communications. Our independent directors will meet regularly in executive sessions without the presence of our directors who are affiliated with us or our personnel.

GI Partners will have the right to select two members of our initial seven member board. In addition, we have agreed that we will cause two persons selected by GI Partners to be nominated for election to our board of directors at each annual meeting of our shareholders. One of the selected persons must qualify as an independent director under the NYSE rules for director independence and be able to serve on one of our compensation, audit, nominating and investment committees and will be required to serve as the chairperson of one of such committees. Our agreement will terminate within the first three years after this offering if GI Partners and certain of its affiliates fail to beneficially own at least 10% of our fully diluted shares of common stock outstanding immediately following their transfer of any interest in the common units received by STAG GI in our formation transactions (including shares of our common stock that we may issue upon redemption of such common units). In addition, our agreement will terminate after the first three years following this offering if GI Partners and certain of its affiliates fail to beneficially own at least 10% of our fully diluted shares of common stock outstanding, whether or not immediately following their transfer of common units or shares of common stock.

Committees of the Board of Directors

Our board has established an investment committee, an audit committee, a compensation committee and a nominating and corporate governance committee, the principal functions of which are briefly described below. The audit committee, compensation committee and nominating and corporate governance committee consist solely of independent directors. Matters put to a vote at any one of these

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four committees must be approved by a majority of the directors on the committee who are present at a meeting at which there is a quorum or by unanimous written consent of the directors on that committee.

Investment Committee

Our board of directors has established an investment committee, which is composed of four of our directors, at least three of whom must be independent directors. The members of our investment committee are Messrs. Butcher, Guillemette, Jacoby and Weger. Mr. Butcher chairs the committee. The investment committee's primary function is to review, evaluate and ultimately vote to approve all acquisitions or developments individually over \$25 million and up to \$100 million. Proposed acquisitions in excess of \$100 million require approval by our board of directors. Our board of directors in its discretion may change the committee's dollar thresholds.

Audit Committee

Our board of directors has established an audit committee, which is composed of three of our independent directors. The members of our audit committee are Messrs. Guillemette, Jacoby and Weger. Mr. Weger chairs the committee and qualifies as an audit committee financial expert, as that term is defined by the SEC. The audit committee assists the board in overseeing:

- our accounting and financial reporting processes;
- the integrity and audits of our consolidated financial statements;
- our compliance with legal and regulatory requirements;
- the qualifications and independence of our independent auditors; and
- the performance of our independent auditors and any internal auditors.

The audit committee is also responsible for engaging our independent public accountants, reviewing with our independent public accountants the plans and results of the audit engagement, approving professional services provided by our independent public accountants, reviewing the independence of our independent public accountants, considering the range of audit and non-audit fees and reviewing the adequacy of our internal accounting controls.

Compensation Committee

Our board of directors has established a compensation committee, which is composed of three of our independent directors. The members of our compensation committee are Messrs. Guillemette, Furber and Lange. Mr. Guillemette chairs the committee. The principal functions of the compensation committee are to:

- evaluate the performance and compensation of our Chief Executive Officer;
- review and approve the compensation and benefits of our executive officers and members of our board of directors;
- administer our 2011 Equity Incentive Plan, as well as any other compensation, stock option, stock purchase, incentive or other benefit plans; and
- produce an annual report on executive compensation for inclusion in our proxy statement after reviewing our compensation discussion and analysis.

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Nominating and Corporate Governance Committee

Our board of directors has established a nominating and corporate governance committee, which is composed of three of our independent directors. The members of our nominating and corporate governance committee are Messrs. Furber, Jacoby and Lange. Mr. Lange chairs the committee. The nominating and corporate governance committee is responsible for seeking, considering and recommending to the full board of directors qualified candidates for election as directors and recommending a slate of nominees for election as directors at the annual meeting of shareholders. It also periodically prepares and submits to the board for adoption the committee's selection criteria for director nominees. It reviews and makes recommendations on matters involving general operation of the board and our corporate governance, and annually recommends to the board nominees for each committee of the board. In addition, the committee annually facilitates the assessment of the board of directors' performance as a whole and of the individual directors and reports thereon to the board.

Code of Business Conduct and Ethics

Our directors have adopted a code of business conduct and ethics which applies to our employees, officers and directors when such individuals are acting for or on our behalf. Among other matters, our code of business conduct and ethics is designed to deter wrongdoing and to promote:

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

Any waiver of the code of business conduct and ethics for our executive officers or directors may be made only by our board of directors and will be promptly disclosed as required by law or stock exchange regulations.

Board Compensation

We will pay an annual fee of \$35,000 to each of our non-management directors for services as a director. We will pay an additional annual fee of \$15,000 to the chair of the audit committee, an additional annual fee of \$10,000 to the chair of the compensation committee and an additional annual fee of \$7,500 to the chair of any other committee of our board of directors. All members of our board of directors will be reimbursed for their costs and expenses in attending our board meetings. Fees to the directors may be paid, in our sole discretion, by issuance of shares of common stock, based on the value of such shares of common stock at the date of issuance, rather than in cash. In addition, upon completion of this offering, each of our non-management directors, other than Mr. Fraser, will receive an initial grant of 8,279 LTIP units. Any non-management director who joins our board of directors in the future will receive an initial grant of \$111,120 worth of LTIP units upon attendance at his or her first board meeting. The LTIP units will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as a director. If a director is also one of our officers, we will not pay any compensation for services rendered as a director. In addition, Mr. Fraser has declined receipt of any compensation for his service as a director.

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Limitation of Liability and Indemnification

Our charter includes provisions permitted by Maryland law that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director.

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Maryland law. In addition, we intend to enter into indemnification agreements with each of our current directors and executive officers that may be broader than the specific indemnification provisions in the MGCL. We also maintain director and officer liability insurance under which our directors and officers are insured, subject to the limits of the insurance policy, against certain losses arising from claims made against such directors and officers by reason of any acts or omissions covered under such policy in their respective capacities as directors or officers.

For more detail on these provisions, please see "Certain Provisions of Maryland Law and of Our Charter and Bylaws."

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act of 1933, as amended (the "Securities Act"), we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Compensation Committee Interlocks and Insider Participation

None of the proposed members of our compensation committee is or has been employed by us. None of our executive officers currently serves, or in the past three years has served, as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on our board of directors or compensation committee. See "Management—Directors, Executive Officers and Certain Other Officers."

Compensation Discussion and Analysis

We expect to pay base salaries and annual bonuses and make grants of awards under our 2011 Equity Incentive Plan to certain of our officers, effective upon completion of the offering. Our board of directors and our compensation committee have not yet adopted compensation policies with respect to, among other things, setting base salaries, awarding bonuses or making future grants of equity awards to our executive officers. We anticipate that such determinations will be made by our compensation committee based on factors such as the desire to retain such officer's services over the long-term, aligning such officer's interest with those of our shareholders, incentivizing such officer over the near-, medium- and long-term, and rewarding such officer for exceptional performance. In addition, our compensation committee may determine to make awards to new executive officers to help attract them to our company.

The initial awards under our 2011 Equity Incentive Plan to be granted to our executive officers and other employees are designed to reward each individual's contribution to our formation and this offering, as well as provide an additional retention element for the recipient and to ensure that their interests are aligned with shareholders. We believe that it is in our best interests to have an element of retention in our compensation programs and that it is important for members of our management team and other key employees to have alignment with our shareholders. The amount of LTIP units each executive officer will receive was determined through negotiation of their employment agreements.

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Executive Compensation

We intend to enter into employment agreements with our named executive officers, which will become effective upon the completion of this offering. Because we were only recently organized, meaningful individual compensation information is not available for prior periods. The following table sets forth the annualized base salary and other compensation that would have been paid in 2011 to our Chief Executive Officer, our Chief Financial Officer and the three other most highly compensated executive officers, whom we refer to collectively as our "named executive officers," had these employment agreements been in effect for all of 2011. We expect such employment agreements will provide for salary and other benefits, including severance upon a termination of employment under certain circumstances. See "—Employment Agreements."

The anticipated 2011 compensation for each of our named executive officers listed in the table below was determined through negotiation of their individual employment agreements. We expect to disclose actual 2011 compensation for our named executive officers in 2012, to the extent required by applicable SEC disclosure rules.

Name	Principal Position	Salary ⁽¹⁾	Bonus	Stock Awards	All Other Compensation	Total ⁽²⁾
Benjamin S. Butcher	Chief Executive Officer, President and Chairman	\$ 393,000	⁽³⁾	\$ 1,162,928 ⁽⁴⁾	⁽⁵⁾	\$ 1,555,928
Gregory W. Sullivan	Chief Financial Officer, Executive Vice President and Treasurer	275,000	⁽³⁾	314,656 ⁽⁴⁾	⁽⁵⁾	589,656
Stephen C. Mecke	Chief Operating Officer and Executive Vice President	275,000	⁽³⁾	547,264 ⁽⁴⁾	⁽⁵⁾	822,264
Kathryn Arnone	Executive Vice President, General Counsel and Secretary	256,000	⁽³⁾	273,632 ⁽⁴⁾	⁽⁵⁾	529,632
David G. King	Executive Vice President and Director of Real Estate Operations	246,000	⁽³⁾	246,256 ⁽⁴⁾	⁽⁵⁾	492,256

(1) Salary amounts are annualized for the year ending December 31, 2011 based on employment agreements that we expect to enter into upon completion of this offering.

(2) Amounts shown in this column do not include the value of the perquisites or other personal benefits our named executive officers will receive (described below).

(3) Bonus amounts to be determined by our compensation committee in its sole discretion.

(4) Reflects grant of LTIP units under our 2011 Equity Incentive Plan upon completion of this offering. Upon completion of this offering, we will grant 72,683, 19,666, 34,204, 17,102 and 15,391 LTIP units to each of Mr. Butcher, Mr. Sullivan, Mr. Mecke, Ms. Arnone, and Mr. King, respectively. All LTIP awards are expected to vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee or director.

(5) The named executive officers will receive certain perquisites or other personal benefits as set forth in their respective employment agreements. See "—Employment Agreements."

Employment Agreements

We will enter into employment agreements, effective as of the consummation of this offering with each of our executive officers. We believe that the agreements will benefit us by helping to retain the executives and by requiring the executive officers to devote the necessary business attention and time to our affairs.

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Our executive officers will be granted LTIP units in the amounts stated below in connection with their entering into the employment agreements with us. They also will be eligible to receive additional awards of LTIP units and other equity awards, subject to the terms of our 2011 Equity Incentive Plan (or other then effective incentive plan) and the applicable award agreement.

The employment agreements provide for immediate vesting of all outstanding equity-based awards held by the executive officers upon a change in control of us. In addition, each of Messrs. Butcher, Mecke, Sullivan and King and Ms. Arnone will be subject to a non-competition provision for the 12-month period following any termination of employment other than a termination by us without "cause" or by the executive officer for "good reason." The employment agreements also provide for participation in any other employee benefit plans, insurance policies or contracts maintained by us relating to retirement, health, disability, vacation, auto and other related benefits.

None of the employment agreements contains a Code Section 280G excise tax gross-up provision.

Employment Agreement of Mr. Butcher

The employment agreement with Mr. Butcher will be for a term of four years; provided, however, that the term is automatically extended at the end of each term for successive one-year periods unless, not less than 60 days prior to the termination of the then existing term, either party provides a notice of non-renewal to the other party. The employment agreement provides for an initial annual base salary of \$393,000, and an annual bonus in an amount to be determined by our compensation committee in its sole discretion. Mr. Butcher will be granted 72,683 LTIP units upon the consummation of this offering. The LTIP units will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee or director. In addition, Mr. Butcher will receive a monthly vehicle and parking allowance of \$1,400.

The employment agreement with Mr. Butcher provides that upon the termination of his employment either by us without "cause" or by the executive officer for "good reason," or in the event that following a change of control we or our successor gives him a notice of non-renewal within 12 months following the change of control, Mr. Butcher will be entitled to the following severance payments and benefits, subject to his execution of a general release in our favor:

- a lump-sum cash payment equal to three times the sum of (1) Mr. Butcher's then-current annual base salary; and (2) the bonus paid to Mr. Butcher for the most recently completed fiscal year for which the amount of his bonus was determined, which will be deemed to be \$200,000, until March 1, 2012 or, if earlier, the time that Mr. Butcher receives a bonus in respect of fiscal year 2011 or the compensation committee determines that no bonus shall be paid to Mr. Butcher in respect of fiscal year 2011;
- our direct-to-insurer payment of any group health or other insurance premiums that Mr. Butcher would otherwise have been required to pay to obtain coverage under our group health and other insurance plans for a period of 18 months; and
- immediate vesting of all outstanding equity-based awards held by Mr. Butcher.

In addition, the employment agreement with Mr. Butcher provides that upon termination of his employment by his death or disability, Mr. Butcher will be entitled to receive his accrued and unpaid then-current annual base salary as of the date of his death or disability and the bonus (or deemed bonus noted above) pro-rated through the date of his death or disability.

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Employment Agreements of Other Executive Officers

The employment agreements with Messrs. Sullivan, Mecke and King and Ms. Arnone will be for a term of three years; provided, however, that the terms are automatically extended at the end of each term for successive one-year periods unless, not less than 60 days prior to the termination of the then existing term, either party provides notice of non-renewal to the other party. In addition, Messrs. Sullivan, Mecke and King and Ms. Arnone will receive a monthly parking allowance of up to \$500.

The employment agreement with Mr. Sullivan provides for an initial annual base salary of \$275,000 and an annual bonus in an amount to be determined by our compensation committee in its sole discretion. Mr. Sullivan will be granted 19,666 LTIP units upon the consummation of this offering.

The employment agreement with Mr. Mecke provides for an initial annual base salary of \$275,000 and an annual bonus in an amount to be determined by our compensation committee in its sole discretion. Mr. Mecke will be granted 34,204 LTIP units upon the consummation of this offering.

The employment agreement with Ms. Arnone provides for an initial annual base salary of \$256,000 and an annual bonus in an amount to be determined by our compensation committee in its sole discretion. Ms. Arnone will be granted 17,102 LTIP units upon the consummation of this offering.

The employment agreement with Mr. King provides for an initial annual base salary of \$246,000 and an annual bonus in an amount to be determined by our compensation committee in its sole discretion. Mr. King will be granted 15,391 LTIP units upon the consummation of this offering.

The LTIP units granted to each of these executives under their employment agreements will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee.

The employment agreements with Messrs. Sullivan, Mecke and King and Ms. Arnone provide that upon the termination of an executive officer's employment either by us without "cause" or by the executive officer for "good reason," or in the event that following a change of control we or our successor gives the executive officer a notice of non-renewal within 12 months following the change of control, the executive officer will be entitled under his or her employment agreement to the following severance payments and benefits, subject to the executive officer's execution of a general release in our favor:

- a lump-sum cash payment equal to two times the sum of (1) the executive officer's then-current annual base salary; and (2) the bonus paid to the executive officer for the most recently completed fiscal year for which the amount of his or her bonus was determined, which will be deemed to be \$140,000 for Messrs. Sullivan and Mecke, \$130,000 for Ms. Arnone and \$125,000 for Mr. King, until March 1, 2012 or, if earlier, the time that the executive officer receives a bonus in respect of fiscal year 2011 or the compensation committee determines that no bonus shall be paid to the executive officer in respect of fiscal year 2011;
- our direct-to-insurer payment of any group health premiums or other insurance that the executive officer would otherwise have been required to pay to obtain coverage under our group health and other insurance plans for a period of 18 months; and
- immediate vesting of all outstanding equity-based awards held by the executive officer.

In addition, the employment agreements with Messrs. Sullivan, Mecke and King and Ms. Arnone provide that, upon termination of the officer's employment by the officer's death or disability, the officer will be entitled to receive his or her accrued and unpaid then-current annual base salary as of

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the date of his or her death or disability and the bonus (or deemed bonus noted above) pro-rated through the date of his or her death or disability.

Equity Incentive Plan

On April 1, 2011, we adopted, and our shareholders approved, the STAG Industrial, Inc. 2011 Equity Incentive Plan, referred to in this prospectus as the equity incentive plan. The equity incentive plan provides for the issuance of equity-based awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock awards and other awards based on shares of our common stock, such as LTIP units in our operating partnership, that may be made by us directly to our executive officers, directors, employees and other individuals providing bona fide services to or for us.

The equity incentive plan will be administered by our board of directors, which may delegate its authority to the compensation committee of our board of directors. The plan administrator will have the authority to make awards to the eligible participants referenced above, and to determine the eligible individuals who will receive awards, what form the awards will take, and the terms and conditions of the awards. Except as provided below with respect to equitable adjustments, the plan administrator may not reduce the exercise price of any stock option or stock appreciation right granted under the equity incentive plan or take any other action that is treated as a repricing under generally accepted accounting principles without first obtaining the consent of our shareholders.

Subject to adjustments as provided below, the shares of common stock that are reserved for issuance under the equity incentive plan, in the aggregate, shall not exceed 7.5% of the issued and outstanding shares of common stock as of the later of the date of this offering or the last closing date of any shares of common stock sold solely to cover overallocments in connection with this offering (on a fully diluted basis (assuming, if applicable, the exercise of all outstanding options, the conversion of all warrants and convertible securities into shares of common stock and the exchange of all interests in our operating partnership that may be convertible into shares of common stock) including shares to be sold pursuant to the underwriters' exercise of their option to purchase up to an additional 2,062,500 shares of our common stock solely to cover overallocments, but excluding any shares of common stock issued or issuable under the equity incentive plan). If any award, or portion of an award, granted under the equity incentive plan expires or terminates unexercised, becomes unexercisable, is settled in cash or a determination that no bonus shall be paid has been made, the shares of common stock with respect to such award will again be available for award under the equity incentive plan. Upon the exercise of any award granted in tandem with any other award, the related award will be cancelled to the extent of the number of shares of common stock as to which the award is exercised and, notwithstanding the foregoing, that number of shares will no longer be available for award under the equity incentive plan.

We expect to make certain awards in the form of LTIP units. LTIP units are a separate series of units of limited partnership interests in our operating partnership. LTIP units, which can be granted either as free-standing awards or in tandem with other awards under our equity incentive plan, will be valued by reference to the value of shares of our common stock, and will be subject to such conditions and restrictions as the compensation committee may determine, including continued employment or service, computation of financial metrics and/or achievement of pre-established performance goals and objectives. If applicable conditions and/or restrictions are not attained, participants will forfeit their LTIP units. Unless otherwise provided, LTIP unit awards, whether vested or unvested, will entitle the participant to receive current distributions from our operating partnership equivalent to the dividends that would be payable with respect to the number of shares of our common stock underlying the LTIP unit award.

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LTIP units will be structured as "profits interests" for U.S. federal income tax purposes, and we do not expect the grant, vesting or conversion of LTIP units to produce a tax deduction for us. As profits interests, LTIP units initially will not have full parity, on a per unit basis, with the operating partnership's common units with respect to liquidating distributions. Upon the occurrence of specified events, LTIP units can over time achieve full parity with common units and therefore accrete to an economic value for the participant equivalent to common units. If such parity is achieved, LTIP units may be converted, subject to the satisfaction of applicable vesting conditions, on a one-for-one basis into common units, which in turn are redeemable by the holder for shares of common stock on a one-for-one basis or for the cash value of such shares, at our election. However, there are circumstances under which LTIP units will not achieve parity with common units, and until such parity is reached, the value that a participant could realize for a given number of LTIP units will be less than the value of an equal number of shares of common stock and may be zero. Under our equity incentive plan, each LTIP unit awarded will be equivalent to an award of one share of common stock reserved under our equity incentive plan, thereby reducing the number of shares of common stock available for other equity awards on a one-for-one basis.

In the event of a stock dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger or other similar corporate transaction or event, affects shares of our common stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of participants under the equity incentive plan, then the plan administrator will make equitable changes or adjustments to:

- the number and kind of shares of common stock that may thereafter be issued in connection with awards;
- the number and kind of shares of common stock issued or issuable in respect of outstanding awards; and
- the exercise price, grant price or purchase price relating to any award.

In addition, the plan administrator may determine that any equitable adjustment may be accomplished by making a payment to the award holder, in the form of cash or other property (including but not limited to shares of our common stock).

Each stock option and stock appreciation right granted under the equity incentive plan will have a term of no longer than 10 years, and will have an exercise price that is no less than 100% of the fair market value of our common stock on the date of grant of the award. Stock appreciation rights confer on the participant the right to receive cash, common stock or other property, as determined by the plan administrator, equal to the excess of the fair market value of our common stock on the date of exercise over the exercise price of the stock appreciation right. The other terms of stock options and stock appreciation rights granted by us under the equity incentive plan will be determined by the plan administrator.

The plan administrator will determine the terms and conditions of each grant of restricted stock or restricted stock units under the equity incentive plan. Restricted stock units confer on the participant the right to receive cash, common stock or other property, as determined by the plan administrator, having a value equal to the number of shares of common stock that are subject to the award. The holders of awards of restricted stock or restricted stock units may be entitled to receive dividends or, in the case of restricted stock units, dividend equivalents, which may be payable immediately or on a deferred basis at a time determined by the plan administrator.

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The plan administrator may determine to make grants of our common stock that are not subject to any restrictions or a substantial risk of forfeiture or to grant other stock-based awards to eligible participants. The plan administrator will determine the terms and conditions at the time of grant.

Unless otherwise determined by the plan administrator and set forth in an individual award agreement, upon a change in control (as defined in the equity incentive plan), each outstanding award under the equity incentive plan will become immediately vested, exercisable and/or payable, unless provision is made in the transaction for the continuation or assumption of awards or for the substitution of equivalent awards in the surviving or successor entity or the parent thereof.

No awards under the equity incentive plan may be granted on or after the tenth anniversary of the date on which it was adopted. Our board of directors may terminate, amend, modify or suspend the equity incentive plan at any time, subject to shareholder approval as required by law or stock exchange rules. The plan administrator may amend the terms of any outstanding award under the equity incentive plan at any time. No amendment or termination of the equity incentive plan or any outstanding award may adversely affect any of the rights of an award holder without the holder's consent.

Following the completion of this offering, we intend to file a registration statement on Form S-8 to register the total number of shares of common stock (including shares of common stock underlying the LTIP units) that may be issued under our equity incentive plan, including the shares of restricted common stock to be granted to certain employees upon the completion of this offering.

Incentive Awards

Upon the completion of this offering, we are granting an aggregate of (1) 159,046 LTIP units to our executive officers under our equity incentive plan, (2) 80,809 shares of restricted common stock to certain employees under our equity incentive plan, and (3) 41,395 LTIP units to our independent directors under our equity incentive plan.

The LTIP units granted to our executive officers and independent directors will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee or director. Pursuant to the grant agreements, the LTIP units will become fully vested upon a termination of employment on account of death or disability or upon a change in control (as defined in the 2011 Equity Incentive Plan).

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Formation Transactions

Certain of our directors and all of our executive officers and certain of their affiliates have direct or indirect interests in Fund III, Fund IV, STAG GI and the management company. Fund III, Fund IV, STAG GI and certain owners of the management company have entered into contribution agreements with us and our operating partnership in connection with our formation transactions, pursuant to which our operating partnership will assume or pay off, with the proceeds of this offering, \$407.7 million of indebtedness and Fund III, Fund IV, STAG GI and the members of the management company will receive 7,590,000 common units, representing approximately 35.1% of our common stock to be outstanding following the consummation of this offering on a fully diluted basis. See "Structure and Formation of Our Company—Benefits of our Formation Transactions and this Offering to Certain Parties" for a list of what individual directors and executive officers of our company will receive as a result of the contributions.

Following the expiration of a 12-month lock-up period, limited partners in our operating partnership, including Fund III, Fund IV, STAG GI and the members of the management company, will have the right to cause our operating partnership to redeem any or all of their common units for cash equal to the then-current market value of one share of our common stock, or, at our election, for shares of our common stock on a one-for-one basis.

Certain members of Fund III, Fund IV and STAG GI, including certain of our officers, employees and directors have residual interests, or contingent profit interests, in Fund III, Fund IV and STAG GI and may receive portions of distributions from the assets of each of Fund III, Fund IV and STAG GI after return of capital and preferred returns to the equity investors in Fund III, Fund IV and STAG GI. See "Structure and Formation of Our Company—Benefits of Our Formation Transactions and the Offering to Certain Parties."

We will enter into services agreements with each of Fund II, Fund III and Fund IV and an option to purchase agreement with Fund III with respect to the Option Properties. See "Structure and Formation of Our Company—Formation Transactions—Services Agreements and Option Properties."

As part of our formation transactions, with the proceeds of this offering, we will repay subordinate mortgage debt secured by the Option Properties and the number of common units to be issued to Fund III in our formation transactions will be reduced accordingly. See "Use of Proceeds."

For more detailed information regarding the terms of our formation transactions, including the benefits to related parties, please refer to "Structure and Formation of Our Company."

Partnership Agreement

Concurrently with the completion of our formation transactions and this offering, we will enter into the partnership agreement with the various entities and persons directly receiving common units in our formation transactions, including Fund III, Fund IV, STAG GI and certain of our directors and executive officers and certain of their related parties. As a result, such persons will become limited partners of our operating partnership. See "Our Operating Partnership and the Partnership Agreement."

Employment Agreements and Other Arrangements

Upon completion of this offering, Mr. Butcher, will enter into an employment agreement with our company, which will have a term of four years. Messrs. Sullivan, Mecke and King and Ms. Arnone each will enter into an employment agreement with our company that will have a term of three years.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

However, the terms of each respective employment agreement will be automatically extended for successive one-year periods unless, not later than 60 days prior to the termination of the existing term, either party provides a notice of non-renewal to the other party. The employment agreements will also provide for an annual base salary, discretionary bonuses and eligibility for all customary and usual fringe benefits generally available to full-time employees. See "Management—Employment Agreements."

Furthermore, upon completion of our formation transactions and this offering, our executive officers will receive the LTIP unit grants identified in the table below pursuant to our 2011 Equity Incentive Plan. The LTIP unit grants are in addition to the interests in common units that our executive officers will receive in our formation transactions in connection with the contributions to us of our initial properties and the management company. The contribution consideration is described separately below under "Structure and Formation of Our Company—Benefits of Our Formation Transactions and this Offering to Certain Parties."

<u>Name</u>	<u>LTIP Units ⁽¹⁾</u>
Benjamin S. Butcher	72,683
Gregory W. Sullivan	19,666
Stephen C. Mecke	34,204
Kathryn Arnone	17,102
David G. King	15,391

(1) LTIP Units vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee or director.

Any member of our board of directors who is also an employee of our company will not receive additional compensation for serving on our board of directors. We will pay an annual fee of \$35,000 to each of our non-management directors for services as a director. We will pay an additional annual fee of \$15,000 to the chair of the audit committee, an additional annual fee of \$10,000 to the chair of the compensation committee and an additional annual fee of \$7,500 to the chair of any other committee of our board of directors. All members of our board of directors will be reimbursed for their costs and expenses in attending our board meetings. In addition, upon completion of this offering, each of our non-management directors, other than Mr. Fraser, will receive an initial grant of 8,279 LTIP units. Any non-management director who joins our board of directors in the future will receive an initial grant of \$111,120 worth of LTIP units upon attendance at his or her first board meeting. The LTIP units will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as a director. See "Management—Board Compensation."

Our charter includes provisions permitted by Maryland law that limit the personal liability of our directors for a breach of their fiduciary duty of care as a director. Our bylaws provide that we will indemnify our directors, executive officers and employees to the fullest extent permitted by Maryland law. We intend to enter into indemnification agreements with each of our current and future directors and executive officers which will require us to indemnify such persons to the maximum extent permitted by Maryland law and to pay such persons' expenses in defending any civil or criminal proceedings related to their service on our behalf in advance of final disposition of such proceeding. See "Management—Limitation on Liability and Indemnification."

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Voting Agreement

We, Fund III, Fund IV, STAG GI, the GI Partners' member in STAG GI and the contributors of our management company have entered into a voting agreement. Pursuant to the voting agreement, the GI Partners' member in STAG GI will have the right to select two members of our initial seven member board. In addition, we have agreed that we will cause two persons selected by the GI Partners' member to be nominated for election to our board of directors at each annual meeting of our shareholders. Both of the persons must meet minimum standards described in the voting agreement, and one of the selected person must qualify as an independent director under the NYSE rules for director independence and be able to serve on one of our compensation, audit, nominating and investment committees and will be required to serve as the chairperson of one of such committees. The parties to the voting agreement have agreed, at each annual meeting of our shareholders, to vote all of their shares of common stock in favor of the election of the two nominees to our board of directors. The agreement will terminate within the first three years after this offering if GI Partners' member in STAG GI and certain of its affiliates fail to beneficially own at least 10% of our fully diluted shares of common stock outstanding immediately following their transfer of any interest in the common units received by STAG GI in our formation transactions (including shares of our common stock that we may issue upon redemption of such common units). In addition, the agreement will terminate after the first three years following this offering if GI Partners' member in STAG GI and certain of its affiliates fail to beneficially own at least 10% of our fully diluted shares of common stock outstanding, whether or not immediately following their transfer of common units or shares of common stock.

Registration Rights

We have entered into a registration rights agreement with the various entities and persons receiving common units in our formation transactions. Under the registration rights agreement, subject to certain limitations, commencing not later than 12 months after the closing of this offering, we will file a shelf registration statement with the SEC, and thereafter use our best efforts to have the registration statement declared effective, covering the continuous resale of the shares of common stock issued or issuable in exchange for common units issued to Fund III, Fund IV, STAG GI and the members of the management company in our formation transactions. We may, at our option, prepare and file a registration statement registering the issuance by us to the holders of common units received in our formation transactions of shares of our common stock in lieu of our operating partnership's obligation to pay cash for such common units. We have also agreed to provide rights to holders of these common units to demand additional registration statement filings. We have agreed to pay substantially all of the expenses relating to a registration of such securities.

Relationship with New England Development, LLC

An affiliate of NED provided the seed capital for STAG in 2003. As a result, NED and NED's former senior officer and our Chief Financial Officer, Executive Vice President and Treasurer, Mr. Sullivan, received ownership interests in STAG. In addition, another affiliate of NED and Mr. Sullivan own interests in SCP III. The NED members and Mr. Sullivan have entered into contribution agreements to transfer their respective interests in the management company to our operating partnership in exchange for common units.

Mr. Sullivan has served on the board of managers of STAG continuously since its formation. Mr. Sullivan also serves on the board of managers or management committees of STAG Manager II, LLC (the entity that manages Fund II), STAG Manager III, LLC (the entity that manages Fund

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

III), and STAG Manager IV, LLC (the entity that manages Fund IV). In addition, Mr. Sullivan served on the investment committee for Fund II, Fund III and Fund IV.

Pursuant to the terms of its operating agreement, STAG is authorized to borrow up to \$1.5 million on an unsecured line of credit from an affiliate of NED for operating expenses and deposit monies. This loan was originally drawn on May 15, 2007 and as of December 31, 2010, there was \$1.0 million outstanding under the line of credit, which will be paid in full from the proceeds of this offering and terminated. While this prospectus does not include separate financial statements for the management company as its activities are not considered significant, the unaudited pro forma consolidated financial statements included elsewhere in this prospectus reflect the \$1.0 million repayment.

In addition, as of December 31, 2010, there was an approximately \$4.4 million loan outstanding from an affiliate of NED to the Fund III subsidiaries being contributed to us in our formation transactions. The loan was made on January 31, 2009 and the proceeds were used as part of a debt refinancing to pay down indebtedness on the Fund III properties being contributed to us. The loan will be repaid with proceeds from this offering.

Affiliates of NED provided a guaranty for the bridge loan from Anglo Irish Bank Corporation Limited ("Anglo Bridge Loan (Fund III)") secured by the Fund III properties. Fund III and the NED affiliates entered into a loan guarantee agreement that paid the NED affiliate an annual fee of 9.0% of the outstanding balance of the bridge loan. As part of our formation transactions, the outstanding balance of \$34.4 million as of December 31, 2010 on the Anglo Bridge Loan (Fund III) will be paid in full.

Other than NED's ownership of common units received as a result of our formation transactions, NED will have no further interest in or control of our company. We will not have any ongoing borrowing relationship with NED.

STRUCTURE AND FORMATION OF OUR COMPANY

Background

We have deployed approximately \$1.4 billion of capital representing the acquisition of 220 properties since 2004. These investments were made through four private equity real estate funds, Fund I, Fund II, Fund III and Fund IV, and one joint venture, STAG GI. We were formed to acquire the existing assets and operations of our predecessor business.

All of the 24 properties owned by Fund I were sold in 2006. In 2007, 16 properties owned by Fund II were sold. Fund II will retain ownership of 86 properties and will continue to operate as a private, fully-invested fund but will not make any further property acquisitions. Fund III, Fund IV and STAG GI will contribute our 91 properties to us in our formation transactions in exchange for common units. Fund III will retain ownership of the Option Properties. See "—Formation Transactions—Services Agreements and Option Properties."

Our senior management team consists of Mr. Butcher, the Chairman of our board of directors and our Chief Executive Officer and President, Mr. Sullivan, our Chief Financial Officer, Executive Vice President and Treasurer, Mr. Mecke, our Chief Operating Officer and Executive Vice President, Ms. Arnone, our Executive Vice President, General Counsel and Secretary, and Mr. King, our Executive Vice President and Director of Real Estate Operations. They have each led or helped manage private and public real estate companies and funds, including STAG, AMB Property Corp., Trizec Hahn Corporation, Meditrust Corporation and LaQuinta Corporation.

Formation Transactions

We were incorporated on July 21, 2010 under the laws of the State of Maryland. As of immediately before the consummation of our formation transactions and this offering, Mr. Butcher, our Chairman, Chief Executive Officer and President, and Ms. Arnone, our Executive Vice President, General Counsel and Secretary, are our shareholders and collectively hold 110 shares of our common stock that they purchased upon or shortly after our incorporation.

STAG Industrial Operating Partnership, L.P., our operating partnership, was recently organized as a limited partnership under the laws of the State of Delaware. We will conduct substantially all of our operations and own substantially all of our assets through our operating partnership and its subsidiaries.

We will sell 13,750,000 shares of common stock in this offering and 2,062,500 additional shares if the underwriters exercise their overallotment option in full. We will contribute the net proceeds from this offering to our operating partnership in exchange for common units. Our interest in our operating partnership will entitle us to share in cash distributions from, and in the profits and losses of, our operating partnership in proportion to our percentage ownership. As the general partner of our operating partnership, our wholly-owned subsidiary will generally have the exclusive power under the partnership agreement to manage and conduct the operating partnership's business, subject to certain limited approval and voting rights of the other limited partners described more fully below in "Our Operating Partnership and the Partnership Agreement." Our board of directors will manage the affairs of our company by directing the affairs of our operating partnership.

Beginning on or after the date which is 12 months after the consummation of this offering, limited partners of our operating partnership have the right to require our operating partnership to redeem part or all of their common units for cash, based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, or, at our election, shares of our common stock, subject to the ownership limits set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer of Stock." With each

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redemption of units, we will increase our percentage ownership interest in our operating partnership and our share of our operating partnership's cash distributions and profits and losses. See "Our Operating Partnership and the Partnership Agreement."

Prior to or concurrent with the completion of this offering, we will engage in the following formation transactions, which are designed to consolidate the ownership of our property portfolio under our operating partnership and its subsidiaries, consolidate our acquisition and asset management businesses into a subsidiary of our operating partnership and enable us to qualify as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2011:

- Pursuant to separate contribution agreements, our operating partnership will, directly or indirectly through its wholly-owned subsidiaries, acquire a 100% equity interest in the entities that own our properties in exchange for common units. Based on the midpoint of the range set forth on the front cover of this prospectus, those equity interests will be acquired in exchange for 7,534,440 common units, representing 34.8% of the total number of shares of our common stock outstanding on a fully diluted basis, as set below:
 - Fund III will contribute 100% of the equity interests in the entities owning 57 of its properties to our operating partnership in exchange for 772,549 common units;
 - Fund IV will contribute 100% of the equity interests in the entities owning all 19 of its properties to our operating partnership in exchange for 2,083,497 common units; and
 - STAG GI will contribute 100% of the equity interests in the entities owning all 15 of its properties to our operating partnership in exchange for 4,678,394 common units.
- Pursuant to separate contribution agreements based on the midpoint of the range set forth on the front cover of this prospectus, the members of the management company will contribute their interests in the management company to our operating partnership in exchange for 55,560 common units, representing 0.3% of the total number of shares of our common stock outstanding on a fully diluted basis.
- In connection with the foregoing transactions, we will directly or indirectly assume approximately \$213.9 million in principal amount of mortgage debt (together with all related accrued and unpaid interest) secured by our properties that will remain outstanding.
- With the proceeds of this offering, based on December 31, 2010 balances, we will repay approximately \$193.7 million in indebtedness (including principal and related accrued interest). See "Use of Proceeds."
- We will close on a \$100 million secured corporate revolving credit facility (subject to increase to \$200 million under certain circumstances) contemporaneously with the closing of this offering.
- We will enter into a refinancing of our debt due in 2012 to extend the maturity date to October 2013 that we anticipate will close contemporaneously with the closing of this offering.
- Our executive officers will enter into employment agreements with us.
- We will issue 200,441 LTIP units to our executive officers and independent directors and 80,809 shares of restricted common stock to our employees pursuant to our 2011 Equity Incentive Plan, representing in the aggregate 1.3% of the total number of shares of our common stock outstanding on a fully-diluted basis.

Throughout this prospectus, we provide certain information based on the assumption that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. While the total

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number of common units that our contributors will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the initial public offering price, the allocation of the total number of common units among our contributors may change. In particular, if we price our shares below the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value equal to \$74.9 million based on the initial public offering price and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis. If we price our shares above the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value, based on the initial public offering price, equal to \$74.9 million plus 64.3% of the increase in the total value of all of the common units that our contributors will receive in our formation transactions above the value of these common units at the midpoint of the range, and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis.

Each contribution agreement and purchase and sale agreement referenced above is subject to all of the terms and conditions of the applicable agreement, including the completion of this offering. We will assume or succeed to all of each contributor's or seller's rights, obligations and responsibilities with respect to the entities contributed or sold.

We will not enter into any tax protection agreements in connection with our formation transactions. In addition, we have not obtained any third-party appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. As a result, the consideration for these properties and other assets in our formation transactions may exceed their fair market value. Additionally, the contribution agreements and the purchase and sale agreement described above were not negotiated at arm's length, and the terms of those agreements may be more favorable to Fund II, Fund III, Fund IV, STAG GI and the owners of the management company than they would have been had they been negotiated by third parties.

Services Agreements and Option Properties

Upon completion of our formation transactions and this offering, we will enter into separate services agreements with Fund II, Fund III and Fund IV pursuant to which we will manage their operations and certain other properties, as set forth in greater detail below.

Following completion of our formation transactions, Fund II will continue to operate as a private, fully-invested fund and will retain ownership of its 86 properties, with approximately 13.1 million rentable square feet. We will enter into a services agreement with Fund II on terms we believe to be customary, pursuant to which we will manage its properties in return for an annual asset management fee based on the equity investment in such assets, which will initially equal 0.94% of the equity investment and may increase up to 1.25% of the equity investment to the extent assets are sold and the total remaining equity investment is reduced. The services agreement will be terminable by either party on 30 days' written notice. We have no current plans to acquire any of the Fund II properties, but upon the approval of a majority of the disinterested directors, we would consider submitting a bid if Fund II were to offer any of its properties for sale. However, any sale to us would be an "affiliate sale" under Fund II's operating agreement and require that Fund II's third-party institutional investors approve the sale.

Following completion of our formation transactions, Fund III will retain ownership of the Option Properties, which consist of three properties with approximately 890,891 rentable square feet that are vacant and that are acquisition opportunities for us. Following completion of our formation transactions, we will enter into a services agreement with Fund III pursuant to which we will manage

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the Option Properties for an annual fee of \$30,000 per property and provide the limited administrative services (including preparation of reports for the Fund III lender and investors, bookkeeping, tax and accounting services) Fund III will require until its liquidation for an annual fee of \$20,000. Upon approval of our independent directors, we will have the right to acquire any of the Option Properties individually for a period of up to three months after notification that the property has stabilized, defined as 85% or greater occupancy pursuant to leases with at least two years in remaining duration. The sale price of each property will be based on the fair market value of the property as determined by a third-party appraisal. We have agreed to pay such sale price in cash and not assume any existing loan on any of the Option Properties. In addition, Fund III has agreed not to sell any of the Option Properties except (1) following our failure to exercise timely our option to purchase the property upon stabilization (in which case the property will become freely saleable), or (2) subject to a right of first refusal in our favor, pursuant to a "bona fide user sale transaction." A "bona fide user sale transaction" is a sale to a buyer, where the buyer or its affiliate intends to occupy the property (as compared to a buyer that intends to lease the property to a tenant unaffiliated with the buyer). If a bona fide user sale transaction results in proceeds, after out-of-pocket expenses of the sale, in excess of Fund III's undepreciated cost to acquire the property plus any subsequent capital invested in the property, then we will be entitled to 25% of such net excess proceeds. Our right to purchase the Option Properties will expire five years after the date of the closing of this offering.

In addition, we will enter into a services agreement with Fund IV pursuant to which we will provide the limited administrative services (including preparation of reports for the Fund IV investors, bookkeeping, tax and accounting services) Fund IV will require until its liquidation for an annual fee of \$20,000. STAG GI will not require administrative services from us or our affiliates following completion of our formation transactions.

Following completion of our formation transactions, Fund II, Fund III, Fund IV and STAG GI will make no additional property acquisitions, and our senior management team will devote substantially all of its business time to our business.

Consequences of Our Formation Transactions and this Offering

The completion of our formation transactions and this offering will have the following consequences:

- Our operating partnership will directly or indirectly own the assets of the management company and the fee simple or other interests in all of the properties owned by Fund III, Fund IV and STAG GI (except for the Option Properties).
- Purchasers of our common stock in this offering will own 99.4% of our outstanding common stock, or 63.6% on a fully diluted basis. If the underwriters' overallotment option is exercised in full, purchasers of our common stock in this offering will own 99.5% of our outstanding common stock, or 66.8% on a fully diluted basis.
- Our wholly owned subsidiary will be the sole general partner of our operating partnership. We will own 64.0% of the operating partnership units, and the continuing investors, including Fund III, Fund IV, STAG GI and our directors and executive officers, will own 36.0%. If the underwriters' overallotment option is exercised in full, we will own 67.1% of the common units, and the continuing investors, including Fund III, Fund IV, STAG GI and our directors and executive officers, will own 32.9%.
- The employees of the management company will become the employees of our management subsidiary.

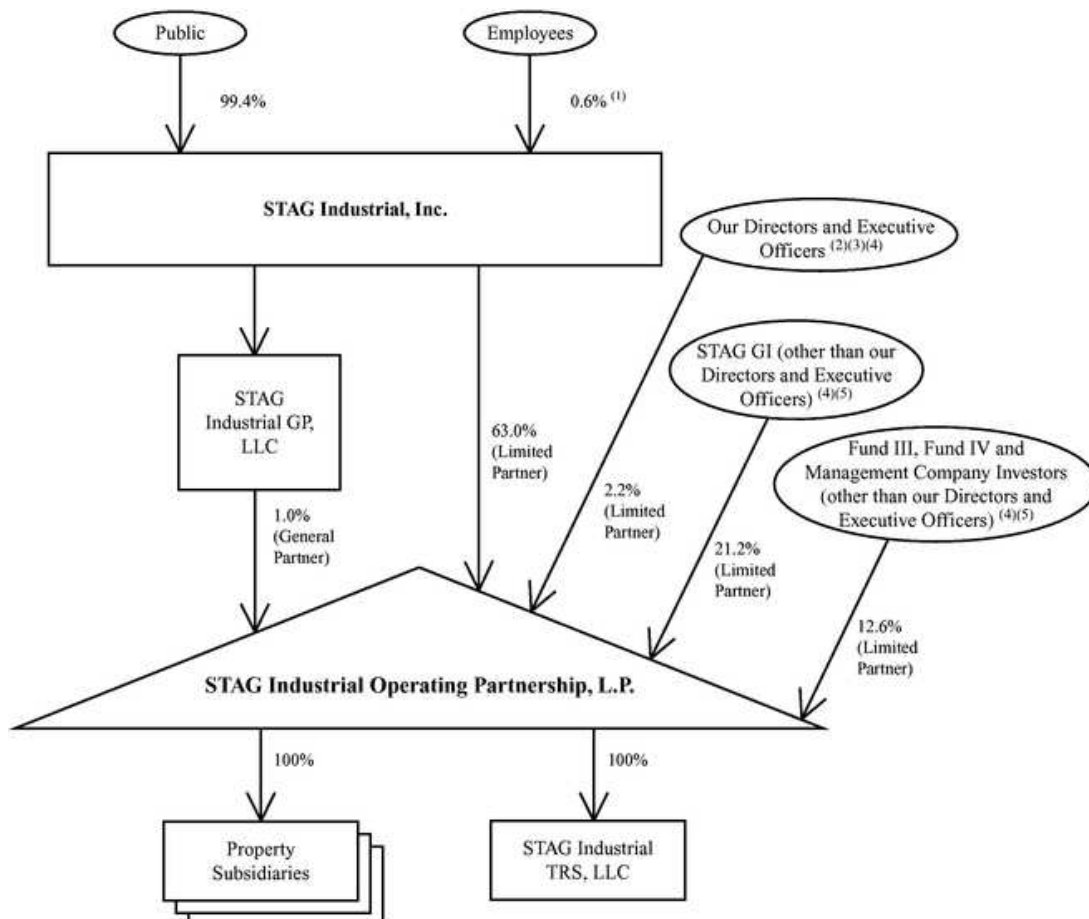
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- We expect to have total consolidated indebtedness of approximately \$213.9 million.

The aggregate pro forma net tangible book value of the assets we will acquire in our formation transactions was approximately \$105.7 million as of December 31, 2010. In exchange for these assets, we will issue common units with an aggregate value of \$121.4 million. The initial public offering price does not necessarily bear any relationship to the book value or the fair market value of our assets.

Our Structure

The chart below reflects our organization immediately following completion of our formation transactions and this offering.



(1) Upon completion of this offering, we will grant 80,809 shares of restricted common stock, or 0.6% of our outstanding common stock, pursuant to our 2011 Equity Incentive Plan.

(2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this chart, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at \$16.00 per share, the midpoint of the range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the

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liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. "See—Benefits of Our Formation Transactions and this Offering to Certain Parties" below.

- (3) Excludes common units in which a director or executive officer has no pecuniary interest but that are owned by entities that a director or executive officer may directly or indirectly control. Includes LTIP units, as if LTIP units were common units, that will be issued upon closing of this offering to our executive officers and independent directors pursuant to our 2011 Equity Incentive Plan.
- (4) Assumes that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the midpoint of the range, the total number of common units issued to all of the contributors in the formation transactions will not change, but the allocation of these common units among the contributors will change as described above under "Structure and Formation of Our Company—Formation Transactions."
- (5) Ownership is through Fund III, Fund IV and/or STAG GI.

Benefits of Our Formation Transactions and this Offering to Certain Parties

Upon completion of our formation transactions and this offering, our executive officers directly or indirectly, through one or more affiliates, will receive material financial and other benefits.

The consideration (other than salary, equity incentive and other employment-related benefits, which are described under "Management") to be issued or paid to members of our management team, including their controlled affiliates, in exchange for the contribution of the management company and our properties is described below. The following information assumes that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the midpoint of the range, the number of common units that each of the individual directors and executive officers of our company set forth below will receive will change.

Name ⁽¹⁾	Transactions	Common Units ^{(2) (3)}	
		Number	Value
Benjamin S. Butcher	Fund III properties	29,151	\$ 466,416
	Fund IV properties	13,127	210,032
	STAG GI properties	52,249	835,984
	Management company	22,924	366,784
	Total:	117,451	\$ 1,879,216
Gregory W. Sullivan	Fund III properties	65,815	\$ 1,053,040
	Fund IV properties	24,199	387,184
	STAG GI properties	17,492	279,872
	Management company	5,367	85,872
	Total:	112,873	\$ 1,805,968
Stephen C. Mecke	Fund III properties	11,588	\$ 185,408
	Fund IV properties	2,402	38,432
	STAG GI properties	8,746	139,936
	Management company	3,778	60,448
	Total:	26,514	\$ 424,224
Kathryn Arnone	Fund III properties	3,219	\$ 51,504
	Fund IV properties	5,587	89,392
	STAG GI properties	3,498	55,968
	Management company	756	12,096
	Total:	13,060	\$ 208,960

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Name ⁽¹⁾	Transactions	Common Units ^{(2) (3)}	
		Number	Value
David G. King	Fund III properties	5,150	\$ 82,400
	Fund IV properties	1,682	26,912
	STAG GI properties	3,498	55,968
	Management company	2,267	36,272
Total:		12,597	\$ 201,552

- (1) The amounts shown in the table reflect common units received by the individual directly or received by any entity, but if by an entity only to the extent of the individual's interest in the assets of the entity. Accordingly, the amounts shown in the table above do not reflect common units received by entities that may be controlled by the individual (except to the extent of the individual's interest in the assets of the entity).
- (2) Includes our executive officers' investments in Fund III, Fund IV and STAG GI and their residual interests in Fund III, Fund IV and STAG GI. Solely for purposes of this table, we calculated our executive officers' residual interests assuming Fund III, Fund IV and STAG GI are liquidated on April 13, 2011 at \$16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus and made certain other assumptions. We cannot estimate the actual timing of the liquidations of Fund III, Fund IV and STAG GI or the value of any distributions at the time of the liquidations. See "—Benefits of Our Formation Transactions and this Offering to Certain Parties" below.
- (3) Based upon an assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus.

The total number of common units that Fund III, Fund IV, STAG GI and the management company will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the ultimate initial public offering price in this offering. Based on the midpoint of the range set forth on the front cover of this prospectus, upon completion of our formation transactions and this offering, Fund III will receive 772,549 common units, Fund IV will receive 2,083,497 common units, STAG GI will receive 4,678,394 common units and the management company will receive 55,560 common units.

After the expiration of the lock-up period, Fund III, Fund IV and STAG GI may distribute its common units to its members in accordance with the fund's operating agreement. In addition to their invested equity, certain members of Fund III, Fund IV and STAG GI, including certain of our officers, employees and directors, have residual interests, or contingent profit interests, in Fund III, Fund IV and STAG GI. As a result, they may receive distributions related to the residual interests if there are sufficient proceeds after return of capital and preferred returns to themselves and the other equity investors in Fund III, Fund IV and STAG GI. In all cases where there is a residual distribution, the higher the share price of our common stock at the time a fund is liquidated, the greater the portion of the common units the fund will distribute to the holders of the residual interests.

The number of common units being issued in our formation transactions is fixed so that residual interests will not, in any manner, require us to issue additional common units or shares of common stock or otherwise dilute investors in this offering. In addition, because the value of the residual interests depends on the value of our common stock, not on the value of certain properties or portfolios individually, such residual interests align the interests of the holders of residual interests with the interests of our company and shareholders.

Distributions subject to the residual interests may consist of, among other items:

- cash from the operation or sale of the Option Properties;
- the common units received in our formation transactions;
- cash or in-kind distributions paid on the common units;

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- cash or other assets from a direct or indirect disposition of the common units by Fund III, Fund IV or STAG GI; or
- shares of our common stock or other securities received upon redemption of the common units.

With respect to Fund III, the residual interest in distributions from operations is the right to receive (1) 20% of all such distributions by Fund III after the equity investors have received such distributions in an aggregate amount equal to a 9% internal rate of return to the equity investors and (2) 40% of all such distributions by Fund III after the equity investors have received such distributions in an aggregate amount equal to an 22% internal rate of return to the equity investors. The residual interest in distributions other than from operations—for example, direct distributions of the common units received by Fund III in our formation transactions or distributions of proceeds from the redemption of the common units—is the right, subject to an interim residual interest, to receive (1) 20% of all such distributions by Fund III after the equity investors have received such distributions in an aggregate amount equal to a 9% internal rate of return to the equity investors and (2) 40% of all such distributions by Fund III after the equity investors have received such distributions in an aggregate amount equal to an 22% internal rate of return to the equity investors.

With respect to Fund IV, the residual interest in distributions from operations is the right to receive (1) 20% of all such distributions by Fund IV after the equity investors have received such distributions in an aggregate amount equal to a 9% internal rate of return to the equity investors and (2) 40% of all such distributions by Fund IV after the equity investors have received such distributions in an aggregate amount equal to an 18% internal rate of return to the equity investors. The residual interest with respect to distributions other than from operations is the right to receive (1) 20% of all such distributions by Fund IV after the equity investors have received such distributions in an aggregate amount equal to a 9% internal rate of return to the equity investors and (2) 40% of all such distributions by Fund IV after the equity investors have received such distributions in an aggregate amount equal to an 18% internal rate of return to the equity investors.

With respect to STAG GI, the residual interest in capital proceeds is the right to receive 20% of all such proceeds distributed by STAG GI after the equity investors have received such distributions in an aggregate amount equal to a 12% internal rate of return to the equity investors.

While the timing of the STAG GI distribution is expected to occur no earlier than 12 months after the date of this prospectus, we cannot estimate the value of any future distribution at the time made. In addition, we cannot estimate the timing of any future distributions by Fund III and Fund IV or the value of any future distributions at the time made. Accordingly, we also cannot estimate whether any of the residual interests will operate to provide any of our executive officers or their affiliates greater consideration than that disclosed in the table above or the extent to which the residual interests may so operate. Our executive officers, certain of their affiliates, certain of our employees and certain other investors in the management company and Fund III, Fund IV and STAG GI have direct or indirect residual interests in amounts that vary by fund. Our Chairman and Chief Executive Officer and President, Mr. Butcher, is a member of the management committees of the managers that will control the timing of any distributions made by Fund III and Fund IV.

For up to three years following this offering, STAG GI is required to pay GI Partners a minimum distribution equal to an 8.0% current return on the value of GI Partners' interest in STAG GI (valuing its interest based on the per-share initial public offering price of our common stock in this offering and without attributing any value to the residual interests in STAG GI). The sole sources of funds for this minimum distribution will be the distributions paid on the common units held by STAG GI that are attributable to GI Partners and, to the extent such distributions are not sufficient to satisfy this

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minimum distribution, the obligation of a third-party investor affiliated with NED to indirectly fund any shortfall to GI Partners.

Under its operating agreement, Fund III is authorized to make loans to STAG for operating capital and other expenses up to \$3.0 million. This loan was originally drawn on May 15, 2007 and as of December 31, 2010, the outstanding balance was approximately \$3.0 million. This loan will be paid in full from proceeds from this offering and terminated.

Determination of Consideration Payable for Our Properties

Our operating partnership will, directly or indirectly through its wholly owned subsidiaries, acquire the ownership of each of the properties in our portfolio in connection with the formation transactions. The consideration paid to each of the contributors in the formation transactions will be based upon the terms of the applicable contribution agreements negotiated among us and our operating partnership, on the one hand, and the various contributors, on the other hand. Under these agreements, the contributors in the formation transactions, including Fund III, Fund IV, STAG GI and the members of the management company, will receive a total of 7,590,000 common units with an aggregate value of approximately \$121.4 million based on the midpoint of the range set forth on the front cover of this prospectus. This value will increase or decrease if our common stock is priced above or below the midpoint of the range. The total number of common units our contributors will receive is fixed, subject to adjustment for pre-closing stock and unit splits or similar structural changes to our pre-closing share and unit capitalization. The contribution agreements also provide for adjustments in cash with respect to closing prorations and changes in indebtedness encumbering the properties, among other things. The value of units issued will be equal to (1) the initial public offering price of our common stock, multiplied by (2) such number of units.

While the total number of common units that our contributors will receive in our formation transactions (an aggregate of 7,590,000 common units) is fixed and will not change based on the initial public offering price, the allocation of those common units among the contributors will be affected if the actual price per share is above or below the midpoint of the range set forth on the front cover of this prospectus. If we price our shares below the midpoint of the range, STAG GI will receive a number of common units with a value equal to \$74.9 million based on the initial public offering price and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis. If we price our shares above the midpoint of the range set forth on the front cover of this prospectus, STAG GI will receive a number of common units with a value, based on the initial public offering price, equal to \$74.9 million plus 64.3% of the increase in the total value of all of the common units that our contributors will receive in our formation transactions above the value of these common units at the midpoint of the range, and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis.

The amount of common units that we will pay in exchange for our properties was determined based on several factors, including, but not limited to, a discounted cash flow analysis, a capitalization rate analysis, cost basis and an assessment of the fair market value of the properties. No single factor was given greater weight than any other in valuing the properties, and the values attributed to the properties do not necessarily bear any relationship to the book value for the applicable property. We have not obtained third-party property appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. As a result, the consideration for these properties and other assets in our formation transactions may exceed their fair market value. See "Risk Factors—Risks Related to Our Business and Operations—The fair market

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value of the consideration for the assets to be acquired by us in our formation transactions may exceed the assets' aggregate book value and fair market value."

The contributors in the formation transactions, including Fund III, Fund IV, STAG GI and the owners of the management company, have agreed with the underwriters of this offering, subject to certain exceptions, not to sell or otherwise transfer or encumber any shares of common stock or securities convertible or exchangeable into shares of common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 12 months after the completion of this offering, without the prior consent of the underwriters.

Following the expiration of the lock-up period, limited partners in our operating partnership, including Fund III, Fund IV, STAG GI and the members of the management company, will have the right to cause our operating partnership to redeem any or all of their common units for cash equal to the then-current market value of one share of our common stock, or, at our election, for shares of our common stock on a one-for-one basis. In addition, following the expiration of the lock-up period, each of Fund III, Fund IV and STAG GI may distribute its common units to its members. If this occurs, the members of Fund III, Fund IV and STAG GI will have the right to cause our operating partnership to redeem any or all of their common units for cash equal to the then-current market value of one share of our common stock, or, at our election, for shares of our common stock on a one-for-one basis.

Determination of Offering Price

Prior to this offering, there has been no public market for our common stock. The initial public offering price was negotiated between the underwriters and us. In determining the initial public offering price of our common stock, the underwriters considered the history and prospects for the industry in which we compete, our financial information, the ability of our management and our business potential and earning prospects, the prevailing securities markets at the time of this offering, and the recent market prices of, and the demand for, publicly traded shares of companies the underwriters deemed generally comparable. The initial public offering price does not necessarily bear any relationship to the book value of our assets or the assets to be acquired in our formation transactions, our financial condition or any other established criteria of value and may not be indicative of the market price for our common stock after this offering. We have not obtained any third-party appraisals of the properties and other assets to be contributed to us in our formation transactions or fairness opinions in connection with our formation transaction. As a result, the consideration for these properties and other assets in our formation transactions may exceed their fair market value. See "Risk Factors—Risks Related to Our Business and Operations—The fair market value of the consideration for the assets to be acquired by us in our formation transactions may exceed the assets' aggregate book value and fair market value."

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

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

Investments in Real Estate or Interests in Real Estate

We plan to invest principally in single-tenant industrial properties in the United States. Upon completion of our formation transactions and this offering, our portfolio will consist of 91 properties in 26 states with approximately 13.9 million rentable square feet. In addition, our executive officers will identify and negotiate future acquisition opportunities. For information concerning the investing experience of these individuals, please see the sections entitled "Business" and "Management."

We intend to conduct substantially all of our investment activities through our operating partnership and its subsidiaries. Our primary business objective is to enhance shareholder value over time by achieving sustainable long-term FFO growth and generating attractive total returns to our shareholders.

There are no limitations on the amount or percentage of our total assets that may be invested in any one property. Additionally, no limits have been set on the concentration of investments in any one location or facility type.

Additional criteria with respect to our properties are described in "Business."

Investments in Mortgages, Structured Financings and Other Lending Policies

We have no current intention of investing in loans secured by properties or making loans to persons other than in connection with the acquisition of mortgage loans through which we expect to achieve equity ownership of the underlying property in the near-term.

However, if we decide to sell any of our properties, in some instances we may sell our properties by providing financing to purchasers. In these instances, we would secure this financing with first mortgages on the properties. If we provide financing to purchasers, we will bear the risks that the purchaser may default and the distribution of the proceeds of the sales to our shareholders will be delayed.

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

Generally speaking, we do not expect to engage in any significant investment activities with other entities, although we may consider joint venture investments with other investors. We may also invest in the securities of other issuers in connection with acquisitions of indirect interests in properties (normally general or limited partnership interests in special purpose partnerships owning properties). We may in the future acquire some, all or substantially all of the securities or assets of other REITs or similar entities where that investment would be consistent with our investment policies and the REIT qualification requirements. There are no limitations on the amount or percentage of our total assets that may be invested in any one issuer, other than those imposed by the gross income and asset tests that we must satisfy to qualify as a REIT. However, we do not anticipate investing in other issuers of

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

securities for the purpose of exercising control or acquiring any investments primarily for sale in the ordinary course of business or holding any investments with a view to making short-term profits from their sale. In any event, we do not intend that our investments in securities will require us to register as an "investment company" under the Investment Company Act of 1940, as amended, and we intend to divest securities before any registration would be required.

We do not intend to engage in trading, underwriting, agency distribution or sales of securities of other issuers.

Disposition Policy

Although we have no current plans to dispose of any of the properties we acquire, we will consider doing so, subject to REIT qualification and prohibited transaction rules under the Code, if our management determines that a sale of a property would be in our interests based on the price being offered for the property, the operating performance of the property, the tax consequences of the sale and other factors and circumstances surrounding the proposed sale. See "Risk Factors—Risks Related to Our Business and Operations."

Financing Policies

We expect to fund property acquisitions initially through a combination of cash available from offering proceeds, our anticipated corporate credit facility and traditional mortgage financing. Where possible, we also anticipate using common units issued by our operating partnership to acquire properties from existing owners seeking a tax-deferred transaction. In addition, we may use a number of different sources to finance our acquisitions and operations, including cash provided by operations, secured and unsecured debt, issuance of debt securities, perpetual and non-perpetual preferred stock, additional common equity issuances, letters of credit or any combination of these sources, to the extent available to us, or other sources that may become available from time to time. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. We may use the proceeds of our borrowings to acquire assets, to refinance existing debt or for general corporate purposes.

We do not have a policy limiting the amount of debt that we may incur, although we intend to target a long-term average debt-to-EBITDA ratio of between 5.0x and 6.0x, although we may exceed these levels from time to time as we complete acquisitions. Our charter and bylaws do not limit the amount or percentage of indebtedness that we may incur. Our board of directors may from time to time modify our debt policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the market for debt and equity securities, fluctuations in the market price of our common stock, growth and acquisition opportunities and other factors. Accordingly, our board of directors may increase our indebtedness beyond the policy limits described above. If these policies were changed, we could become more highly leveraged, resulting in an increased risk of default on our obligations and a related increase in debt service requirements that could adversely affect our financial condition and results of operations and our ability to pay dividends to our shareholders.

Equity Capital Policies

Subject to applicable law and the requirements for listed companies on the NYSE, our board of directors has the authority, without further shareholder approval, to issue additional authorized shares of common stock and preferred stock or otherwise raise capital, including through the issuance of senior securities, in any manner and on the terms and for the consideration it deems appropriate,

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

including in exchange for property. Existing shareholders will have no preemptive right to additional shares issued in any offering, and any offering might cause a dilution of investment. We may in the future issue shares of common stock in connection with acquisitions. We also may issue common units in connection with acquisitions of property.

Our board of directors may authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deterring or preventing a transaction or a change in control of our company that might involve a premium price for holders of our common stock or otherwise might be in their best interests. Additionally, shares of preferred stock could have distribution, voting, liquidation and other rights and preferences that are senior to those of our common stock. We also may issue preferred units of limited partnership interest in our operating partnership that could have distribution, liquidation and other rights and preferences that are senior to those of our common units and therefore structurally senior to those of our common stock.

We may, under certain circumstances, purchase shares of common or preferred stock in the open market or in private transactions with our shareholders, if those purchases are approved by our board of directors. After the completion of our formation transactions, our board of directors has no present intention of causing us to repurchase any shares, and any action would only be taken in conformity with applicable federal and state laws and the applicable requirements for qualifying as a REIT.

In the future, we may institute a dividend reinvestment plan, which would allow our shareholders to acquire additional shares of common stock by automatically reinvesting their cash dividends. Shares would be acquired pursuant to the plan at a price equal to the then prevailing market price, without payment of brokerage commissions or service charges. Shareholders who do not participate in the plan will continue to receive cash dividends as declared.

Conflict of Interest Policy

Our current board of directors consists of Mr. Butcher and as a result, the transactions and agreements entered into in connection with our formation prior to this offering have not been approved by any independent directors. In addition, following completion of our formation transactions and this offering, conflicts of interest may exist between our directors and officers and our company as described below.

The executive officers for each of the managers of Fund II, Fund III, Fund IV and STAG GI consist of a number of persons who serve as executive officers in similar positions in our company, specifically: Messrs. Butcher, Sullivan Mecke and King and Ms. Arnone. Also, Mr. Butcher, who is a member of our board of directors, also serves on the board of managers and/or management committees of the managers of Fund II, Fund III and Fund IV, and is a member of the management board of STAG GI. Mr. Fraser, one of two of our directors selected by GI Partners, is also a member of the management board of STAG GI and serves as a Director at GI Partners, LLC, which is an affiliate of GI Partners and STAG GI. Our executive officers and certain of our directors may have conflicting duties because they have a duty to both us and to Fund II (which will retain ownership of its properties and continue as a private, fully-invested fund until liquidated), Fund III (which will retain ownership of the Option Properties), Fund IV and STAG GI. Upon completion of our formation transactions, all of these entities will be fully invested and, as a result, will not be making any additional investments in income properties. It is possible that the executive officers' and board members' fiduciary duty to and interests in Fund II, Fund III, Fund IV, STAG GI and GI Partners, LLC, including, without limitation, their interests in Fund II and the Option Properties, will conflict with what will be in the best interests of our company.

POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

We did not conduct arm's-length negotiations with respect to the terms and structuring of our formation transactions, resulting in the principals of the management company having the ability to influence the type and level of benefits that they and our other affiliates will receive. We have not obtained third-party appraisals of the properties to be contributed to us in our formation transactions or fairness opinions in connection with our formation transactions. As a result, the consideration for these properties to the prior investors, including certain of our executive officers, in our formation transactions may exceed their fair market value.

Additional conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof on the other. Our directors and officers have duties to our company under applicable Maryland law in connection with their management of our company. At the same time, we, as the indirect general partner of our operating partnership, have duties to our operating partnership and to its limited partners in connection with the management of our operating partnership under Delaware law as modified by our operating partnership agreement. Our duties, as the indirect general partner of our operating partnership, may come into conflict with the duties of our directors and officers to our company.

We plan to adopt policies to reduce potential conflicts of interest. To the extent that specific matters involving us arise where Mr. Fraser may have conflicting duties, including with respect to declaring dividends or distributions on our common stock or on our operating partnership's common units when a third-party investor is required to fund shortfall distributions in STAG GI, we will require that our disinterested directors approve those matters. More generally, our policies will provide that any transaction involving us in which any of our directors, officers or employees has a material interest must be approved by a vote of a majority of our disinterested directors. However, we cannot assure you that these policies will be successful in eliminating the influence of these conflicts. See "Risk Factors—Risks Related to Our Organization and Structure."

Reporting Policies

Generally speaking, we intend to make available to our shareholders audited annual financial statements and annual reports. After this offering, we will become subject to the information reporting requirements of the Exchange Act. Pursuant to these requirements, we will file periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information, upon completion of this offering, regarding the ownership of shares of our common stock by:

- each of our directors and director nominees;
- each of our executive officers;
- each person who will be the beneficial owner of more than 5% of our outstanding common stock; and
- all directors, director nominees and executive officers as a group.

In accordance with SEC rules, each listed person's beneficial ownership includes:

- all shares the person actually owns beneficially or of record;
- all shares over which the person has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and
- all shares the person has the right to acquire within 60 days.

We currently have outstanding 110 shares of common stock, which are owned by Mr. Butcher and Ms. Arnone. Upon completion of this offering, we will repurchase all 110 shares of common stock from Mr. Butcher and Ms. Arnone at their cost of \$20.00 per share.

Unless otherwise indicated, all shares are owned directly, and the indicated person has sole voting and investment power. Except as indicated in the footnotes to the table below, the business address of the shareholders listed below is the address of our principal executive office, 99 High Street, 28th Floor, Boston, Massachusetts 02110.

Name	Number of Shares and/or Common Units Beneficially Owned ⁽¹⁾⁽²⁾	Percent of All Shares ⁽³⁾	Percent of All Shares and Common Units ⁽⁴⁾
STAG Investments III, LLC ⁽⁵⁾	772,549	5.3%	3.6%
STAG Investments IV, LLC ⁽⁵⁾	2,083,497	13.1%	9.6%
STAG GI Investments, LLC and GI Partners ⁽⁶⁾	4,678,394	25.3%	21.6%
New England Development, LLC ^{(5) (10)}	2,872,147	17.2%	13.3%
Benjamin S. Butcher ⁽⁵⁾⁽⁷⁾	2,959,210	17.6%	13.7%
Gregory W. Sullivan ^{(8) (11)}	25,033	*	*
Stephen C. Mecke ⁽⁸⁾	34,204	*	*
Kathryn Arnone ⁽⁸⁾	17,102	*	*
David G. King ⁽⁸⁾	15,391	*	*
F. Alexander Fraser	—	—	—
Jeffrey D. Furber ⁽⁹⁾	8,279	*	*
Larry T. Guillemette ⁽⁹⁾	8,279	*	*
Francis X. Jacoby III ⁽⁹⁾	8,279	*	*
Edward F. Lange, Jr. ⁽⁹⁾	8,279	*	*
Hans S. Weger ⁽⁹⁾	8,279	*	*
All directors, director nominees and executive officers as a group (11 persons)	3,092,335	18.3%	14.3%

* Represents less than 1.0%.

PRINCIPAL SHAREHOLDERS

- (1) As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares.
- (2) Ownership consists of common units and LTIP units to be issued upon the closing of this offering. The information in this table assumes that we price our shares at the midpoint of the range set forth on the front cover of this prospectus. If we price our shares at any price other than the midpoint of the range, the number of common units that each of the contributors receives in our formation transactions will change as described above under "Structure and Formation of Our Company—Formation Transactions." Common units issued in our formation transactions may not be redeemed for cash, or at our election, common stock until the first anniversary of the closing of this offering. Upon achieving parity with the common units and becoming "redeemable" in accordance with the terms of the partnership agreement of our operating partnership, such LTIP units may be redeemed for cash, or at our option, an equal number of shares of common stock.
- (3) Assumes 13,830,809 shares of common stock will be outstanding immediately upon the completion of this offering. In computing the percentage ownership of a person or group, we have assumed that the common units and LTIP units held by that person or the persons in the group have been redeemed for shares of common stock and that those shares are outstanding but that no common units or LTIP units held by other persons are redeemed for shares of common stock.
- (4) Assumes 21,621,250 shares of common stock will be outstanding immediately upon the completion of this offering on a fully-diluted basis, comprised of 13,830,809 shares of common stock, 7,590,000 common units and 200,441 LTIP units.
- (5) Amounts shown reflect the number of common units that, upon completion of this offering, will be owned by STAG Investments III, LLC and STAG Investments IV, LLC. These entities are managed by management committees of which the controlling members are Benjamin S. Butcher and delegates of affiliates of New England Development, LLC. As a result, Mr. Butcher and New England Development, LLC may be deemed to beneficially own the shares of common stock that may be received by STAG Investments III, LLC and STAG Investments IV, LLC upon exchange of their common units. Each of Mr. Butcher and New England Development, LLC disclaim any beneficial ownership of such shares, except to the extent of their pecuniary interest therein. The address for New England Development, LLC is One Wells Avenue, Newton, Massachusetts 02459.
- (6) Amount shown reflects the number of common units that, upon completion of this offering, will be owned by STAG GI Investments, LLC. This entity is managed by a board of directors of which the controlling members are delegates of entities affiliated with GI Partners. As a result of the ability of these entities to select the controlling members of the board of directors of STAG GI Investments, LLC, GI Partners may be deemed to beneficially own the shares of common stock that may be received by STAG GI Investments, LLC upon exchange of its common units. GI Partners disclaims any beneficial ownership of such shares, except to the extent of its pecuniary interest therein. The address for GI Partners is 2180 Sand Hill Road, Suite 210, Menlo Park, California 94025.
- (7) Includes 7,557 common units that, upon completion of this offering, will be owned by STAG III Employees, LLC, of which an affiliate of Mr. Butcher is the manager and may be deemed to have beneficial ownership. Mr. Butcher disclaims beneficial ownership of the shares of common stock that may be received by that entity upon exchange of its common units, except to the extent of his pecuniary interest therein. Also includes (a) 13,408 common units that, upon this offering, will be owned directly by Mr. Butcher, (b) 9,516 common units that, upon this offering, will be owned by affiliates of Mr. Butcher and (c) 72,683 LTIP units to be granted to Mr. Butcher, which will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee or director.
- (8) Represents 19,666, 34,204, 17,102 and 15,391 LTIP units to be granted to each of Mr. Sullivan, Mr. Mecke, Ms. Arnone and Mr. King, respectively, which will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as an employee.
- (9) Represents 8,279 LTIP units to be granted to each initial independent director, which will vest over five years in equal installments on a quarterly basis beginning on June 30, 2011, subject to continued service as a director.
- (10) Includes 16,101 common units that, upon this offering, will be owned by affiliates of New England Development, LLC.
- (11) Includes 5,367 common units that, upon this offering, will be owned directly by Mr. Sullivan.

DESCRIPTION OF STOCK

The following summary of the material terms of our shares of capital stock does not purport to be complete and is subject to and qualified in its entirety by reference to the MGCL, and to our charter and bylaws, copies of which are available from us upon request. See "Where You Can Find More Information."

General

Our charter provides that we may issue 100 million shares of common stock, \$0.01 par value per share, and 10 million shares of preferred stock, \$0.01 par value per share. Our board of directors, without any action by our shareholders, may amend our charter to increase or decrease the aggregate number of shares of our common stock or the number of shares of our stock of any class or series. As of the closing of this offering, we expect 21,621,250 shares of our common stock will be outstanding on a fully diluted basis (23,683,750 if the underwriters fully exercise their option to purchase up to 2,062,500 shares to cover overallocments, if any). No shares of our preferred stock will be outstanding upon the closing of this offering.

Voting Rights of Common Stock

Subject to the provisions of our charter restricting the transfer and ownership of shares of our stock and except as may otherwise be specified in the terms of any class or series of stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of directors, and, except as provided with respect to any other class or series of shares of our stock, the holders of our common stock possess exclusive voting power. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock, voting as a single class, may elect all of the directors then standing for election.

Pursuant to our charter, we cannot dissolve, amend our charter, merge, sell all or substantially all of our assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless declared advisable by our board of directors and approved by the affirmative vote of shareholders holding at least a majority of all the votes entitled to be cast on the matter.

Maryland law permits the merger of a 90% or more owned subsidiary with or into its parent without shareholder approval provided the charter of the successor is not amended other than in certain minor respects and the contract rights of any stock of the successor issued in the merger in exchange for stock of the other corporation are identical to the contract rights of the stock for which it is exchanged. Also, because Maryland law may not require the shareholders of a parent corporation to approve a merger or sale of all or substantially all of the assets of a subsidiary entity, our subsidiaries may be able to merge or sell all or substantially all of their assets without a vote of our shareholders.

Dividends, Liquidation and Other Rights

All shares of common stock sold in the offering contemplated by this prospectus will be duly authorized, fully paid and nonassessable. Holders of our common stock are entitled to receive dividends or other distributions if and when authorized by our board of directors and declared by us out of assets legally available for the payment of dividends or other distributions. They also are entitled to share ratably in our assets legally available for distribution to our shareholders in the event of our liquidation, dissolution or winding up, after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our stock and to the provisions of our charter regarding restrictions on transfer and ownership of our stock.

DESCRIPTION OF STOCK

Holders of our common stock generally have no appraisal, preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of our securities. Subject to the restrictions on transfer of capital stock contained in our charter, all shares of common stock have equal dividend, liquidation and other rights.

Preferred Stock and Power to Reclassify Shares of Our Stock

Our charter authorizes our board of directors to reclassify any unissued shares of stock into any class or series of stock, including preferred stock, to classify any unissued shares of common stock or preferred stock or to reclassify any previously classified but unissued shares of any series of preferred stock previously authorized by our board of directors. Prior to issuance of shares of each class or series of preferred stock, our board of directors is required by Maryland law and our charter to fix, subject to our charter restrictions on transfer and ownership, the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series of preferred stock. Thus, our board of directors could authorize the issuance of shares of common stock with terms and conditions, or preferred stock with priority over our existing common stock with respect to distributions and rights upon liquidation or with other terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change of control of our company that might involve a premium price for you or otherwise be in your best interest. As of the completion of the offering, no shares of our preferred stock will be outstanding and we have no present plans to issue any preferred stock.

Power to Increase and Issue Additional Shares of Common Stock and Preferred Stock

We believe that the power of our board of directors to amend our charter to increase the aggregate number of shares of our authorized stock or the number of shares of stock of any class or series, to issue additional shares of common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to issue the classified or reclassified shares of stock provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as our common stock, are available for issuance without further action by our shareholders, unless shareholder action is required by applicable law or the rules of any stock exchange on which our securities may be listed.

Restrictions on Ownership and Transfer of Stock

Our charter provides that our board of directors may decide whether it is in the best interests of our company to obtain and maintain status as a REIT under the Code. In order to qualify as a REIT under the Code, our shares of stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, no more than 50% of the value of our outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined by the Code to include certain entities) during the last half of any taxable year. Neither of these requirements would apply to our first short taxable year ending on December 31, 2011.

To help us to qualify as a REIT, our charter, subject to certain exceptions, contains restrictions on the number of shares of our capital stock that a person may own. Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either more than 9.8% in value or in number of shares, whichever is more restrictive, of our outstanding shares of capital stock, or more than 9.8% in value or in number of shares, whichever is more

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restrictive, of our outstanding common stock. The beneficial ownership and/or constructive ownership rules under the Code are complex and may cause shares of stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity.

Our charter also prohibits any person from:

- beneficially or constructively owning shares of our capital stock that would result in our being "closely held" under Section 856(h) of the Code;
- owning or transferring our capital stock if such ownership or transfer would result in us becoming a "pension-held REIT" under Section 856(h)(3)(D) of the Code;
- transferring shares of our capital stock if such transfer would result in our capital stock being beneficially owned by fewer than 100 persons; or
- beneficially or constructively owning or transferring shares of our capital stock if such ownership or transfer would cause us to own, directly or indirectly, 10% or more of the ownership interests in a tenant of our company (or a tenant of any entity owned or controlled by us) or would cause any independent contractor to not be treated as such under Section 856(d)(3) of the Code, or
- beneficially or constructively owning shares of our capital stock to the extent such beneficial or constructive ownership would otherwise cause us to fail to qualify as a REIT.

Any person who acquires, attempts or intends to acquire beneficial or constructive ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on transferability and ownership, and any person who would have owned shares of our stock that resulted in a transfer of shares to a charitable trust (as described below), will be required to give written notice immediately to us, or in the case of a proposed or attempted transaction, to give at least 15 days' prior written notice to us, and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to continue to qualify as a REIT.

Our board of directors, in its sole discretion, may exempt a person from the above ownership limits and any of the restrictions described above. However, the board of directors may not grant an exemption to any person unless the board of directors obtains such representations, covenants and undertakings as the board of directors may deem appropriate in order to determine that granting the exemption would not result in our losing our status as a REIT. As a condition of granting the exemption, our board of directors may require a ruling from the IRS or an opinion of counsel, in either case in form and substance satisfactory to the board of directors in its sole discretion, in order to determine or ensure our status as a REIT. In connection with our formation transactions, our board of directors will grant a waiver to STAG GI, GI Partners and an affiliate of GI Partners to own up to 25.3% of our outstanding common stock assuming the midpoint of the range set forth on the front cover of this prospectus.

Our board of directors may increase or decrease the ownership limits so long as the change would not result in five or fewer persons beneficially owning more than 49.9% in value of our outstanding capital stock. Any decrease in the ownership limits shall not apply to any person whose percentage ownership of capital stock is in excess of the decreased ownership limits until such time as such person's percentage ownership of capital stock equals or falls below the decreased ownership limits.

However, if any transfer of our shares of stock or other event occurs that, if effective, would result in any person beneficially or constructively owning shares of stock in excess, or in violation, of the

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above ownership or transfer limitations, known as a prohibited owner, then that number of shares of stock, the beneficial or constructive ownership of which otherwise would cause such person to violate the transfer or ownership limitations (rounded up to the nearest whole share), will be automatically transferred to a charitable trust for the exclusive benefit of a charitable beneficiary, and the prohibited owner will not acquire any rights in such shares. This automatic transfer will be considered effective as of the close of business on the business day before the violative transfer. If the transfer to the charitable trust would not be effective for any reason to prevent the violation of the above transfer or ownership limitations, then the transfer of that number of shares of stock that otherwise would cause any person to violate the above limitations will be null and void. Shares of stock held in the charitable trust will continue to constitute issued and outstanding shares of our stock. The prohibited owner will not benefit economically from ownership of any shares of stock held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares of stock held in the charitable trust. The trustee of the charitable trust will be designated by us and must be unaffiliated with us or any prohibited owner and will have all voting rights and rights to dividends or other distributions with respect to shares of stock held in the charitable trust, and these rights will be exercised for the exclusive benefit of the trust's charitable beneficiary. Any dividend or other distribution paid before our discovery that shares of stock have been transferred to the trustee will be paid by the recipient of such dividend or distribution to the trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution so paid to the trustee will be held in trust for the trust's charitable beneficiary. The prohibited owner will have no voting rights with respect to shares of stock held in the charitable trust, and, subject to Maryland law, effective as of the date that such shares of stock have been transferred to the trustee, the trustee, in its sole discretion, will have the authority to:

- rescind as void any vote cast by a prohibited owner prior to our discovery that such shares have been transferred to the trustee; and
- recast such vote in accordance with the desires of the trustee acting for the benefit of the trust's beneficiary.

However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast such vote.

Within 20 days of receiving notice from us that shares of stock have been transferred to the charitable trust, and unless we buy the shares first as described below, the trustee will sell the shares of stock held in the charitable trust to a person, designated by the trustee, whose ownership of the shares will not violate the ownership limitations in our charter. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and to the charitable beneficiary. The prohibited owner will receive the lesser of:

- the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (for example, in the case of a gift or devise), the market price of the shares on the day of the event causing the shares to be held in the charitable trust; and
- the price per share received by the trustee from the sale or other disposition of the shares held in the charitable trust (less any commission and other expenses of a sale).

The trustee may reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. Any net sale proceeds in excess of the amount payable to the prohibited owner will be paid immediately to

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the charitable beneficiary. If, before our discovery that shares of stock have been transferred to the charitable trust, such shares are sold by a prohibited owner, then:

- such shares will be deemed to have been sold on behalf of the charitable trust; and
- to the extent that the prohibited owner received an amount for such shares that exceeds the amount that the prohibited owner was entitled to receive as described above, the excess must be paid to the trustee upon demand.

In addition, shares of stock held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a gift or devise, the market price at the time of the gift or devise); and
- the market price on the date we, or our designee, accept such offer.

We may reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner and owed by the prohibited owner to the trustee. We will pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We will have the right to accept the offer until the trustee has sold the shares of stock held in the charitable trust. Upon such a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee will be paid to the charitable beneficiary.

All certificates representing shares of our capital stock will bear a legend referring to the restrictions described above.

Every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) in value of the outstanding shares of our stock, within 30 days after the end of each taxable year, must give written notice to us stating the name and address of such owner, the number of shares of each class and series of shares of our stock that the owner beneficially owns and a description of the manner in which the shares are held. Each such owner must also provide to us such additional information as we may request in order to determine the effect, if any, of the owner's beneficial ownership on our status as a REIT and to ensure compliance with our ownership limitations. In addition, each of our shareholders, whether or not an owner of 5% or more of our capital stock, must upon demand provide to us such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure our compliance with the ownership restrictions in our charter.

The ownership and transfer limitations in our charter could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for holders of our common stock or might otherwise be in the best interest of our shareholders.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

The following summary of certain provisions of Maryland law and of our charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to Maryland law and our charter and bylaws, copies of which are available from us upon request. See "Where You Can Find More Information."

Our Board of Directors

Our charter and bylaws provide that the number of directors constituting our full board of directors will be not less than the minimum number required by Maryland law, and our bylaws provide that the number of directors constituting our full board of directors will not exceed 15 and may only be increased or decreased by a vote of a majority of our directors. Pursuant to Subtitle 8 of Title 3 of the MGCL, our charter provides any and all vacancies on the board of directors will be filled only by the affirmative vote of a majority of the remaining directors even if the remaining directors constitute less than a quorum. Any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies. Our charter provides that a director may be removed only upon the affirmative vote of a majority of the votes entitled to be cast in the election of directors. However, because of the board's exclusive power to fill vacant directorships, shareholders will be precluded from filling the vacancies created by any removal with their own nominees. Pursuant to our charter, each member of our board of directors is elected by our shareholders to serve until the next annual meeting of shareholders and until his or her successor is duly elected and qualifies. Holders of shares of our common stock will have no right to cumulative voting in the election of directors. Consequently, at each annual meeting of shareholders, the holders of a majority of the shares of our common stock will be able to elect all of our directors. Directors are elected by a plurality of the votes cast.

Amendment to the Charter and Bylaws

Generally, our charter may be amended only if the amendment is declared advisable by our board of directors and approved by the affirmative vote of a majority of the votes entitled to be cast on the matter. As permitted by the MGCL, our charter contains a provision permitting our directors, without any action by our shareholders, to amend the charter to increase or decrease the aggregate number of shares of stock of any class or series that we have authority to issue. Our board of directors has the exclusive power to adopt, alter or repeal any provision of our bylaws and make new bylaws, except the following bylaw provisions, each of which may be amended only with the affirmative vote of a majority of the votes cast on such an amendment by holders of outstanding shares of common stock:

- provisions opting out of the control share acquisition statute; and
- provisions prohibiting our board of directors without the approval of a majority of the votes entitled to be cast by holders of outstanding shares of our common stock, from revoking, altering or amending any resolution, or adopting any resolution inconsistent with any previously adopted resolution of our board of directors, that exempts any business combination between us and any other person or entity from the business combination provisions of the MGCL.

In addition, any amendment to the provisions governing amendments of the bylaw provisions above requires the approval of a majority of the votes entitled to be cast by holders of outstanding shares of our common stock.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

No Shareholder Rights Plan

We have no shareholder rights plan. We do not intend to adopt a shareholder rights plan unless our shareholders approve in advance the adoption of a plan or, if our board of directors adopts a plan for our company, we submit the shareholder rights plan to our shareholders for a ratification vote within 12 months of adoption, without which the plan will terminate.

Dissolution

Our dissolution must be approved by a majority of our entire board of directors and by the affirmative vote of the holders of a majority of all of the votes entitled to be cast on the matter.

Business Combinations

Maryland law prohibits "business combinations" between us and an interested shareholder or an affiliate of an interested shareholder for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or transfer of equity securities, liquidation plan or reclassification of equity securities. Maryland law defines an interested shareholder as:

- any person or entity who beneficially owns 10% or more of the voting power of our stock; or
- an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding voting stock.

A person is not an interested shareholder if our board of directors approves in advance the transaction by which the person otherwise would have become an interested shareholder. However, in approving a transaction, our board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by our board of directors.

After the five-year prohibition, any business combination between us and an interested shareholder or an affiliate of an interested shareholder generally must be recommended by our board of directors and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of our then-outstanding shares of voting stock; and
- two-thirds of the votes entitled to be cast by holders of our voting stock other than stock held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or stock held by an affiliate or associate of the interested shareholder.

These super-majority vote requirements do not apply if our common shareholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its stock.

The statute permits various exemptions from its provisions, including business combinations that are approved or exempted by the board of directors before the time that the interested shareholder becomes an interested shareholder.

Our board of directors has adopted a resolution opting out of the business combination provisions. Our bylaws provide that this resolution or any other resolution of our board of directors exempting any business combination from the business combination provisions of the MGCL may only be revoked,

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altered or amended, and our board of directors may only adopt any resolution inconsistent with any such resolution, with the affirmative vote of a majority of the votes cast on the matter by holders of outstanding shares of our common stock. If this resolution is repealed, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Control Share Acquisitions

Maryland law provides that "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights, except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror or by officers or by directors who are our employees are excluded from the shares entitled to vote on the matter. "Control shares" are voting shares of stock that, if aggregated with all other shares of stock currently owned by the acquiring person, or in respect of which the acquiring person is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiring person to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions. A person who has made or proposes to make a control share acquisition may compel our board of directors to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, we may present the question at any shareholders meeting.

If voting rights are not approved at the shareholders meeting or if the acquiring person does not deliver the statement required by Maryland law, then, subject to certain conditions and limitations, we may redeem any or all of the control shares, except those for which voting rights have previously been approved, for fair value. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of the shares were considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares for purposes of these appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition. The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction, nor does it apply to acquisitions approved by or exempted by our charter or bylaws.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of our stock, and this provision of our bylaws may not be amended without the affirmative vote of a majority of the votes cast on the matter by holders of outstanding shares of our common stock.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

Maryland Unsolicited Takeovers Act

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act, and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of directors;
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the directorship in which the vacancy occurred; and
- a majority requirement for the calling of a special meeting of shareholders.

In our charter, we have elected that vacancies on the board be filled only by the remaining directors, even if the remaining directors do not constitute a quorum, and for the remainder of the full term of the directorship in which the vacancy occurred. Through provisions in our charter and bylaws unrelated to Subtitle 8, we:

- vest in the board the exclusive power to fix the number of directorships; and
- provide that unless called by our chairman of our board of directors, our president, our chief executive officer or our board of directors, a special meeting of shareholders may only be called by our secretary upon the written request of the shareholders entitled to cast not less than a majority of all the votes entitled to be cast at the meeting.

Limitation of Liability and Indemnification

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its shareholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty established by a final judgment and which is material to the cause of action.

Our charter contains such a provision that eliminates directors' and officers' liability to the maximum extent permitted by Maryland law. These limitations of liability do not apply to liabilities arising under the federal securities laws and do not generally affect the availability of equitable remedies such as injunctive relief or rescission.

Our charter also authorizes our company, to the maximum extent permitted by Maryland law, to obligate our company to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at the request of our company, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding.

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Our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at the request of our company, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity, from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our charter and bylaws also permit our company to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employee or agent of our company or a predecessor of our company.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis of that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by him or her on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

We intend to enter into indemnification agreements with our directors and executive officers that will obligate us to indemnify them to the maximum extent permitted by Maryland law.

The indemnification agreements will provide that if a director or executive officer is a party or is threatened to be made a party to any proceeding by reason of such director's or executive officer's status as a director, officer or employee of our company, we must indemnify such director or executive

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officer for all expenses and liabilities actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

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

The indemnification agreements will also provide that upon application of a director or executive officer of our company to a court of appropriate jurisdiction, the court may order indemnification of such director or executive officer if:

- the court determines the director or executive officer is entitled to indemnification under the applicable section of the MGCL, in which case the director or executive officer shall be entitled to recover from us the expenses of securing such indemnification; or
- the court determines that such director or executive officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or executive officer has met the standards of conduct set forth in the applicable section of the MGCL or has been adjudged liable for receipt of an improper benefit under the applicable section of the MGCL; provided, however, that our indemnification obligations to such director or executive officer will be limited to the expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with any proceeding by or in the right of our company or in which the executive officer or director shall have been adjudged liable for receipt of an improper personal benefit under the applicable section of the MGCL.

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

In addition, the indemnification agreements will require us to advance reasonable expenses incurred by the indemnitee within 20 days of the receipt by us of a statement from the indemnitee requesting the advance, provided the statement evidences the expenses and is accompanied by:

- a written affirmation of the indemnitee's good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- a written undertaking by or on behalf of the indemnitee to repay the portion of any expenses advanced to the indemnitee relating to claims, issues or matters in a proceeding if it is ultimately established that the standard of conduct was not met.

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

CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS

In addition, to the maximum extent permitted by law, our 2011 Equity Incentive Plan provides the members of our board of directors with limited liability with respect to actions taken or decisions made in good faith relating to the plan and indemnification in connection with their activities under the plan.

Insofar as the foregoing provisions permit indemnification of directors, executive officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Meetings of Shareholders

Special meetings of shareholders may be called only by our board of directors, the chairman of our board of directors, our chief executive officer, our president or, in the case of a shareholder requested special meeting, by our secretary upon the written request of the holders of common stock entitled to cast not less than a majority of all votes entitled to be cast at such meeting. Only matters set forth in the notice of the special meeting may be considered and acted upon at such a meeting.

Advance Notice of Director Nominations and New Business

Our bylaws provide that with respect to an annual meeting of shareholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by shareholders may be made only:

- pursuant to our notice of the meeting;
- by the board of directors; or
- by a shareholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the bylaws.

With respect to special meetings of shareholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of individuals for election to our board of directors at a special meeting may be made only:

- pursuant to our notice of the meeting; and
- by the board of directors; or
- provided that the board of directors has determined that directors will be elected at the meeting, by a shareholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

Generally, in accordance with our bylaws, a shareholder seeking to nominate a director or bring other business before our annual meeting of shareholders must deliver a notice to our secretary not later than 5:00 p.m., Eastern Time, on the 120th day, nor earlier than the 150th day, prior to the first anniversary of the date of mailing of the notice for the prior year's annual meeting of shareholders (for purposes of our 2011 annual meeting, notice by the shareholder to be timely must be delivered not earlier than the 150th day prior to the date of such annual meeting of shareholders and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting of shareholders or the 10th day following the day on which public announcement of the date of the annual meeting of shareholders is first made by us). For a shareholder seeking to nominate a candidate for our board of directors, the notice must describe various matters regarding the nominee, including name, address, occupation and number of shares held, and other specified matters. For a shareholder seeking to propose other business, the notice must include a description of the proposed business, the reasons for the proposal and other specified matters.

SHARES ELIGIBLE FOR FUTURE SALE

General

Upon completion of this offering, we will have 13,750,000 shares of common stock outstanding (15,812,500 shares of common stock if the underwriters exercise in full their option to purchase up to an additional 2,062,500 shares), not including an aggregate of (1) 200,441 LTIP units to be granted to our executive officers and independent directors under our equity incentive plan and (2) 80,809 shares of restricted common stock to be granted to certain employees under our equity incentive plan. In addition, upon completion of this offering, 7,590,000 shares of common stock will be reserved for issuance upon the exchange of common units and 1,319,250 shares of common stock will be reserved for future issuance under our 2011 Equity Incentive Plan.

Of these shares, the 13,750,000 shares sold in this offering (15,812,500 shares if the underwriters exercise their option to purchase additional shares in full) will be freely transferable without restriction or further registration under the Securities Act, subject to the limitations on ownership set forth in our charter, except for any shares purchased in this offering by our "affiliates," as that term is defined by Rule 144 under the Securities Act.

Rule 144

In general, Rule 144 provides that if (1) one year has elapsed since the date of acquisition of shares of common stock from us or any of our affiliates and (2) the holder is, and has not been, an affiliate of ours at any time during the three months preceding the proposed sale, such holder may sell such shares of common stock in the public market under Rule 144(b)(1) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements under such rule. In general, Rule 144 also provides that if (1) six months have elapsed since the date of acquisition of shares of common stock from us or any of our affiliates, (2) we have been a reporting company under the Exchange Act for at least 90 days and (3) the holder is not, and has not been, an affiliate of ours at any time during the three months preceding the proposed sale, such holder may sell such shares of common stock in the public market under Rule 144(b)(1) subject to satisfaction of Rule 144's public information requirements but without regard to the volume limitations, manner of sale provisions or notice requirements under such rule.

In addition, under Rule 144, if (1) one year (or, subject to us being a reporting company under the Exchange Act for at least the preceding 90 days, six months) has elapsed since the date of acquisition of shares of common stock from us or any of our affiliates and (2) the holder is, or has been, an affiliate of ours at any time during the three months preceding the proposed sale, such holder may sell such shares of common stock in the public market under Rule 144(b)(1) subject to satisfaction of Rule 144's volume limitations, manner of sale provisions, public information requirements and notice requirements.

Redemption/Exchange Rights

In connection with our formation transactions, our operating partnership will issue an aggregate of common units to Fund III, Fund IV, STAG GI and the members of the management company (if the underwriters' overallotment option is exercised in full). Beginning on or after the date which is one year after the consummation of this offering, limited partners of our operating partnership have the right to require our operating partnership to redeem part or all of their units for cash, or, at our election, shares of our common stock, based upon the fair market value of an equivalent number of shares of our common stock at the time of the redemption, subject to the ownership limits set forth in our charter and described under the section entitled "Description of Stock—Restrictions on Ownership and Transfer of Stock." See "Our Operating Partnership and the Partnership Agreement."

SHARES ELIGIBLE FOR FUTURE SALE

Registration Rights

We have entered into a registration rights agreement with the various entities and persons receiving common units in our formation transactions. Under the registration rights agreement, subject to certain limitations, commencing not later than 12 months after the closing of this offering, we will file a shelf registration statement with the SEC, and thereafter use our best efforts to have the registration statement declared effective, covering the continuous resale of the shares of common stock issued or issuable in exchange for common units issued to Fund III, Fund IV, STAG GI and the members of the management company in our formation transactions. We may, at our option, prepare and file a registration statement registering the issuance by us to the holders of common units received in our formation transactions of shares of our common stock in lieu of our operating partnership's obligation to pay cash for such common units. We have also agreed to provide rights to holders of these common units to demand additional registration statement filings. We have agreed to pay substantially all of the expenses relating to a registration of such securities.

Grants Under Equity Incentive Plan

We intend to adopt our equity incentive plan immediately prior to the completion of this offering. The equity incentive plan provides for the grant of incentive awards to our executive officers, directors, employees, and consultants. We intend to issue an aggregate of 200,441 LTIP units to our executive officers and independent directors and 80,809 shares of restricted common stock to certain of our employees upon completion of this offering, and intend to reserve an additional 1,319,250 shares of common stock for future issuance under the plan, subject to increase as described in "Management—Equity Incentive Plan"

We intend to file with the SEC a registration statement on Form S-8 covering the shares of common stock issuable under the equity incentive plan. Common stock covered by this registration statement, including any shares of common stock issuable upon the exercise of options or restricted stock, will be eligible for transfer or resale without restriction under the Securities Act unless held by affiliates.

Lock-Up Agreements

In addition to the limits placed on the sale of our common stock by operation of Rule 144 and other provisions of the Securities Act, our executive officers and directors and the owners of the management company, Fund III, Fund IV and STAG GI have agreed with the underwriters of this offering, subject to certain exceptions, not to sell or otherwise transfer or encumber any shares of common stock or securities convertible or exchangeable into shares of common stock (including common units) owned by them at the completion of this offering or thereafter acquired by them for a period of 12 months after the completion of this offering, without the prior consent of the underwriters. See "Underwriting."

OUR OPERATING PARTNERSHIP AND THE PARTNERSHIP AGREEMENT

The following summary of material provisions of the partnership agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the partnership agreement and applicable provisions of the Delaware Revised Uniform Limited Partnership Act ("DRULPA").

General

Our operating partnership, STAG Industrial Operating Partnership, L.P., has been organized as a Delaware limited partnership. We are considered to be an UPREIT, in which all of our assets are owned in a limited partnership, our operating partnership, of which a wholly-owned subsidiary of ours is the sole general partner. For purposes of satisfying the asset and income tests for qualification as a REIT for U.S. federal income tax purposes, our proportionate share of the assets and income of our operating partnership will be deemed to be our assets and income. The purpose of our operating partnership includes the conduct of any business that may be lawfully conducted by a limited partnership formed under the DRULPA, except that the limited partnership agreement, or the partnership agreement, of our operating partnership requires the business of our operating partnership to be conducted in such a manner that will permit us to qualify as a REIT under U.S. federal tax laws.

We will hold our assets and conduct our business through our operating partnership. Pursuant to the partnership agreement, we, as the owner of the sole general partner of our operating partnership, have full, exclusive and complete responsibility and discretion in the management and control of our operating partnership. Our operating partnership may admit additional limited partners in accordance with the terms of the partnership agreement. The limited partners of our operating partnership have no authority in their capacity as limited partners to transact business for, or participate in the management activities or decisions of, our operating partnership except as required by applicable law. Consequently, we, by virtue of our position as the owner of the general partner, control the assets and business of our operating partnership. However, any amendment to the partnership agreement that would:

- affect the redemption rights in a manner adverse to a limited partner;
- adversely affect a limited partner's right to receive cash distributions;
- convert a limited partner interest into a general partner interest;
- modify the limited liability of a limited partner in a manner adverse to such partner; or
- cause the termination of our operating partnership prior to the time specified in the partnership agreement,

will require the consent of each limited partner adversely affected thereby or else shall be effective against only those limited partners who shall have consented thereto.

Operations

The partnership agreement requires that our operating partnership be operated in a manner that will enable us to satisfy the requirements for being classified as a REIT for U.S. federal tax purposes, to avoid any U.S. federal income or excise tax liability imposed by the Code, and to ensure that our operating partnership will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Code.

In addition to the administrative and operating costs and expenses incurred by our operating partnership, it is anticipated that our operating partnership will pay all of our administrative costs and

OUR OPERATING PARTNERSHIP AND THE PARTNERSHIP AGREEMENT

expenses and our expenses will be treated as expenses of our operating partnership. Such expenses include:

- all expenses relating to our formation and continuity of existence;
- all expenses relating to any offerings and registrations of securities;
- all expenses associated with our preparation and filing of any periodic reports under federal, state or local laws or regulations;
- all expenses related to our compliance with applicable laws, rules and regulations; and
- all other operating or administrative costs of ours incurred in the ordinary course of its business.

Distributions

The partnership agreement provides that our operating partnership shall distribute cash from operations (including net sale or refinancing proceeds, but excluding net proceeds from the sale of our operating partnership's property in connection with the liquidation of our operating partnership) on a quarterly (or, at the election of the general partner, more frequent) basis, in amounts determined by the general partner in its sole discretion, to the partners, to the extent that net income has been allocated to such partners in accordance with their respective percentage interests in our operating partnership and thereafter to the partners in accordance with their respective percentage interests. Upon liquidation of our operating partnership, after payment of, or adequate provision for, debts and obligations of our operating partnership, including any partner loans, it is anticipated that any remaining assets of our operating partnership will be distributed to all partners with positive capital accounts in accordance with their respective positive capital account balances. If any partner has a deficit balance in its capital account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such partner shall have no obligation to make any contribution to the capital of our operating partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the partnership or to any other person for any purpose whatsoever.

Partnership Allocations

It is anticipated that income, gain and loss of our operating partnership for each fiscal year generally will be allocated among the partners in accordance with their respective interests in our operating partnership, subject to compliance with the provisions of the Code Sections 704(b) and 704(c) and U.S. Department of Treasury Regulations promulgated thereunder.

Capital Contributions and Borrowings

Upon the completion of this offering, we will contribute to our operating partnership the net proceeds of this offering as our initial capital contribution in exchange for limited partnership interests and, indirectly, the general partnership interest in our operating partnership. Under the partnership agreement, we are obligated to contribute the net proceeds of any subsequent offering of our common stock as additional capital to our operating partnership.

The partnership agreement provides that if our operating partnership requires additional funds at any time in excess of funds available to our operating partnership from borrowing or capital contributions, we may borrow such funds from a financial institution or other lender and lend such funds to our operating partnership.

OUR OPERATING PARTNERSHIP AND THE PARTNERSHIP AGREEMENT

Issuance of Additional Limited Partnership Interests

As the owner of the sole general partner of our operating partnership, we are authorized, without the consent of the limited partners, to cause our operating partnership to issue additional units to us, to limited partners or to other persons for such consideration and on such terms and conditions as we deem appropriate. If additional units are issued to us, then, unless the additional units are issued in connection with a contribution of property to our operating partnership, we must (1) issue additional shares of common stock and must contribute to our operating partnership the entire proceeds received by us from such issuance or (2) issue additional units to all partners in proportion to their respective interests in our operating partnership. Consideration for additional partnership interests may be cash or other property or assets. No person, including any partner or assignee, has preemptive, preferential or similar rights with respect to additional capital contributions to our operating partnership or the issuance or sale of any partnership interests therein.

Our operating partnership may issue units of limited partnership interest that are common units, units of limited partnership interest that are preferred as to distributions and upon liquidation to our units of limited partnership interest and other types of units with such rights and obligations as may be established by the general partner from time to time.

Redemption Rights

Pursuant to the partnership agreement, on or after the date that is one year from the date of issuance, the limited partners holding common units (other than us) have the right to cause our operating partnership to redeem their units for cash or, at the election of the general partner, our common stock on a one-for-one basis, subject to adjustment, as provided in the partnership agreement. Notwithstanding the foregoing, a limited partner will not be entitled to exercise its redemption right to the extent the issuance of common stock to the redeeming limited partner would (1) be prohibited, as determined in our sole discretion, under our charter or (2) cause the acquisition of common stock by such redeeming limited partner to be "integrated" with any other distribution of common stock for purposes of complying with the Securities Act.

No Removal of the General Partner

Our wholly-owned subsidiary may not be removed as general partner by the partners with or without cause.

Withdrawal of General Partner; Transfer of General Partner's Interests

We cannot cause the general partner to withdraw from our operating partnership or transfer or assign its interest in our operating partnership unless:

- the interests are transferred to a qualified REIT subsidiary;
- the limited partners holding a majority of the outstanding partnership interests held by all limited partners consent; or
- the general partner merges with another entity and, immediately after such merger, the surviving entity contributes substantially all of its assets, other than the general partner's interests in our operating partnership, to our operating partnership in exchange for units of limited partnership interest.

OUR OPERATING PARTNERSHIP AND THE PARTNERSHIP AGREEMENT

Restrictions on Transfer by Limited Partners

The partnership agreement provides that each limited partner, and each transferee of partnership interests or assignee pursuant to a permitted transfer, has the right to transfer all or any portion of its partnership interest to any person, subject to the provisions of the partnership agreement. No limited partner shall have the right to substitute a transferee as a limited partner in its place. A transferee of the interest of a limited partner may be admitted as a substituted limited partner only with the consent of the general partner, which consent may be given or withheld by the general partner in its sole and absolute discretion.

Term

Our operating partnership shall continue until terminated as provided in the partnership agreement or by operation of law.

Tax Matters

Pursuant to the partnership agreement, the general partner is the tax matters partner of our operating partnership and, as such, has authority to handle tax audits and to make tax elections under the Code on behalf of our operating partnership.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax consequences of an investment in our common stock. The law firm of DLA Piper LLP (US) has acted as our tax counsel and reviewed this summary. For purposes of this section under the heading "U.S. Federal Income Tax Considerations," references to "STAG," "we," "our" and "us" mean only STAG Industrial, Inc. and not its subsidiaries or other lower-tier entities, except as otherwise indicated. This summary is based upon the Code, the regulations promulgated by the U.S. Treasury Department, rulings and other administrative pronouncements issued by the IRS, and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. We have not sought and do not currently expect to seek an advance ruling from the IRS regarding any matter discussed in this prospectus. The summary is also based upon the assumption that we will operate STAG Industrial, Inc. and its subsidiaries and affiliated entities in accordance with their applicable organizational documents. This summary is for general information only and does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

- financial institutions;
- insurance companies;
- broker-dealers;
- regulated investment companies;
- partnerships and trusts;
- persons who hold our stock on behalf of other persons as nominees;
- persons who receive our stock through the exercise of employee stock options (if we ever have employees) or otherwise as compensation;
- persons holding our stock as part of a "straddle," "hedge," "conversion transaction," "constructive ownership transaction," "synthetic security" or other integrated investment;
- "S" corporations;

and, except to the extent discussed below:

- tax-exempt organizations; and
- foreign investors.

This summary assumes that investors will hold their common stock as a capital asset, which generally means as property held for investment.

The U.S. federal income tax treatment of holders of our common stock depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular shareholder of holding our common stock will depend on the shareholder's particular tax circumstances. For example, a shareholder that is a partnership or trust that has issued an equity interest to certain types of tax-exempt organizations may be subject to a special entity-level tax if we make distributions attributable to "excess inclusion income." See "—Taxation of STAG REIT—Taxable Mortgage Pools and Excess Inclusion Income." A similar tax may be payable by persons who hold our stock as nominees on behalf of tax-exempt organizations. You are urged to consult your tax advisor regarding the U.S. federal, state, and local and foreign income and other tax consequences to you in

U.S. FEDERAL INCOME TAX CONSIDERATIONS

light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of our common stock.

Taxation of STAG REIT

We intend to elect to be taxed as a REIT commencing with our taxable year ending December 31, 2011. We believe that we have been organized and operate in such a manner as to qualify for taxation as a REIT.

The law firm of DLA Piper LLP (US) is acting as our tax counsel in connection with this offering. In connection with this offering, DLA Piper LLP (US) will render an opinion that we have been organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our present and proposed organization, ownership and method of operation will enable us to meet the requirements for qualification and taxation as a REIT beginning with our taxable year ending December 31, 2011. It must be emphasized that the opinion of DLA Piper LLP (US) will be based on various assumptions relating to our organization and operation and conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the future conduct of our business operations. While we intend to operate so that we qualify as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by DLA Piper LLP (US) or by us that we will qualify as a REIT for any particular year. The opinion will be expressed as of the date issued and will not cover subsequent periods. Counsel has no obligation to advise us or our shareholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions.

Qualification and taxation as a REIT depends on our ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of stock and asset ownership, various qualification requirements imposed upon REITs by the Code, the compliance with which will not be reviewed by DLA Piper LLP (US). Our ability to qualify as a REIT also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets that we own directly or indirectly. Such values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT.

Taxation of REITs in General

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under "—Requirements for Qualification—General." While we intend to operate so that we qualify as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See "—Failure to Qualify."

Provided that we qualify as a REIT, generally we will be entitled to a deduction for dividends that we pay and therefore will not be subject to U.S. federal corporate income tax on our taxable income that is currently distributed to our shareholders. This treatment substantially eliminates the "double taxation" at the corporate and shareholder levels that generally results from investment in a corporation. In general, the income that we generate and distribute currently is taxed only at the shareholder level upon distribution to our shareholders.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

For tax years through 2012, most domestic shareholders that are individuals, trusts or estates are taxed on regular corporate dividends at a maximum rate of 15% (the same as long-term capital gains). With limited exceptions, however, dividends from us or from other entities that are taxed as REITs are generally not eligible for this rate and will continue to be taxed at rates applicable to ordinary income. See "—Taxation of Shareholders—Taxation of Taxable Domestic Shareholders—Distributions."

Any net operating losses and other tax attributes of ours generally do not pass through to our shareholders, subject to special rules for certain items such as the capital gains that we recognize. See "—Taxation of Shareholders."

If we qualify as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

- We will be taxed at regular corporate rates on any undistributed taxable income, including undistributed net capital gains.
- We may be subject to the "alternative minimum tax" on our items of tax preference, including any deductions of net operating losses.
- If we have net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See "—Prohibited Transactions" and "—Foreclosure Property" below.
- If we elect to treat property that we acquire in connection with a foreclosure of a mortgage loan or certain leasehold terminations as "foreclosure property," we may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%).
- If we derive "excess inclusion income" from an interest in certain mortgage loan securitization structures (i.e., a "taxable mortgage pool" or a residual interest in a real estate mortgage investment conduit, or "REMIC"), we could be subject to corporate level federal income tax at a 35% rate to the extent that such income is allocable to specified types of tax-exempt shareholders known as "disqualified organizations" that are not subject to unrelated business income tax. See "—Taxable Mortgage Pools and Excess Inclusion Income" below.
- If we should fail to satisfy the 75% gross income test or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because we satisfy other requirements, we will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with our gross income.
- If we should violate the asset tests (other than certain de minimis violations) or other requirements applicable to REITs, as described below, and yet maintain our qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we would be subject to an excise tax. In that case, the amount of the excise tax will be at least \$50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds \$50,000 per failure.
- If we should fail to distribute during a calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year, and (3) any undistributed taxable income from prior periods, we would be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (i) the amounts that we

U.S. FEDERAL INCOME TAX CONSIDERATIONS

actually distributed and (ii) the amounts of income from the taxable year we retained and upon which we paid income tax at the corporate level.

- We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's shareholders, as described below in "—Requirements for Qualification—General."
- A 100% tax may be imposed on transactions between us and a TRS (as described below) that do not reflect arm's-length terms.
- If we acquire appreciated assets from a corporation that is not a REIT and is taxable under subchapter C of the Code in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the subchapter C corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the ten-year period following their acquisition from the subchapter C corporation.
- The earnings of our subsidiaries, including any subsidiary we may elect to treat as a TRS, are subject to federal corporate income tax to the extent that such subsidiaries are taxable as subchapter C corporations.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state and local and foreign income, property and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification—General

The Code defines a REIT as a corporation, trust or association:

- (1) that is managed by one or more trustees or directors;
- (2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
- (3) that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;
- (4) that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
- (5) the beneficial ownership of which is held by 100 or more persons;
- (6) in which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include specified tax-exempt entities); and
- (7) which meets other tests described below, including with respect to the nature of its income and assets.

The Code provides that conditions (1) through (4) must be met during the entire taxable year, and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a shorter taxable year. Conditions (5) and (6) need not be met during a corporation's initial tax year as a REIT. In our case, we intend to elect to be taxed as a REIT commencing with our taxable year ending December 31, 2011. Our charter provides restrictions

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regarding the ownership and transfer of our shares, which are intended to assist us in satisfying the share ownership requirements described in conditions (5) and (6) above.

To monitor compliance with the share ownership requirements, we generally are required to maintain records regarding the actual ownership of our shares. To do so, we must demand written statements each year from the record holders of significant percentages of our stock pursuant to which the record holders must disclose the actual owners of the shares (i.e., the persons required to include our distributions in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by U.S. Department of Treasury regulations to submit a statement with your tax return disclosing your actual ownership of our shares and other information.

In addition, a corporation generally may not elect to become a REIT unless its taxable year is the calendar year. We have adopted December 31 as our taxable year-end, and thereby satisfy this requirement.

The Code provides relief from violations of the REIT gross income requirements, as described below under "—Income Tests," in cases where a violation is due to reasonable cause and not to willful neglect, and other requirements are met, including the payment of a penalty tax that is based upon the magnitude of the violation. In addition, certain provisions of the Code extend similar relief in the case of certain violations of the REIT asset requirements and other REIT requirements, again provided that the violation is due to reasonable cause and not willful neglect, and other conditions are met, including the payment of a penalty tax. If we fail to satisfy any of the various REIT requirements, there can be no assurance that these relief provisions would be available to enable us to maintain our qualification as a REIT, and, if such relief provisions are available, the amount of any resultant penalty tax could be substantial.

Subsidiary Entities

Ownership of partnership interests. If we are a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, U.S. Department of Treasury regulations provide that we are deemed to own our proportionate share of the partnership's assets, and to earn our proportionate share of the partnership's income, for purposes of the asset and gross income tests applicable to REITs. Our proportionate share of a partnership's assets and income is based on our capital interest in the partnership (except that for purposes of the 10% value test, our proportionate share of the partnership's assets is based on our proportionate interest in the equity and certain debt securities issued by the partnership). In addition, the assets and gross income of the partnership are deemed to retain the same character in our hands. Thus, our proportionate share of the assets and items of income of any of our subsidiary partnerships will be treated as our assets and items of income for purposes of applying the REIT requirements. For any period of time that we own 100% of our Operating Partnership, all of the Operating Partnership's assets and income will be deemed to be ours for federal income tax purposes.

Disregarded subsidiaries. If we own a corporate subsidiary that is a "qualified REIT subsidiary," that subsidiary is generally disregarded for U.S. federal income tax purposes, and all of the subsidiary's assets, liabilities and items of income, deduction and credit are treated as our assets, liabilities and items of income, deduction and credit, including for purposes of the gross income and asset tests applicable to REITs. A qualified REIT subsidiary is any corporation, other than a TRS (as described below), that is directly or indirectly (through other disregarded entities) wholly owned by a REIT. Other entities that are wholly owned by us, including single member, domestic limited liability

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companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with any partnerships in which we hold an equity interest, are sometimes referred to herein as "pass-through subsidiaries."

In the event that a disregarded subsidiary of ours ceases to be wholly owned—for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours—the subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, the subsidiary would have multiple owners and would be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirement that REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation.

Taxable corporate subsidiaries. In the future we may jointly elect with any of our subsidiary corporations, whether or not wholly owned, to treat such subsidiary corporations as taxable REIT subsidiaries, or TRSs. We generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, unless we and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS or other taxable corporation is not ignored for U.S. federal income tax purposes. Accordingly, a TRS or other taxable corporation generally would be subject to corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate, and may reduce our ability to make distributions to our shareholders.

We are not treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by a taxable subsidiary to us is an asset in our hands, and we treat the distributions paid to us from such taxable subsidiary, if any, as income, gain, or return of capital, as applicable. This treatment can affect our income and asset test calculations, as described below. Because we do not include the assets and income of TRSs or other taxable subsidiary corporations in determining our compliance with the REIT requirements, we may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. For example, we may use TRSs or other taxable subsidiary corporations to conduct activities that give rise to certain categories of income such as management fees or activities that would be treated in our hands as prohibited transactions.

Income Tests

In order to qualify as a REIT, we must satisfy two gross income requirements on an annual basis. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in "prohibited transactions" and certain other forms of income, generally must be derived from investments relating to real property or mortgages on real property, including interest income derived from mortgage loans secured by real property (including certain types of mortgage-backed securities), "rents from real property," distributions received from other REITs, and gains from the sale of real estate assets, as well as specified income from temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions and certain hedging transactions, must be derived from some combination of such income from investments in real property (i.e., income that qualifies under the 75% income test described above), as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property.

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Interest income constitutes qualifying mortgage interest for purposes of the 75% income test (as described above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on real property. If we receive interest income with respect to a mortgage loan that is secured by both real property and other property, and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property on the date that we acquired or originated the mortgage loan, the interest income will be apportioned between the real property and the other collateral, and our income from the arrangement will qualify for purposes of the 75% income test only to the extent that the interest is allocable to the real property. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% income test.

To the extent that the terms of a loan provide for contingent interest that is based on the cash proceeds realized upon the sale of the property securing the loan (a "shared appreciation provision"), income attributable to the participation feature will be treated as gain from sale of the underlying property, which generally will be qualifying income for purposes of both the 75% and 95% gross income tests provided that the real property is not held as inventory or dealer property or primarily for sale to customers in the ordinary course of business. To the extent that we derive interest income from a mortgage loan or income from the rental of real property (discussed below) where all or a portion of the amount of interest or rental income payable is contingent, such income generally will qualify for purposes of the gross income tests only if it is based upon the gross receipts or sales and not on the net income or profits of the borrower or lessee. This limitation does not apply, however, where the borrower or lessee leases substantially all of its interest in the property to tenants or subtenants to the extent that the rental income derived by the borrower or lessee, as the case may be, would qualify as rents from real property had we earned the income directly.

Rents received by us will qualify as "rents from real property" in satisfying the gross income requirements described above only if several conditions are met. If rent is partly attributable to personal property leased in connection with a lease of real property, the portion of the rent that is attributable to the personal property will not qualify as "rents from real property" unless it constitutes 15% or less of the total rent received under the lease. In addition, the amount of rent generally must not be based in whole or in part on the income or profits of any person. Amounts received as rent, however, generally will not be excluded from rents from real property solely by reason of being based on fixed percentages of gross receipts or sales. Moreover, for rents received to qualify as "rents from real property," we generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an "independent contractor" from which we derive no revenue and that meets certain other requirements or through a TRS. We are permitted, however, to perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and which are not otherwise considered rendered to the occupant of the property. In addition, we may directly or indirectly provide noncustomary services to tenants of our properties without disqualifying all of the rent from the property if the income from such services does not exceed 1% of the total gross income from the property. For purposes of this test, we are deemed to have received income from such non-customary services in an amount at least 150% of the direct cost of providing the services. Moreover, we are generally permitted to provide services to tenants or others through a TRS without disqualifying the rental income received from tenants for purposes of the income tests. Also, rental income will qualify as rents from real property only to the extent that we do not directly or constructively hold a 10% or greater interest, as measured by vote or value, in the lessee's equity.

We may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to

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the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any distributions (other than return of capital distributions) that we receive from a REIT, however, will be qualifying income for purposes of both the 95% and 75% income tests.

We may receive (either actual receipt or deemed receipt) amounts from certain affiliated entities in exchange for such entities' use of intellectual property rights, including the use of the STAG name. We do not expect such amounts to be significant, and, in any event, to negatively impact our compliance with REIT gross income tests.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify as a REIT for such year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (1) our failure to meet these tests was due to reasonable cause and not due to willful neglect and (2) following our identification of the failure to meet the 75% or 95% gross income test for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with U.S. Department of Treasury regulations. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, we will not qualify as a REIT. As discussed above under "—Taxation of REITs in General," even where these relief provisions apply, the Code imposes a tax based upon the amount by which we fail to satisfy the particular gross income test.

Asset Tests

At the close of each calendar quarter, we must also satisfy four tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of "real estate assets," cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property, such as land, buildings, leasehold interests in real property, stock of other corporations that qualify as REITs, and some kinds of mortgage-backed securities and mortgage loans. Assets that do not qualify for purposes of the 75% test are subject to the additional asset tests described below.

Second, the value of any one issuer's securities that we own (other than a TRS or qualified REIT subsidiary) may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 10% asset tests do not apply to securities of TRSs and qualified REIT subsidiaries and the 10% asset test by value does not apply to "straight debt" having specified characteristics and to certain other securities described below. Solely for purposes of the 10% asset test by value, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code, as well as our equity interest in the partnership, if any.

Fourth, the aggregate value of all securities of TRSs that we hold may not exceed 25% of the value of our total assets.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met. Similarly, although stock of another REIT is a qualifying asset for purposes of the

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REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (such debt, however, will not be treated as a "security" for purposes of the 10% asset test by value, as explained below).

Certain relief provisions are available to REITs to satisfy the asset requirements or to maintain REIT qualification notwithstanding certain violations of the asset and other requirements. One such provision allows a REIT which fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (1) the REIT provides the IRS with a description of each asset causing the failure, (2) the failure is due to reasonable cause and not willful neglect, (3) the REIT pays a tax equal to the greater of (i) \$50,000 per failure, and (ii) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%), and (4) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or otherwise satisfies the relevant asset tests within that time frame.

In the case of de minimis violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (1) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and \$10,000,000, and (2) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure, or the relevant tests are otherwise satisfied within that time frame.

Certain securities will not cause a violation of the 10% asset test described above. Such securities include instruments that constitute "straight debt." A security does not qualify as "straight debt" where a REIT (or a controlled TRS of the REIT) owns other securities of the same issuer which do not qualify as straight debt, unless the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the Code provides that certain other securities will not violate the 10% asset test. Such securities include (1) any loan made to an individual or an estate, (2) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (3) any obligation to pay rents from real property, (4) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (5) any security (including debt securities) issued by another REIT, and (6) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under "—Income Tests." In applying the 10% asset test by value, a debt security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate interest in the equity and certain debt securities issued by that partnership.

Any interests that we hold in a REMIC will generally qualify as real estate assets and income derived from REMIC interests will generally be treated as qualifying income for purposes of the REIT income tests described above. If less than 95% of the assets of a REMIC are real estate assets, however, then only a proportionate part of our interest in the REMIC and income derived from the interest qualifies for purposes of the REIT asset and income tests. If we hold a "residual interest" in a REMIC from which we derive "excess inclusion income," we will be required to either distribute the excess inclusion income or pay tax on it (or a combination of the two), even though we may not receive the income in cash. To the extent that distributed excess inclusion income is allocable to a particular shareholder, the income (1) would not be allowed to be offset by any net operating losses otherwise available to the shareholder, (2) would be subject to tax as UBTI in the hands of most types of shareholders that are otherwise generally exempt from U.S. federal income tax, and (3) would result in the application of U.S. federal income tax withholding at the maximum rate (30%), without reduction

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of any otherwise applicable income tax treaty, to the extent allocable to most types of foreign shareholders. Moreover, any excess inclusion income that we receive that is allocable to specified categories of tax-exempt investors which are not subject to unrelated business income tax, such as government entities, may be subject to corporate-level income tax in our hands, whether or not it is distributed. See "—Taxable Mortgage Pools and Excess Inclusion Income."

We believe that our holdings of securities and other assets will comply with the foregoing REIT asset requirements, and we intend to monitor compliance on an ongoing basis. Certain mezzanine loans we make or acquire may qualify for the safe harbor of Revenue Procedure 2003-65 pursuant to which certain loans secured by a first priority security interest in ownership interests in a partnership or limited liability company will be treated as qualifying assets for purposes of the 75% real estate asset test and the 10% vote or value test. See "—Income Tests." We may make some mezzanine loans that do not qualify for that safe harbor, qualify as "straight debt" securities or qualify for one of the other exclusions from the definition of "securities" for purposes of the 10% value test. We intend to make such investments in such a manner as not to fail the asset tests described above.

Some of our assets will consist of goodwill, including goodwill related to the contribution of the management company. We do not expect the value of any such goodwill to be significant, and, in any event, to negatively impact our compliance with the REIT asset tests.

No independent appraisals will be obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, values of some assets, may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

If we should fail to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause us to lose our REIT qualification if we (1) satisfied the asset tests at the close of the preceding calendar quarter and (2) the discrepancy between the value of our assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the market value of our assets. If the condition described in (2) were not satisfied, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of relief provisions described below.

Annual Distribution Requirements

In order to qualify as a REIT, we are required to distribute dividends, other than capital gain dividends, to our shareholders in an amount at least equal to:

- (1) the sum of
 - (i) 90% of our "REIT taxable income," computed without regard to our net capital gains and the dividends paid deduction, and
 - (ii) 90% of our net income, if any, (after tax) from foreclosure property (as described below), minus
- (2) the sum of specified items of non-cash income.

We generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the year and if paid with or before the first regular dividend payment after such declaration. In order for dividends to provide a tax

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deduction for us, the distributions must not be "preferential dividends." A distribution is not a preferential dividend if the distribution is (1) pro rata among all outstanding shares of stock within a particular class, and (2) in accordance with the preferences among different classes of stock as set forth in our organizational documents.

To the extent that we distribute at least 90%, but less than 100%, of our "REIT taxable income," as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, our net long-term capital gains and pay tax on such gains. In this case, we could elect for our shareholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that we paid. Our shareholders would then increase their adjusted basis of their stock by the difference between (1) the amounts of capital gain distributions that we designated and that they include in their taxable income, and (2) the tax that we paid on their behalf with respect to that income.

To the extent that we have available net operating losses carried forward from prior REIT tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the character, in the hands of our shareholders, of any distributions that are actually made as ordinary dividends or capital gains. See "—Taxation of Shareholders—Taxation of Taxable Domestic Shareholders—Distributions."

If we should fail to distribute during a calendar year at least the sum of (1) 85% of our REIT ordinary income for such year, (2) 95% of our REIT capital gain net income for such year, and (3) any undistributed taxable income from prior periods, we would be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (i) the amounts actually distributed, and (ii) the amounts of income for the taxable year we retained and on which we have paid corporate income tax.

It is possible that, from time to time, we may not have sufficient cash to meet the distribution requirements due to timing differences between (1) our actual receipt of cash, including receipt of distributions from our subsidiaries, and (2) our inclusion of items in income for U.S. federal income tax purposes. Other potential sources of non-cash taxable income include:

- "residual interests" in REMICs or taxable mortgage pools;
- loans or mortgage-backed securities held as assets that are issued at a discount and require the accrual of taxable economic interest in advance of receipt in cash; and
- loans on which the borrower is permitted to defer cash payments of interest, and distressed loans on which we may be required to accrue taxable interest income even though the borrower is unable to make current servicing payments in cash.

In the event that such timing differences occur, in order to meet the distribution requirements, it might be necessary for us to arrange for short-term, or possibly long-term, borrowings, or to pay distributions in the form of taxable in-kind distributions of stock or other property.

We may be able to rectify a failure to pay sufficient dividends for any year by paying "deficiency dividends" to shareholders in a later year. These deficiency dividends may be included in our deduction for dividends paid for the earlier year, but an interest charge would be imposed upon us for the delay in distribution.

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Failure to Qualify

If we fail to satisfy one or more requirements for REIT qualification other than the gross income or asset tests, we could avoid disqualification if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of \$50,000 for each such failure. Relief provisions are available for failures of the gross income tests and asset tests, as described above in "—Income Tests" and "—Asset Tests."

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. We cannot deduct dividends to shareholders in any year in which we are not a REIT, nor would we be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits, distributions to domestic shareholders that are individuals, trusts and estates will generally be taxable at capital gains rates (through 2012). In addition, subject to the limitations of the Code, corporate distributees may be eligible for the dividends received deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which we lost qualification. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

Sale-Leaseback Transactions

A significant portion of our investments is expected to be in the form of sale-leaseback transactions. We intend to treat these transactions as true leases for U.S. federal income tax purposes. However, depending on the terms of any specific transaction, the IRS might take the position that the transaction is not a true lease but is more properly treated in some other manner. If such recharacterization were successful, we would not be entitled to claim the depreciation deductions available to an owner of the property. In addition, the recharacterization of one or more of these transactions might cause us to fail to satisfy the asset tests or the income tests described above and such failure could result in our failing to qualify as a REIT. Alternatively, the amount or timing of income inclusion or the loss of depreciation deductions resulting from the recharacterization might cause us to fail to meet the distribution requirement described above for one or more taxable years absent the availability of the deficiency dividend procedure or might result in a larger portion of our dividends being treated as ordinary income to our shareholders.

Prohibited Transactions

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or as having been, held for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. Whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will potentially be subject to tax in the hands of the corporation at regular corporate rates.

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Foreclosure Property

Foreclosure property is real property and any personal property incident to such real property (1) that we acquire as the result of having bid on the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after a default (or upon imminent default) on a lease of the property or a mortgage loan held by us and secured by the property, (2) for which we acquired the related loan or lease at a time when default was not imminent or anticipated, and (3) with respect to which we made a proper election to treat the property as foreclosure property. We generally will be subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property. To the extent that we receive any income from foreclosure property that does not qualify for purposes of the 75% gross income test, we intend to make an election to treat the related property as foreclosure property.

Derivatives and Hedging Transactions

We and our subsidiaries may enter into hedging transactions with respect to interest rate exposure on one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swaps, interest rate cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent provided by U.S. Department of Treasury regulations, any income from a hedging transaction we entered into (1) in the normal course of our business primarily to manage risk of interest rate, inflation and/or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, which is clearly identified as specified in U.S. Department of Treasury regulations before the closing of the day on which it was acquired, originated, or entered into, including gain from the sale or disposition of such a transaction, and (2) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests which is clearly identified as such before the closing of the day on which it was acquired, originated, or entered into, will not constitute gross income for purposes of the 75% or 95% gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the 75% or 95% gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. We may conduct some or all of our hedging activities through our TRS or other corporate entity, the income from which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income that does not qualify for purposes of either or both of the REIT gross income tests, or that our hedging activities will not adversely affect our ability to satisfy the REIT qualification requirements.

Taxable Mortgage Pools and Excess Inclusion Income

An entity, or a portion of an entity, may be classified as a taxable mortgage pool ("TMP") under the Code if:

- substantially all of its assets consist of debt obligations or interests in debt obligations;

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- more than 50% of those debt obligations are real estate mortgages or interests in real estate mortgages as of specified testing dates;
- the entity has issued debt obligations (liabilities) that have two or more maturities; and
- the payments required to be made by the entity on its debt obligations (liabilities) "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets.

Under applicable U.S. Department of Treasury regulations, if less than 80% of the assets of an entity (or a portion of an entity) consist of debt obligations, these debt obligations are considered not to comprise "substantially all" of its assets, and therefore the entity would not be treated as a TMP. Our financing and securitization arrangements may give rise to TMPs with the consequences as described below.

Where an entity, or a portion of an entity, is classified as a TMP, it is generally treated as a taxable corporation for U.S. federal income tax purposes. In the case of a REIT, or a portion of a REIT, or a disregarded subsidiary of a REIT, that is a TMP, however, special rules apply. The TMP is not treated as a corporation that is subject to corporate income tax, and the TMP classification does not directly affect the tax qualification of the REIT. Rather, the consequences of the TMP classification would, in general, except as described below, be limited to the shareholders of the REIT.

A portion of the REIT's income from the TMP, which might be noncash accrued income, could be treated as excess inclusion income. Under IRS guidance, the REIT's excess inclusion income, including any excess inclusion income from a residual interest in a REMIC, must be allocated among its shareholders in proportion to dividends paid. We are required to notify our shareholders of the amount of "excess inclusion income" allocated to them. A shareholder's share of our excess inclusion income:

- cannot be offset by any net operating losses otherwise available to the shareholder;
- is subject to tax as UBTI in the hands of most types of shareholders that are otherwise generally exempt from U.S. federal income tax; and
- results in the application of U.S. federal income tax withholding at the maximum rate (30%), without reduction for any otherwise applicable income tax treaty or other exemption, to the extent allocable to most types of foreign shareholders.

See "—Taxation of Shareholders." To the extent that excess inclusion income is allocated from a TMP to a tax-exempt shareholder of a REIT that is not subject to unrelated business income tax (such as a government entity), the REIT will be subject to tax on this income at the highest applicable corporate tax rate (currently 35%). The manner in which excess inclusion income is calculated, or would be allocated to shareholders, including allocations among shares of different classes of stock, remains unclear under current law. As required by IRS guidance, we intend to make such determinations using a reasonable method. Tax-exempt investors, foreign investors and taxpayers with net operating losses should carefully consider the tax consequences described above, and are urged to consult their tax advisors.

If a subsidiary partnership of ours that we do not wholly own, directly or through one or more disregarded entities, were a TMP, the foregoing rules would not apply. Rather, the partnership that is a TMP would be treated as a corporation for federal income tax purposes and potentially could be subject to corporate income tax or withholding tax. In addition, this characterization would alter our income and asset test calculations and could adversely affect our compliance with those requirements. Although we do not expect to own any TMPs, we intend to monitor our ownership of any entities

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which may be a TMP (including whether a TRS election might be made in respect of any such TMP) to ensure that they will not adversely affect our qualification as a REIT.

Taxation of Shareholders

Taxation of Taxable Domestic Shareholders

Definitions. In this section, the phrase "domestic shareholder" means a holder of our common stock that for federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States or of any political subdivision thereof
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

If a partnership, including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock.

Distributions. So long as we qualify as a REIT, the distributions that we make to our taxable domestic shareholders out of current or accumulated earnings and profits that we do not designate as capital gain distributions will generally be taken into account by shareholders as ordinary income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, our dividends are not eligible for taxation at the preferential income tax rates (i.e., the 15% maximum federal rate through 2012) for qualified dividends received by domestic shareholders that are individuals, trusts and estates from taxable C corporations. Such shareholders, however, are taxed at the preferential rates on dividends designated by and received from REITs to the extent that the dividends are attributable to:

- income retained by the REIT in the prior taxable year on which the REIT was subject to corporate level income tax (less the amount of tax);
- qualified dividends received by the REIT from TRSs or other taxable C corporations; or
- income in the prior taxable year from the sales of "built-in gain" property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

Distributions that we designate as capital gain dividends will generally be taxed to our shareholders as long-term capital gains, to the extent that such distributions do not exceed our actual net capital gain for the taxable year, without regard to the period for which the shareholder that receives such distribution has held its stock. We may elect to retain and pay taxes on some or all of our net long-term capital gains, in which case provisions of the Code will treat our shareholders as having

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received, solely for tax purposes, our undistributed capital gains, and the shareholders will receive a corresponding credit for taxes that we paid on such undistributed capital gains. See "—Taxation of STAG REIT—Annual Distribution Requirements." Corporate shareholders may be required to treat up to 20% of some capital gain distributions as ordinary income. Long-term capital gains are generally taxable at maximum federal rates of 15% (through 2012) in the case of shareholders that are individuals, trusts and estates, and 35% in the case of shareholders that are corporations. Capital gains attributable to the sale of depreciable real property held for more than 12 months are subject to a 25% maximum federal income tax rate for taxpayers who are taxed as individuals, to the extent of previously claimed depreciation deductions.

Distributions in excess of our current and accumulated earnings and profits will generally represent a return of capital and will not be taxable to a shareholder to the extent that the amount of such distributions do not exceed the adjusted basis of the shareholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the shareholder's shares. To the extent that such distributions exceed the adjusted basis of a shareholder's shares, the shareholder generally must include such distributions in income as long-term capital gain, or short-term capital gain if the shares have been held for one year or less. In addition, any distribution that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the distribution during January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. See "—Taxation of STAG REIT—Annual Distribution Requirements." Such losses, however, are not passed through to shareholders and do not offset income of shareholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of shareholders to the extent that we have current or accumulated earnings and profits.

Dispositions of our stock. In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of our stock will be subject to a maximum federal income tax rate of 15% (through 2012) if the stock is held for more than one year, and will be taxed at ordinary income rates (of up to 35% through 2012) if the stock is held for one year or less. Gains recognized by shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a shareholder upon the disposition of our stock that was held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the shareholder but not ordinary income (except in the case of individuals, who may offset up to \$3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of shares of our stock by a shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of distributions that we make that are required to be treated by the shareholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our stock or other securities in an amount that exceeds a prescribed threshold, it is possible that the provisions of U.S. Department of Treasury regulations involving "reportable transactions" could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These regulations, though directed towards "tax shelters," are broadly written and apply to transactions that may not typically be considered tax shelters. The Code imposes significant penalties for failure to comply with these

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requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our stock or securities or transactions that we might undertake directly or indirectly. Moreover, you should be aware that we and other participants in the transactions in which we are involved (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

Passive activity losses and investment interest limitations. Distributions that we make and gain arising from the sale or exchange by a domestic shareholder of our stock will not be treated as passive activity income. As a result, shareholders will not be able to apply any "passive losses" against income or gain relating to our stock. If we make dividends to non-corporate domestic shareholders, the dividends will be treated as investment income for purposes of computing the investment interest limitation. However, net capital gain from the disposition of our stock (or distributions treated as such), capital gain dividends and dividends taxed at net capital gains rates generally will be excluded from investment income except to the extent the domestic shareholder elects to treat such amounts as ordinary income for U.S. federal income tax purposes.

Tax rates. The maximum tax rate for non-corporate taxpayers for (1) capital gains, including certain "capital gain dividends," has generally been reduced to 15% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" has generally been reduced to 15%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its TRSs) or to income that was subject to tax at the corporate/REIT level (for example, if it distributed taxable income that it retained and paid tax on in the prior taxable year) or are properly designated by the REIT as "capital gain dividends." The currently applicable provisions of the United States federal income tax laws relating to the 15% tax rate are currently scheduled to "sunset" or revert to the provisions of prior law effective for taxable years beginning after December 31, 2012, at which time the 15% capital gains tax rate will be increased to 20% and the rate applicable to dividends will be increased to the tax rate then applicable to ordinary income. United States holders that are corporations may, however, be required to treat up to 20% of some capital gain dividends as ordinary income.

On March 30, 2010, President Obama signed into law the Health Care and Education Reconciliation Act of 2010, which requires certain domestic shareholders who are individuals, estates or trusts to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. Domestic shareholders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of our common stock.

Taxation of Foreign Shareholders

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of our stock applicable to certain non-U.S. holders. A "non-U.S. holder" is any person other than:

- a citizen or resident of the United States;
- a corporation or partnership (or entity treated as a corporation or partnership for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;

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- an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a United States court is able to exercise primary supervision over the administration of such trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

If a partnership, including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes, holds our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock.

The following discussion is based on current law, and is for general information only. It addresses only selected, and not all, aspects of U.S. federal income and estate taxation.

Ordinary dividends. The portion of distributions received by non-U.S. holders that (1) is payable out of our earnings and profits, (2) is not attributable to our capital gains and (3) is not effectively connected with a U.S. trade or business of the non-U.S. holder, will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by treaty. We generally plan to withhold U.S. income tax at the rate of 30% on the gross amount of any such distribution paid to a non-U.S. holder unless either:

- a lower treaty rate applies and the non-U.S. shareholder files an IRS Form W-8BEN evidencing eligibility for that reduced rate with us; or
- the non-U.S. shareholder files an IRS Form W-8ECI with us claiming that the distribution is effectively connected income.

Reduced treaty rates and other exemptions are not available to the extent that income is attributable to excess inclusion income allocable to the non-U.S. holder. Accordingly, we will withhold at a rate of 30% on any portion of a distribution that is paid to a non-U.S. holder and attributable to that holder's share of our excess inclusion income. See "—Taxation of STAG REIT—Taxable Mortgage Pools and Excess Inclusion Income." As required by IRS guidance, we intend to notify our shareholders if a portion of a distribution paid by us is attributable to excess inclusion income.

Subject to the discussion below, in general, non-U.S. holders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our stock. In cases where the dividend income from a non-U.S. holder's investment in our stock is, or is treated as, effectively connected with the non-U.S. holder's conduct of a U.S. trade or business, the non-U.S. holder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as domestic shareholders are taxed with respect to such distributions. Such income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. holder. The income may also be subject to the 30% branch profits tax in the case of a non-U.S. holder that is a corporation.

Non-dividend distributions. Unless our stock constitutes a U.S. real property interest (a "USRPI"), distributions that we make that are not out of our earnings and profits will not be subject to U.S. income tax. If we cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to ordinary dividends. The non-U.S. holder may seek a refund from the IRS of

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any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. If our stock constitutes a USRPI, as described below, distributions that we make in excess of the sum of (1) the shareholder's proportionate share of our earnings and profits, plus (2) the shareholder's basis in its stock, will be taxed under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), at the rate of tax, including any applicable capital gains rates, that would apply to a domestic shareholder of the same type (e.g., an individual or a corporation, as the case may be), and the collection of the tax will be enforced by a refundable withholding at a rate of 10% of the amount by which the distribution exceeds the shareholder's share of our earnings and profits.

Capital gain distributions. Under FIRPTA, a distribution that we make to a non-U.S. holder, to the extent attributable to gains from dispositions of USRPIs that we held directly or through pass-through subsidiaries, or "USRPI capital gains," will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. holder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether we designate the distribution as a capital gain distribution. See above under "—Taxation of Foreign Shareholders—Ordinary Dividends," for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, we will be required to withhold tax equal to 35% of the amount of distributions to the extent the distributions constitute USRPI capital gains. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. A distribution is not a USRPI capital gain if we held an interest in the underlying asset solely as a creditor. Capital gain distributions received by a non-U.S. holder that are attributable to dispositions of our assets other than USRPIs are not subject to U.S. federal income or withholding tax, unless (1) the gain is effectively connected with the non-U.S. holder's U.S. trade or business and, if certain treaties apply, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder, in which case the non-U.S. holder would be subject to the same treatment as U.S. holders with respect to such gain, or (2) the non-U.S. holder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. holder will incur a 30% tax on his or her capital gains.

A capital gain distribution that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, and generally will not be treated as income that is effectively connected with a U.S. trade or business, and instead will be treated in the same manner as an ordinary dividend, if (1) the capital gain distribution is received with respect to a class of stock that is regularly traded on an established securities market located in the United States, and (2) the recipient non-U.S. holder does not own more than 5% of that class of stock at any time during the year ending on the date on which the capital gain distribution is received. Our shares of common stock have been approved for listing on the NYSE, subject to official notice of issuance, under the symbol "STIR."

Dispositions of our stock. Unless our stock constitutes a USRPI, a sale of our stock by a non-U.S. holder generally will not be subject to U.S. taxation under FIRPTA. Our stock could be treated as a USRPI if 50% or more of our assets at any time during a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor we expect to meet this 50% test.

Even if the foregoing 50% test is met, however, our stock nonetheless will not constitute a USRPI if we are a "domestically-controlled qualified investment entity." A domestically-controlled qualified investment entity includes a REIT, less than 50% of value of which is held directly or indirectly by non-U.S. holders at all times during a specified testing period. We believe that we will be a

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domestically-controlled qualified investment entity, and that a sale of our stock should not be subject to taxation under FIRPTA.

In the event that we are not a domestically-controlled qualified investment entity, but our stock is "regularly traded," as defined by applicable U.S. Department of Treasury regulations, on an established securities market, a non-U.S. holder's sale of our common stock nonetheless would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. holder held 5% or less of our outstanding common stock at all times during a specified testing period.

If gain on the sale of our stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to the same treatment as a U.S. shareholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals, and the purchaser of the stock could be required to withhold 10% of the purchase price and remit such amount to the IRS.

Wash sales. In general, special wash sale rules apply if a shareholder owning more than 5% of our common stock avoids a taxable distribution of gain recognized from the sale or exchange of U.S. real property interests by selling our common stock before the ex-dividend date of the distribution and then, within a designated period, enters into an option or contract to acquire shares of the same or a substantially identical class of our common stock. If a wash sale occurs, then the seller/repurchaser will be treated as having gain recognized from the sale or exchange of U.S. real property interests in the same amount as if the avoided distribution had actually been received. Non-U.S. holders should consult their own tax advisors on the special wash sale rules that apply to non-U.S. holders.

Estate tax. If our stock is owned or treated as owned by an individual who is not a citizen or resident (as specially defined for U.S. federal estate tax purposes) of the United States at the time of such individual's death, the stock will be includable in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and may therefore be subject to U.S. federal estate tax.

New legislation relating to foreign accounts. On March 18, 2010, President Obama signed into law the Hiring Incentives to Restore Employment Act of 2010, which may impose withholding taxes on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities. Under this legislation, the failure to comply with additional certification, information reporting and other specified requirements could result in withholding tax being imposed on payments of dividends and sales proceeds to United States shareholders who own the shares through foreign accounts or foreign intermediaries and certain non-United States shareholders. The legislation generally imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of our stock paid to a foreign financial institution or to a foreign non-financial entity, unless (1) the foreign financial institution undertakes certain diligence and reporting obligations or (2) the foreign non-financial entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner. If the payee is a foreign financial institution, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertakes to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. The legislation applies to payments made after December 31, 2012. Prospective investors should consult their tax advisors regarding this legislation.

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Taxation of Tax-Exempt Shareholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they may be subject to taxation on their UBTI. While some investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt employee pension trust do not automatically constitute UBTI. Based on that ruling, and provided that (1) a tax-exempt shareholder has not held our stock as "debt financed property" within the meaning of the Code (e.g., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder), and (2) our stock is not otherwise used in an unrelated trade or business, distributions that we make and income from the sale of our stock generally should not give rise to UBTI to a tax-exempt shareholder.

To the extent, however, that we are (or a part of us, or a disregarded subsidiary of ours is) deemed to be a TMP, or if we hold residual interests in a REMIC, a portion of the distributions paid to a tax-exempt shareholder that is allocable to excess inclusion income may be treated as UBTI. We do not anticipate that our investments will generate excess inclusion income, but there can be no assurance on this regard. If excess inclusion income is allocable to some categories of tax-exempt shareholders that are not subject to UBTI, such as governmental investors, we will be subject to corporate level tax on such income. As required by IRS guidance, we intend to notify our shareholders if a portion of a distribution paid by us is attributable to excess inclusion income.

Tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such shareholders to characterize distributions that we make as UBTI.

In certain circumstances, a pension trust that owns more than 10% of our stock by value could be required to treat a percentage of its distributions as UBTI, if we are a "pension-held REIT." We will not be a pension-held REIT unless either (1) one pension trust owns more than 25% of the value of our stock, or (2) a group of pension trusts, each individually holding more than 10% of the value of our stock, collectively owns more than 50% of the value of our stock. Certain restrictions on ownership and transfer of our stock should generally prevent a tax-exempt entity from owning more than 10% of the value of our stock and should generally prevent us from becoming a "pension-held REIT."

Tax-exempt shareholders are urged to consult their tax advisors regarding the federal, state, local and foreign income and other tax consequences of owning our stock.

Other Tax Consequences

Income Taxation of the Operating Partnership and Their Partners

Tax aspects of our investments in our operating partnership. The following discussion summarizes certain U.S. federal income tax considerations applicable to our direct or indirect investment in our operating partnership and any subsidiary partnerships or limited liability companies we form or acquire each individually referred to as a "Partnership" and, collectively, as "Partnerships." The following discussion does not address state or local tax laws or any U.S. federal tax laws other than income tax laws.

Classification as partnerships. We are required to include in our income our distributive share of each Partnership's income and to deduct our distributive share of each Partnership's losses but only if

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such Partnership is classified for U.S. federal income tax purposes as a partnership (or an entity that is disregarded for U.S. federal income tax purposes if the entity has only one owner or member), rather than as a corporation or an association taxable as a corporation.

An organization with at least two owners or members will be classified as a partnership, rather than as a corporation, for federal income tax purposes if it:

- is treated as a partnership under the U.S. Department of Treasury regulations relating to entity classification, or the "check-the-box regulations"; and
- is not a "publicly traded" partnership.

Under the check-the-box regulations, an unincorporated domestic business entity with at least two owners or members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity does not make an election, it generally will be treated as a partnership for U.S. federal income tax purposes. We intend that each Partnership will be classified as a partnership for U.S. federal income tax purposes (or else as a disregarded entity where there are not at least two separate beneficial owners).

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or a substantial equivalent). A publicly traded partnership is generally treated as a corporation for federal income tax purposes, but will not be so treated if at least 90% of the partnership's annual gross income consisted of specified passive income, including real property rents (which includes rents that would be qualifying income for purposes of the 75% gross income test, with certain modifications that make it easier for the rents to qualify for the 90% passive income exception), gains from the sale or other disposition of real property, interest, and dividends. The exception described in the preceding sentence is referred to herein as the 90% passive income exception.

Certain U.S. Department of Treasury regulations, referred to herein as PTP regulations, provide limited safe harbors from treatment as a publicly traded partnership. If any partnership in which we own an interest does not qualify for any safe harbor and is treated as a publicly traded partnership, we believe that such partnership would have sufficient qualifying income to satisfy the 90% passive income exception and, therefore, would not be treated as a corporation for U.S. federal income tax purposes.

We have not requested, and do not intend to request, a ruling from the IRS that the Partnerships will be classified as partnerships (or disregarded entities, if the entity has only one owner or member) for federal income tax purposes. If for any reason a Partnership were taxable as a corporation, rather than as a partnership, for U.S. federal income tax purposes, we may not be able to qualify as a REIT, unless we qualify for certain relief provisions. In addition, any change in a Partnership's status for tax purposes to a corporation might be treated as a taxable event, in which case we might incur tax liability without any related cash distribution. Further, items of income and deduction of such Partnership would not pass through to its partners, and its partners would be treated as shareholders for tax purposes. Consequently, such Partnership would be required to pay income tax at corporate rates on its net income, and distributions to its partners would constitute dividends that would not be deductible in computing such Partnership's taxable income.

Partners, not the partnerships, subject to tax. A partnership is not a taxable entity for U.S. federal income tax purposes. We will therefore take into account our allocable share of each Partnership's income, gains, losses, deductions, and credits for each taxable year of the Partnership ending with or within our taxable year, even if we receive no distribution from the Partnership for that year or a distribution less than our share of taxable income. Similarly, even if we receive a distribution, it may

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not be taxable if the distribution does not exceed our adjusted tax basis in our interest in the Partnership.

Partnership allocations. Although a partnership agreement generally will determine the allocation of income and losses among partners, allocations will be disregarded for tax purposes if they do not comply with the provisions of the U.S. federal income tax laws governing partnership allocations. If an allocation is not recognized for U.S. federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item.

Tax allocations with respect to contributed properties. Income, gain, loss, and deduction attributable to (1) appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership (including in our formation transactions) or (2) property revalued on the books of a partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss, referred to as "built-in gain" or "built-in loss," is generally equal to the difference between the fair market value of the contributed or revalued property at the time of contribution or revaluation and the adjusted tax basis of such property at that time, referred to as a book-tax difference. Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. The U.S. Treasury Department has issued regulations requiring partnerships to use a "reasonable method" for allocating items with respect to which there is a book-tax difference and outlining several reasonable allocation methods.

Under certain available methods, the carryover basis of contributed properties in the hands of our operating partnership (1) would cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if all contributed properties were to have a tax basis equal to their fair market value at the time of the contribution and (2) in the event of a sale of such properties, could cause us to be allocated taxable gain in excess of the economic or book gain allocated to us as a result of such sale, with a corresponding benefit to the contributing partners. An allocation described in (2) above might cause us to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements and may result in a greater portion of our distributions being taxed as dividends.

Basis in partnership interest. Our adjusted tax basis in any partnership interest we own generally will be:

- the amount of cash and the basis of any other property we contribute to the partnership;
- increased by our allocable share of the partnership's income (including tax-exempt income) and our allocable share of indebtedness of the partnership; and
- reduced, but not below zero, by our allocable share of the partnership's loss (excluding any non-deductible items), the amount of cash and the basis of property distributed to us, and constructive distributions resulting from a reduction in our share of indebtedness of the partnership.

Loss allocated to us in excess of our basis in a partnership interest will not be taken into account until we again have basis sufficient to absorb the loss. A reduction of our share of partnership indebtedness will be treated as a constructive cash distribution to us, and will reduce our adjusted tax

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basis. Distributions, including constructive distributions, in excess of the basis of our partnership interest will constitute taxable income to us. Such distributions and constructive distributions normally will be characterized as long-term capital gain if we held the partnership interest for more than one year.

Sale of a partnership's property. Generally, any gain realized by a Partnership on the sale of property held for more than one year will be long-term capital gain, except for any portion of the gain treated as depreciation or cost recovery recapture. Any gain or loss recognized by a Partnership on the disposition of contributed or revalued properties will be allocated first to the partners who contributed the properties or who were partners at the time of revaluation, to the extent of their built-in gain or loss on those properties for U.S. federal income tax purposes. The partners' built-in gain or loss on contributed or revalued properties is the difference between the partners' proportionate share of the book value of those properties and the partners' tax basis allocable to those properties at the time of the contribution or revaluation. Any remaining gain or loss recognized by the Partnership on the disposition of contributed or revalued properties, and any gain or loss recognized by the Partnership on the disposition of other properties, will generally be allocated among the partners in accordance with their percentage interests in the Partnership.

Our share of any Partnership gain from the sale of inventory or other property held primarily for sale to customers in the ordinary course of the Partnership's trade or business will be treated as income from a prohibited transaction subject to a 100% tax. Income from a prohibited transaction may have an adverse effect on our ability to satisfy the gross income tests for REIT status. We do not presently intend to acquire or hold, or to allow any Partnership to acquire or hold, any property that is likely to be treated as inventory or property held primarily for sale to customers in the ordinary course of our, or the Partnership's, trade or business.

Backup Withholding and Information Reporting

We will report to our domestic shareholders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. Under the backup withholding rules, a domestic shareholder may be subject to backup withholding with respect to dividends paid unless the holder is a corporation or comes within other exempt categories and, when required, demonstrates this fact or provides a taxpayer identification number or social security number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A domestic shareholder that does not provide his or her correct taxpayer identification number or social security number may also be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. In addition, we may be required to withhold a portion of a capital gain distribution to any domestic shareholder who fails to certify its non-foreign status.

We must report annually to the IRS and to each non-U.S. shareholder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. shareholder resides under the provisions of an applicable income tax treaty. A non-U.S. shareholder may be subject to backup withholding unless applicable certification requirements are met.

Payment of the proceeds of a sale of our common stock within the U.S. is subject to both backup withholding and information reporting unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. shareholder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person) or the holder otherwise establishes an exemption. Payment of the

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proceeds of a sale of our common stock conducted through certain U.S. related financial intermediaries is subject to information reporting (but not backup withholding) unless the financial intermediary has documentary evidence in its records that the beneficial owner is a non-U.S. shareholder and specified conditions are met or an exemption is otherwise established. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

Legislative or Other Actions Affecting REITs

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. Changes to the federal tax laws and interpretations thereof could adversely affect an investment in our stock.

State, Local and Foreign Taxes

We and our subsidiaries and shareholders may be subject to state, local or foreign taxation in various jurisdictions including those in which we or they transact business, own property or reside. We may own real property assets located in numerous jurisdictions, and may be required to file tax returns in some or all of those jurisdictions. Our state, local or foreign tax treatment and that of our shareholders may not conform to the federal income tax treatment discussed above. We may own foreign real estate assets and pay foreign property taxes, and dispositions of foreign property or operations involving, or investments in, foreign real estate assets may give rise to foreign income or other tax liability in amounts that could be substantial. Any foreign taxes that we incur do not pass through to shareholders as a credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in our stock.

ERISA CONSIDERATIONS

General

ERISA imposes certain requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to the provisions of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification. In addition, ERISA requires the fiduciary of an ERISA Plan to maintain the indicia of ownership of the ERISA Plan's assets within the jurisdiction of the United States district courts, unless an exception applies. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors," the nature of our business, the length of our operating history and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of shares of our common stock.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction might have to be rescinded.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing our common stock.

The Plan Assets Regulation

The United States Department of Labor has issued a regulation, 29 CFR Section 2510.3-101 (as modified by Section 3(42) of ERISA, the "Plan Assets Regulation"), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that "benefit plan investors" hold less than 25% of each class of equity interests in the entity. Our common stock would constitute an "equity interest" for purposes of the Plan Assets Regulation.

Publicly Offered Security

Under the Plan Assets Regulation, a "publicly offered security" is a security that is:

- freely transferable;
- part of a class of securities that is widely held; and

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- either part of a class of securities that is registered under section 12(b) or 12(g) of the Exchange Act or sold to an ERISA Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act, and the class of securities of which this security is a part is registered under the Exchange Act within 120 days, or longer if allowed by the SEC, after the end of the fiscal year of the issuer during which this offering of these securities to the public occurred.

Whether a security is considered "freely transferable" depends on the facts and circumstances of each case. Under the Plan Assets Regulation, if the security is part of an offering in which the minimum investment is \$10,000 or less, then any restriction on or prohibition against any transfer or assignment of the security for the purposes of preventing a termination or reclassification of the entity for federal or state tax purposes will not ordinarily prevent the security from being considered freely transferable. Additionally, limitations or restrictions on the transfer or assignment of a security which are created or imposed by persons other than the issuer of the security or persons acting for or on behalf of the issuer will ordinarily not prevent the security from being considered freely transferable.

A class of securities is considered "widely held" if it is a class of securities that is owned by 100 or more investors independent of the issuer and of one another. A security will not fail to be "widely held" because the number of independent investors falls below 100 subsequent to the initial public offering as a result of events beyond the issuer's control.

The shares of our common stock offered in this prospectus should meet the criteria of the publicly offered securities exception to the look-through rule, based upon the following analysis.

First, although the Department of Labor and the courts have provided little guidance on this requirement, we believe the common stock should be considered to be freely transferable, as the minimum investment will be less than \$10,000 and the only restrictions upon its transfer are those generally permitted under the Plan Assets Regulation, i.e., those required under federal tax laws to maintain our status as a REIT, resale restrictions under applicable federal securities laws with respect to securities not purchased pursuant to this prospectus and those owned by our officers, directors and other affiliates, and lock-up restrictions imposed on certain shareholders in connection with our formation transactions.

Second, we expect (although we cannot confirm) that our common stock will be held by 100 or more investors, and we expect that at least 100 or more of these investors will be independent of us and of one another.

Third, the shares of our common stock will be part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the common stock will be timely registered under the Exchange Act.

The 25% Limit

Under the Plan Assets Regulation, and assuming no other exemption applies, an entity's assets would be deemed to include "plan assets" subject to ERISA on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by "benefit plan investors" (the "25% Limit"). For purposes of this determination, the value of equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment

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advice for a fee with respect to such assets (or any affiliate of such a person) is disregarded. The term "benefit plan investor" is defined in the Plan Assets Regulation as:

- any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA;
- any plan that is subject to Section 4975 of the Code; and
- any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (to the extent of such plan's investment in the entity).

Thus, while our assets would not be considered to be "plan assets" for purposes of ERISA if the 25% Limit were not exceeded, no assurance can be given that the 25% Limit will not be exceeded at all times.

Operating Companies

Under the Plan Assets Regulation, an entity is an "operating company" if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a real estate operating company ("REOC") or a venture capital operating company ("VCOC"). An entity is a REOC if:

- on its "initial valuation date and on at least one day within each annual valuation period," at least 50% of the entity's assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors) are invested in real estate that is managed or developed and with respect to which such entity has the right to substantially participate directly in management or development activities; and
- such entity in the ordinary course of its business is engaged directly in the management and development of real estate during the 12-month period.

The "initial valuation date" is the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity's "annual valuation period" is a pre-established period not exceeding 90 days in duration, which begins no later than the anniversary of the entity's initial valuation date. Certain examples in the Plan Assets Regulation clarify that the management and development activities of an entity looking to qualify as a REOC may be carried out by independent contractors (including, in the case of a partnership, affiliates of the general partners) under the supervision of the entity. An entity will qualify as a VCOC if:

- on its initial valuation date and on at least one day during each annual valuation period, at least 50% of the entity's assets, valued at cost, consist of "venture capital investments,"; and
- the entity, in the ordinary course of business, actually exercises management rights with respect to one or more of its venture capital investments.

The Plan Assets Regulation defines the term "venture capital investments" as investments in an operating company (other than a VCOC) with respect to which the investor obtains management rights. We have not endeavored to determine whether we will satisfy the REOC or VCOC exceptions.

Our Status Under ERISA

We believe that our assets should not constitute "plan assets" for purposes of ERISA, based on the publicly offered security exception in the Plan Assets Regulation. We further believe that our

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operating partnership's assets should not constitute "plan assets" for purposes of ERISA, based on the 25% Limit in the Plan Assets Regulation. However, no assurance can be given that this will be the case.

If for any reason our assets or our operating partnership's assets are deemed to constitute "plan assets" under ERISA, certain of the transactions in which we might normally engage could constitute a non-exempt "prohibited transaction" under ERISA or Section 4975 of the Code. In such circumstances, we, in our sole discretion, may void or undo any such prohibited transaction. In addition, if our assets or our operating partnership's assets are deemed to be "plan assets," our management may be considered to be fiduciaries under ERISA.

A fiduciary of an ERISA plan or other plan that proposes to cause such entity to purchase shares of our common stock should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of ERISA.

The sale of shares of our common stock to a Plan is in no respect a representation by us or any other person associated with the offering of shares of our common stock that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

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Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and UBS Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

<u>Underwriter</u>	<u>Number of Shares</u>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
J.P. Morgan Securities LLC	
UBS Securities LLC	
RBC Capital Markets, LLC	
Evercore Group L.L.C.	
Keefe, Bruyette & Woods, Inc.	
RBS Securities Inc.	
Total	<u>13,750,000</u>

Subject to the terms and conditions set forth in the purchase agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the purchase agreement if any of these shares are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

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

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

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The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Share	Without Option	With Option
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The expenses of the offering, including the filing fees and the reasonable fees and disbursements of counsel to the underwriters in connection with the FINRA filings, but not including the underwriting discount, are estimated at \$6.1 million and are payable by us.

Overallotment Option

We have granted an option to the underwriters to purchase up to 2,062,500 additional shares at the public offering price, less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the purchase agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 687,500 (5%) shares of common stock offered by this prospectus for sale to our directors, officers, employees, business associates and related persons. Only reserved shares purchased by our directors and officers will be subject to the lock-up provisions described below. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase such reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of our common stock offered by this prospectus.

No Sales of Similar Securities

We, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for a period of 180 days in the case of our company and 12 months in the case of our executive officers, directors and other existing securityholders after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC and UBS Securities LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,

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- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement related to the common stock, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (1) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (2) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

New York Stock Exchange Listing

Our shares of common stock have been approved for listing on the NYSE, subject to official notice of issuance, under the symbol "STIR." In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

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Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' over-allotment option described above. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. "Naked" short sales are sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

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

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

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In addition, an underwriter may facilitate Internet distribution for this offering to certain of its Internet subscription customers. An underwriter may allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet web sites maintained by one or more underwriters. Other than the prospectus in electronic format, the information on any underwriter's web site is not part of this prospectus.

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Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. As of December 31, 2010, we had mortgage debt outstanding with affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBS Securities Inc. totaling approximately \$86.6 million, all of which is expected to be repaid with proceeds of this offering. More than 5% of the net proceeds of this offering may be used to repay amounts owed to the affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBS Securities Inc. As of December 31, 2010, we had interest rate swaps with an aggregate notional amount of \$76.0 million with affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBS Securities Inc. In addition, as of December 31, 2010, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated was a tenant in five of our properties and represented 4.4% of our total annualized rent.

Affiliates of our underwriters, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, UBS Securities LLC, RBC Capital Markets, LLC and RBS Securities Inc., are lenders under our \$100 million secured corporate revolving credit facility. Under this facility, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated also will act as administrative agent and lead arranger. In connection with their participation in the secured corporate revolving credit facility, our underwriters or their affiliates will receive customary fees.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this Prospectus (the "Shares") may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) by the Managers to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by STAG Industrial, Inc. or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

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For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

- (A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This document as well as any other material relating to the shares which are the subject of the offering contemplated by this Prospectus (the "Shares") does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Shares are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the Shares with the intention to distribute them to the public. The investors will be individually approached by the Issuer from time to time. This document as well as any other material relating to the Shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to

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other persons without express consent of the Issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this offering memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The shares to which this offering memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this offering memorandum you should consult an authorized financial advisor.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

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Notice to Prospective Investors in Australia

No prospectus, disclosure document, offering material or advertisement in relation to the common shares has been lodged with the Australian Securities and Investments Commission or the Australian Stock Exchange Limited. Accordingly, a person may not (a) make, offer or invite applications for the issue, sale or purchase of common shares within, to or from Australia (including an offer or invitation which is received by a person in Australia) or (b) distribute or publish this prospectus or any other prospectus, disclosure document, offering material or advertisement relating to the common shares in Australia, unless (i) the minimum aggregate consideration payable by each offeree is the U.S. dollar equivalent of at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 (CWLTH) of Australia; and (ii) such action complies with all applicable laws and regulations.

LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon for us by DLA Piper LLP (US). In addition, the description of federal income tax consequences contained in the section of the prospectus entitled "U.S. Federal Income Tax Considerations" is based on the opinion of DLA Piper LLP (US). Certain legal matters relating to this offering will be passed upon for the underwriters by Goodwin Procter LLP.

EXPERTS

The combined financial statements of STAG Predecessor Group as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010 and financial statement schedule as of December 31, 2010, the combined statements of revenue and certain expenses of STAG Contribution Group for the years ended December 31, 2010 and 2009 and the periods from January 1, 2008 to July 27, 2008 and July 28, 2008 to December 31, 2008, the consolidated balance sheet of STAG Industrial, Inc. as of December 31, 2010, the statement of revenue and certain expenses of the Newton Property for the period from January 1, 2010 to May 13, 2010, the statement of revenue and certain expenses of the Charlotte Property for the period from January 1, 2010 to September 16, 2010, the statement of revenue and certain expenses of the Goshen Property for the period from January 1, 2010 to August 12, 2010, the statement of revenue and certain expenses of the O'Fallon Property for the period from January 1, 2010 to July 29, 2010, the combined statement of revenue and certain expenses of the Piscataway and Lopatcong Properties for the period from January 1, 2010 to December 9, 2010, the statement of revenue and certain expenses of the Charlotte II Property for the period from January 1, 2010 to September 29, 2010, the statement of revenue and certain expenses of the Madison Property for the period from January 1, 2010 to October 11, 2010, the statement of revenue and certain expenses of the Streetsboro Property for the period from January 1, 2010 to October 27, 2010, the combined statement of revenue and certain expenses of the Rogers and Vonore Properties for the period from January 1, 2010 to October 25, 2010, the combined statement of revenue and certain expenses of the Salem Properties for the period from January 1, 2010 to November 3, 2010, the statement of revenue and certain expenses of the Walker Property for the period from January 1, 2010 to October 14, 2010, the statement of revenue and certain expenses of the Mooresville Property for the year ended December 31, 2010, and the statement of revenue and certain expenses of the Cleveland Property for the year ended December 31, 2010, all included in this Prospectus have been so included in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The CBRE-EA market information was prepared for us by CBRE-EA. Information relating to the industrial markets set forth in "Prospectus Summary—Market Overview" and "Market Overview" is derived from the CBRE-EA market materials and is included in reliance on CBRE-EA's authority as an expert on such matters.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-11, including exhibits and schedules filed with the registration statement of which this prospectus is a part, under the Securities Act, with respect to the shares of common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to us and the shares of common stock to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules to the registration statement. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined without charge at the public reference room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300. Copies of all or a portion of the registration statement may be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you, free of charge, on the SEC's website at www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and will file periodic reports, proxy statements and will make available to our shareholders annual reports containing audited financial information for each year and quarterly reports for the first three quarters of each fiscal year containing unaudited interim financial information.

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STAG Industrial, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Financial Statements

The unaudited pro forma condensed consolidated financial statements of STAG Industrial, Inc. (together with its consolidated subsidiaries, the "Company") as of and for the year ended December 31, 2010 are derived from the financial statements of: (1) STAG Predecessor Group, which consists of the properties being contributed by STAG Investments III, LLC, which includes the entity that is considered our accounting acquirer, (2) STAG Contribution Group, which consists of properties being contributed by STAG Investments IV, LLC and STAG GI Investments, LLC, and (3) the management company. The unaudited pro forma condensed consolidated balance sheet as of December 31, 2010 gives effect to the Company's initial public offering and the related formation transactions, including STAG GI's acquisition of its properties and its incurrence of associated indebtedness, as if these events had occurred on December 31, 2010. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2010 gives effect to the Company's initial public offering and the related formation transactions as if these events had occurred on January 1, 2010. The pro forma adjustments give effect to the following:

- the historical financial results of STAG Predecessor Group, which includes the entity that is considered our accounting acquirer;
- the contribution of STAG Contribution Group and the management company for units of the limited partnership interests ("common units") in STAG Industrial Operating Partnership, L.P. (the "operating partnership");
- the incremental general and administrative expenses expected to be incurred to operate as a public company;
- the completion of the formation transactions, including STAG GI's acquisition of its properties and its incurrence of associated indebtedness, and the initial public offering of the Company, repayment or reissuance of indebtedness and other use of proceeds from the offering; and
- the establishment of the secured corporate credit facility and the extension of the maturity date of our debt due in 2012.

The Company's pro forma condensed consolidated financial statements are presented for informational purposes only and should be read in conjunction with the historical financial statements and related notes thereto included elsewhere in this prospectus. The adjustments to the Company's pro forma condensed consolidated financial statements are based on available information and assumptions that the Company considers reasonable. The Company's pro forma condensed consolidated financial statements do not purport to (1) represent the Company's financial position that would have actually occurred had this offering, the formation transactions or the financing transactions occurred on December 31, 2010, (2) represent the results of the Company's operations that would have actually occurred had this offering, the formation transactions, the financing transactions occurred on January 1, 2010, or (3) project the Company's financial position or results of operations as of any future date or for any future period, as applicable. The pro forma condensed consolidated financial statements include adjustments relating to acquisitions only when it is probable that the Company will acquire the properties.

STAG Industrial, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Balance Sheet
December 31, 2010
(dollars in thousands)

	STAG Industrial, Inc. B	STAG Predecessor Group C	STAG Contribution Group D	The Management Company E	Formation Adjustments	Company Pro forma Prior to Offering	Offering Adjustments	Company Pro forma
Assets								
Rental property								
Land	\$ —	\$ 25,086	\$ 32,093	\$ —	\$ —	\$ 57,179	\$ —	\$ 57,179
Building and improvements	—	185,100	200,270	68	—	385,438	—	385,438
Less: accumulated depreciation	—	(19,261)	—	—	—	(19,261)	—	(19,261)
Total rental property	—	190,925	232,363	68	—	423,356	—	423,356
Cash and cash equivalents	2	1,567	—	74	—	(301)(A)	199,080	2,160
						—(F)	(188,340)	—
						—(F)	(1,184)	—
						—(G)	(997)	—
						—(H)	(5,394)	—
						—(I)	(2)	—
						—(J)	(468)	—
						—(K)	(234)	—
					(L)(1,944)	—	—	—
Restricted cash and escrows	—	2,571	2,041	—	—	4,612(K)	234	4,846
Rents receivable, net	—	3,725	280	—	—	4,005	—	4,005
Prepaid expenses and other assets	—	458	707	86	—	1,251	—	1,251
Deferred financing costs, net	—	118	—	—	—	118(M)	(54)	1,173
						—(F)	1,109	—
Leasing commissions, net	—	133	—	—	—	133	—	133
Deferred leasing intangibles, net	—	11,507	70,053	—	—	81,560	—	81,560
Goodwill	—	—	—	4,411	—	4,411	—	4,411
Due from related parties	—	—	—	945	(N)(332)	613	—	613
Total assets	\$ 2	\$ 211,004	\$ 305,444	\$ 5,584	\$ (2,276)	\$ 519,758	\$ 3,750	\$ 523,508
Liabilities and equity								
Mortgage notes payable	\$ —	\$ 203,166	\$ 190,719	\$ —	\$ —	\$ 393,885(F)	\$ (179,938)	\$ 213,947
					(H)5,394	5,394(H)	(5,394)	—
Notes payable—related party	—	4,384	—	2,983	—	7,367(F)	(7,367)	—
Line of credit	—	—	—	1,035	—	1,035(F)	(1,035)	—
Accounts payable and other liabilities	—	2,680	1,034	498	—	4,212	—	4,212
Interest rate swaps	—	3,277	795	—	—	4,072(G)	(997)	3,075
Tenant security deposits	—	623	261	—	—	884	—	884
Prepaid rent	—	581	1,269	—	—	1,850	—	1,850
Deferred leasing intangibles	—	976	3,003	—	—	3,979	—	3,979
Due to related party	—	3,653	172	179	(N)(332)	171	—	171
					(O)(3,501)	—	—	—
Total liabilities	—	219,340	197,253	4,695	1,561	422,849	(194,731)	228,118
Owners'/shareholders' equity (deficit)	2	(8,336)	108,191	889	—	96,909(A)	199,080	188,957
						—(F)	(75)	—
						(H)(5,394)	—	—
						—(I)	(2)	—
						—(J)	(468)	—
					(L)(1,944)	—	—	—
						—(M)	(54)	—
					(O)3,501	—	—	—
						—(P)	(106,433)	—
Non-controlling interest in operating partnership	—	—	—	—	—	—(P)	106,433	106,433
Total owners'/shareholders' equity (deficit)	2	(8,336)	108,191	889	(3,837)	96,909	198,481	295,390
Total liabilities and equity	\$ 2	\$ 211,004	\$ 305,444	\$ 5,584	\$ (2,276)	\$ 519,758	\$ 3,750	\$ 523,508

See accompanying notes to pro forma condensed consolidated financial statements.

STAG Industrial, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Statement of Operations

For the Year Ended December 31, 2010

(dollars in thousands, except per share data)

	STAG Predecessor Group AA	STAG Contribution Group BB	The Management Company CC	Pro Forma Adjustments	Company Pro Forma
Revenue					
Rental income	\$ 24,249	\$ 28,668	\$ —	\$ —	\$ 52,917
Tenant recoveries	3,761	2,417	—	—	6,178
Other	—	—	1,252	—	1,252
Total revenue	28,010	31,085	1,252	—	60,347
Expenses					
Property	6,123	3,238	—	—	9,361
General and administrative	937	—	3,843 (DD)	4,418	9,198
Depreciation and amortization	9,514	17,308	23	—	26,845
Total expenses	16,574	20,546	3,866	4,418	45,404
Other income (expense)					
Interest income	16	—	—	—	16
Interest expense	(14,116)	(9,988)	(403)(EE)	9,033	(13,161)
			— (FF)	(870)	
			— (GG)	3,183	
Gain (loss) on interest rate swaps	(282)	229	— (HH)	86	33
Total other income (expense)	(14,382)	(9,759)	(403)	11,432	(13,112)
Net income (loss) before non-controlling interest	(2,946)	780	(3,017)	7,014	1,831
Non-controlling interest in operating partnership	—	—	— (II)	660	660
Net income (loss) allocable to the Company	\$ (2,946)	\$ 780	\$ (3,017)	\$ 6,354	\$ 1,171
Pro forma earnings per share basic allocable to the Company				—(JJ)\$	0.09
Pro forma weighted average outstanding shares basic					13,552,181
Pro forma earnings per share diluted allocable to the Company				—(JJ)\$	0.09
Pro forma weighted average outstanding shares diluted					13,632,990

See accompanying notes to pro forma condensed consolidated financial statements.

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

(dollars in thousands)

1. BASIS OF PRESENTATION

STAG Industrial, Inc. (the "Company") is a newly formed, full service real estate company, primarily focused on the acquisition, ownership, operation and management of single-tenant industrial properties located throughout the United States. Concurrent with this offering, the Company will complete the formation transactions, pursuant to which it will acquire, through a series of contribution transactions, STAG Predecessor Group, STAG Contribution Group, and the management company. Upon completion of the formation transactions and this offering, the Company's properties will consist of 91 industrial real estate properties, which the Company collectively refers to as its properties. These pro forma condensed consolidated financial statements have been presented assuming that the initial public offering price of the shares of common stock sold in the offering are sold at the midpoint of the range set forth on the front cover of this prospectus. If the initial public offering price is at any price other than the midpoint of the range, the total number of common units issued to all of the contributors in the formation transactions will not change, but the allocation of these common units among the contributors will change. In particular, if the Company prices its shares below the midpoint, the number of common units issued to STAG GI Investments, LLC will be based on a fixed dollar value and, as a result, will increase if the initial public offering price is below the midpoint. In this case, the number of common units that each of the other contributors will receive will be reduced on a pro rata basis. If the initial public offering price is above the midpoint of the range, STAG GI Investments, LLC will receive a number of common units with a value, based on the initial public offering price, equal to \$74.9 million plus 64.3% of the increase in the total value of all of the common units that the contributors will receive in the formation transactions above the value of these common units at the midpoint of the range, and the number of common units that each of Fund III, Fund IV and the owners of the management company receive will be reduced on a pro rata basis. As a result, if the initial public offering price is above or below the midpoint, the net acquisition prices for the STAG Contribution Group and the management company will differ from the prices used for purposes of these pro forma condensed consolidated financial statements.

The Company was formed as a Maryland corporation on July 21, 2010 to continue and grow the single-tenant business conducted by the predecessor business. STAG Industrial Operating Partnership, LP, the Company's operating partnership, was formed as a Delaware limited partnership on December 21, 2009. STAG Industrial GP LLC, a wholly-owned subsidiary that the Company formed as a Delaware limited liability company, owns the general partnership interest in the operating partnership.

The Company has filed a Registration Statement on Form S-11 with the Securities and Exchange Commission with respect to an initial public offering of shares of common stock (not including shares included in the underwriters' over-allotment option) or \$220.0 million of equity at \$16.00 per share. Upon completion of the offering and the formation transactions, the Company expects its operations to be carried on through its operating partnership. At such time, the Company, as a limited partner of, and as sole shareholder of the general partner of, the operating partnership, will own, directly or indirectly, 63.9% of the operating partnership and will have control of the operating partnership, as determined under the consolidation rules of generally accepted accounting principles. Accordingly, the Company will consolidate the assets, liabilities and results of operations of the operating partnership.

Management has determined that common control does not exist among the STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, STAG Contribution

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

1. BASIS OF PRESENTATION (Continued)

Group, and the management company; accordingly, the formation transactions will be accounted for as a business combination. The entities combined in STAG Predecessor Group are under common control with the accounting acquirer, and as a result the acquisition of these entities is accounted for as a reorganization of entities under common control. Any interests contributed by STAG Investments III, LLC are presented in the consolidated financial statements of the STAG Predecessor Group at historical cost. The contribution of all interests other than those directly owned by STAG Investments III, LLC will be accounted for as a business combination under the purchase method of accounting in accordance with ASC 805, *Business Combinations*, and recorded at the estimated fair value of acquired assets and assumed liabilities corresponding to their ownership interests. The fair values of tangible assets acquired are determined on an "as-if-vacant" basis. The "as-if-vacant" fair value is allocated to land, building and tenant improvements based on relevant information obtained in connection with the acquisition of these interests. The estimated fair value of acquired in-place leases are the costs the Company would have incurred to lease the property to the occupancy level of the property at the date of acquisition. Such estimates include the fair value of leasing commissions and legal costs that would be incurred to lease the property to this occupancy level. Additionally, the Company evaluates the time period over which such occupancy level would be achieved and includes an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period. Above-market and below-market in-place lease values are recorded as an asset or liability based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and the Company's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. Goodwill is recorded based on the difference between the consideration paid and the fair value of the assets acquired and liabilities assumed. Goodwill related to the contribution of the management company is attributable to the acquisition of an in-place workforce. The fair value of the debt assumed in the formation transactions was determined using current market interest rates for comparable debt financings.

2. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(A) To reflect sale of 13,750,000 shares of common stock for \$16.00 per share in this offering:

Gross proceeds from offering	\$ 220,000
Less:	
Underwriters' discount and commissions and other offering costs	(20,920)
Net proceeds from offering	<u>\$ 199,080</u>

- (B) Represents the consolidated balance sheet of STAG Industrial, Inc. as of December 31, 2010. STAG Industrial, Inc. was incorporated on July 21, 2010 and has had no activity since its inception other than the issuance of 110 shares of common stock for \$20 per share that was initially funded with cash.
- (C) Represents the historical combined balance sheet of STAG Predecessor Group, which includes the entity that is considered our accounting acquirer, as of December 31, 2010. The acquisition of

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

2. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

STAG Predecessor Group, is recorded at historical cost (see Note 1 to unaudited pro forma condensed consolidated financial statements).

- (D) Through a contribution transaction, the Company will acquire the STAG Contribution Group which consists of properties being contributed by STAG Investments IV, LLC and STAG GI Investments, LLC, which are under common management. Also included within the properties being contributed to the Company is a probable acquisition of STAG GI Investments, LLC. STAG Investments IV, LLC and STAG GI Investments, LLC will receive as consideration common units. The net acquisition price of \$108,191 reflects 6,761,891 of common units being issued to STAG Investment IV, LLC and STAG GI Investments, LLC multiplied by \$16.00, the midpoint of the range set forth on the cover of this prospectus. The acquisition of all interests in STAG Contribution Group from all prior investors will be accounted for as an acquisition under the purchase method of accounting in accordance with ASC 805, *Business Combinations*, and recorded at the estimated fair value of acquired assets and assumed liabilities. The following pro forma adjustments are necessary to reflect the allocation of purchase price. The allocation of purchase

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

2. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

price is based on the Company's best estimates and is subject to change based on the final determination of the fair value of assets and liabilities acquired.

Land	\$ 32,093
Building and improvements	200,270
Total rental property	<u>232,363</u>
Restricted cash and escrows	2,041
Rents receivable, net	280
Prepaid expenses and other assets	707
Deferred financing costs, net	—
Above market leases	15,422
Leases in-place	34,166
Leasing commissions, net	7,209
Tenant relationships	<u>13,256</u>
Total deferred leasing intangibles, net	<u>70,053</u>
Assets acquired	<u>305,444</u>
Mortgage notes payable, net	190,719
Accounts payable and other liabilities	1,034
Interest rate swaps	795
Tenant security deposits	261
Prepaid rent	1,269
Deferred leasing intangibles	3,003
Due to related party	<u>172</u>
Liabilities assumed	<u>197,253</u>
Net acquisition price	<u><u>\$ 108,191</u></u>

- (E) Through a contribution transaction, the Company will acquire the management company. The prior owners will receive, as consideration, operating partnership units. The net acquisition price of \$889 reflects 55,560 common units being issued to the management company multiplied by \$16.00, the midpoint of the range set forth on the cover of this prospectus. The acquisition of all interests in the management company will be accounted for as an acquisition under the purchase method of accounting in accordance with ASC 805, *Business Combinations*, and recorded at the estimated fair value of acquired assets and assumed liabilities. The following pro forma adjustments are necessary to reflect the initial allocation of purchase price. The allocation of purchase price is based on the

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

2. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

Company's preliminary estimates and is subject to change based on the final determination of the fair value of assets and liabilities acquired.

Cash	\$ 74
Buildings and improvements	68
Prepaid expenses and other assets	86
Goodwill	4,411
Due from related parties	945
Assets acquired	5,584
Related party debt	2,983
Line of credit	1,035
Other liabilities	498
Due to related party	179
Liabilities assumed	4,695
Net acquisition price	\$ 889

- (F) Reflects the (1) use of offering proceeds totaling \$188,340 for the retirement of \$179,938 of mortgage debt and \$8,402 of related party debt, which related party debt is owed to affiliates of the Company and (2) \$1,184 in expenditures associated with the retirement of indebtedness, the attainment of lender consents on existing indebtedness (including financing fees, related legal fees, and contingent waiver fees), fees associated with the secured corporate credit facility, and fees associated with the extension of our debt due in 2012. \$1,109 of these expenditures are accounted as deferred financing fees on the Pro Forma Condensed Consolidated Balance Sheet. If the actual net offering proceeds are less than the Company's anticipated net proceeds, the Company would decrease the amount of mortgage debt it would retire in the formation transactions.
- (G) Reflects the termination of a portion of an interest rate swap due to the retirement of mortgage debt as referred to in Note F above.
- (H) Reflects the assumption and repayment of the principal amount of mortgage debt secured by certain of the Company's properties and the Option Properties. The number of operating partnership units to be issued to STAG Investments III, LLC in the Company's formation transactions will be reduced accordingly.
- (I) Represents the redemption of the 110 STAG Industrial, Inc. common shares outstanding.
- (J) Reflects an estimate of transaction costs including transfer taxes.
- (K) Represents the posting of escrows for our mortgage debt.
- (L) Represents the adjustment needed to reflect the undistributed working capital due to the prior investors of STAG Predecessor Group, STAG Contribution Group, and the management company.
- (M) Represents the write off of the deferred financing costs associated with the retirement of mortgage debt and other related party debt as referred to in Note F above.
- (N) Reflects the elimination of certain balance sheet intercompany transactions between STAG Predecessor Group, STAG Contribution Group, and the management company.
- (O) Reflects the elimination of the accrued guarantee fees, due to a related party, associated with the mortgage notes payable of STAG Predecessor Group, which will be retained by Fund III.
- (P) Represents the reclassification of capital accounts to reflect the capital accounts of the Company and the recording of the non-controlling interest in the operating partnership. The non-controlling interest in the operating partnership represents \$106,433 of the total \$295,390 in equity.

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

3. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

In connection with the completion of the offering and the other formation transactions, the Company expects to recognize expenditures associated with the retirement of certain indebtedness and attaining of lender consents on existing indebtedness (including financing fees, related legal fees and contingent waiver fees of \$25, which have not been included in the pro forma condensed consolidated statement of operations as these expenditures are nonrecurring and are a direct result of the formation transactions).

The adjustments to the pro forma condensed consolidated statement of operations for the year ended December 31, 2010 are as follows:

- (AA) Represents the historical combined statement of operations of STAG Predecessor Group. As discussed in Note 1, revenue and expenses to be recognized by the Company related to STAG Predecessor Group's contributed interests are based on the historical cost basis of the related assets.
- (BB) To reflect the results of operations from the contribution of STAG Contribution Group, which includes the current and probable acquisitions of STAG GI Investments, LLC, that will occur upon the formation transactions as discussed in Note D above. The table below illustrates the adjustments to revenue and expenses for STAG Contribution Group. Adjustments to revenue represent the impact of the amortization of the net amount of above- and below-market rents and change in straight-line rent recognition as a result of purchase accounting adjustments. Adjustments to depreciation and amortization represent the additional depreciation expense and amortization of intangibles as a result of these purchase accounting adjustments. Depreciation and amortization amounts were determined in accordance with the Company's policies and are based on management's evaluation of the estimated useful lives of the properties and intangibles. The amounts allocated to building are depreciated over 40 years. The amounts allocated to lease intangibles are generally amortized over the remaining life of the related leases. Interest expense represents the interest expense of the assumed debt at the current negotiated rates.

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

3. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Continued)

STAG Contribution Group

For the Year Ended December 31, 2010																	
Certain Revenue and Expenses																	Pro Forma STAG Contributi Group
Historical STAG Contribution Group	Historical (2) Newton	Historical (3) O'Fallon	Historical (4) Goshen	Historical (5) Charlotte	Historical (6) Piscataway and Lopatcong	Historical (7) Streetsboro	Historical (8) Charlotte II	Historical (9) Salem	Historical (10) Rogers and Vonore	Historical (11) Madison	Historical (12) Walker	Historical (13) Mooresville	Historical (14) Cleveland	Adjustments (1)			
Rental income	\$ 16,446	\$ 247	\$ 314	\$ 695	\$ 1,526	\$ 1,613	\$ 970	\$ 1,635	\$ 710	\$ 2,414	\$ 903	\$ 560	\$ 1,080	\$ 484	\$ (929)	\$ 28,6	
Tenant recoveries	1,533	2	—	144	143	—	—	256	134	—	—	164	—	41	—	2,4	
Total revenue	\$ 17,979	\$ 249	\$ 314	\$ 839	\$ 1,669	\$ 1,613	\$ 970	\$ 1,891	\$ 844	\$ 2,414	\$ 903	\$ 724	\$ 1,080	\$ 525	\$ (929)	\$ 31,0	
Property expense	\$ 2,295	\$ 2	\$ 4	\$ 144	\$ 196	—	—	\$ 256	\$ 136	—	—	\$ 164	—	\$ 41	\$ —	\$ 3,2	
Depreciation and amortization	—	—	—	—	—	—	—	—	—	—	—	—	—	—	17,308	17,3	
Interest expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9,988	9,9	
Gain on interest rate swaps	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(229)	(2	
Total expense	\$ 2,295	\$ 2	\$ 4	\$ 144	\$ 196	\$ —	\$ —	\$ 256	\$ 136	\$ —	\$ —	\$ 164	\$ —	\$ 41	\$ 27,067	\$ 30,3	

- (1) The adjustments relate to above/below market lease amortization, straight-line rent adjustments, adding depreciation and amortization, adding interest expense for the related debt and the historical loss from the interest rate swaps.
- (2) On May 14, 2010, the Newton Property was acquired by STAG Investments IV, LLC.
- (3) On July 30, 2010, the O'Fallon Property was acquired by STAG GI Investments, LLC.
- (4) On August 13, 2010, the Goshen Property was acquired by STAG GI Investments, LLC.
- (5) On September 17, 2010, the Charlotte Property was acquired by STAG GI Investments, LLC.
- (6) On September 30, 2010, the Charlotte II Property was acquired by STAG GI Investments, LLC.
- (7) On October 28, 2010, the Streetsboro Property was acquired by STAG GI Investments, LLC.
- (8) On December 10, 2010, the Piscataway and Lopatcong Properties were acquired by STAG GI Investments, LLC.
- (9) On November 4, 2010, the Salem Properties were acquired by STAG GI Investments, LLC.
- (10) On October 26, 2010, the Rogers and Vonore Properties were acquired by STAG GI Investments, LLC.
- (11) On October 12, 2010, the Madison Property was acquired by STAG GI Investments, LLC.
- (12) On October 15, 2010, the Walker Property was acquired by STAG GI Investments, LLC.
- (13) On March 1, 2011, the Mooresville Property was acquired by STAG GI Investments, LLC.
- (14) The acquisition of this Property is deemed probable by STAG GI Investments, LLC.
- (CC) To reflect estimates of revenue and expenses of the management company that will occur upon the formation transactions as discussed in Note E above as follows:
- Annual third party management fee revenue of \$1,252 for the year ended December 31, 2010 to be earned by the Company from certain contracts to manage industrial properties of Fund II and certain properties that will continue to be owned by Fund III, and administrative service agreements with Fund III and Fund IV.
 - General and administrative expenses of \$3,843 for the year ended December 31, 2010.
 - Interest expense of \$403 for the year ended December 31, 2010 on a related party loan, which is to an affiliate of the Company.
- (DD) The Company expects to incur additional general and administrative expenses as a result of becoming a public company, including but not limited to incremental salaries, board of directors' fees and expenses, directors' and officers' insurance, Sarbanes-Oxley compliance costs, and incremental audit and tax fees. The Company estimates that these costs could result in

STAG Industrial, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements (Continued)

(dollars in thousands)

3. ADJUSTMENTS TO PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Continued)

incremental general and administrative expenses of approximately \$4,418 for the year ended December 31, 2010.

- (EE) To reflect the change in interest expense as a result of the retirement of mortgage and other related party debt, which is due to an affiliate of the Company. The Company expects to pay off \$188,340 of debt upon the consummation of the formation transactions.
- (FF) Represents the unused fee for the secured corporate credit facility, fees associated with the extension of our debt due in 2012 and the amortization of deferred financing costs as discussed in Note F above.
- (GG) To reflect the add back of historical amortization of deferred financing fees and the add back of guarantee fees due to a related party, due to the paydown of mortgage notes payable of STAG Predecessor Group.
- (HH) To reflect the add back of the historical loss on interest rate swaps due to the paydown of STAG Predecessor Group mortgage notes payable.
- (II) Represents the net income attributable to the non-controlling interest in the operating partnership.
- (JJ) Pro forma earnings per share—basic and diluted are calculated by dividing pro forma consolidated net income allocable to the Company's shareholders by the number of shares of common stock issued in this offering and the formation transactions.

	Year ended December 31, 2010
Numerator	
Income from continuing operations	\$ 1,171
Denominator	
Shares issued in the offering, net of unvested restricted shares and units	13,750,000
Impact from offering proceeds not used for acquisitions or debt repayment(1)	(197,819)
Denominator for basic earnings per share	13,552,181
Denominator for diluted earnings per share(2)	13,632,990
Earnings per share data:	
Basic—continuing operations	\$ 0.09
Diluted—continuing operations	\$ 0.09

- (1) The denominator in computing pro forma earnings per share should include only those common shares whose proceeds are being reflected in pro forma adjustments in the balance sheet and income statement, such as proceeds used for acquisitions, debt repayments, and offering costs. The total amount of proceeds used for general purposes, including transfer taxes and escrows, is approximately \$3.2 million.
- (2) Reflects the additional unvested LTIP units and shares of restricted common stock of 281,250 issued to officers, directors and employees.

Report of Independent Registered Public Accounting Firm

To STAG Industrial, Inc.:

We have audited the accompanying consolidated balance sheet of STAG Industrial, Inc. (the "Company") as of December 31, 2010. This consolidated balance sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on this balance sheet based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet, assessing the accounting principles used and significant estimates made by management, and evaluating the overall balance sheet presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of STAG Industrial, Inc. at December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

STAG Industrial, Inc.
Consolidated Balance Sheet
As of December 31, 2010

	<u>December 31, 2010</u>
Assets	
Cash	\$ 2,200
Total assets	<u>\$ 2,200</u>
Shareholders' equity	
Common stock—\$0.01 per value; 100,000,000 shares authorized and 110 shares issued and outstanding	\$ 1
Additional paid-in capital	2,199
Total shareholders' equity	<u>\$ 2,200</u>

See accompanying notes to the consolidated balance sheet.

STAG Industrial, Inc.

Notes to Consolidated Balance Sheet

1. Organization and Description of Business

STAG Industrial, Inc. (the "Company") was incorporated in Maryland on July 21, 2010. The Company has not had any corporate activity since its formation. The Company is the majority owner of STAG Industrial Operating Partnership, L.P. (the "Operating Partnership") which was formed on December 21, 2009. STAG Industrial GP, LLC. (the "GP"), which was formed as a Delaware limited liability company on December 21, 2009 is a wholly owned subsidiary of the Company and is the sole general partner of the Operating Partnership. The Company's predecessor business is engaged in the business of acquiring, owning, leasing and managing of real estate, consisting primarily of industrial properties located throughout the United States.

The Company has filed a Registration Statement on Form S-11 with the Securities and Exchange Commission with respect to a proposed initial public offering (the "Offering") of common stock. As discussed below, the Company intends to operate as a real estate investment trust ("REIT"). Concurrent with the Offering of the common stock of the Company, which is expected to be completed in 2011, the Company, the Operating Partnership, together with the partners and shareholders of the affiliated partnerships and corporations of STAG Capital Partners and other parties which hold direct or indirect interests in the properties (collectively, the "Participants"), will engage in certain formation transactions (the "Formation Transactions"). The Participants will elect to take either stock in the Company, limited partnership units in the Operating Partnership and/or cash pursuant to the Formation Transactions. The Formation Transactions are designed to (i) continue the operations of STAG Predecessor Group, (ii) enable the Company to raise the necessary capital to acquire interests in certain other properties, repay mortgage debt relating thereto and pay other indebtedness, (iii) fund costs, capital expenditures and working capital, (iv) provide a vehicle for future acquisitions, (v) enable the Company to comply with requirements under the federal income tax laws and regulations relating to real estate investment trusts, and (vi) preserve tax advantages for certain Participants.

The operations of the Company will be carried on primarily through the Operating Partnership. The Company is the sole shareholder of the GP which in turn is the sole general partner of the Operating Partnership. It is the intent of the Company to elect the status of and qualify as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. The Company after the completion of the Formation Transactions will be fully integrated, self-administered, and self-managed.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated balance sheet are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and includes the accounts of the Company, the Operating Partnership and the GP. All significant intercompany balances and transactions have been eliminated.

Income Taxes

As a REIT, the Company will be permitted to deduct dividends paid to its shareholders, eliminating the federal taxation of income represented by such distributions at the Company level, provided certain requirements are met. REITs are subject to a number of organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, the Company

STAG Industrial, Inc.

Notes to Consolidated Balance Sheet (Continued)

2. Significant Accounting Policies (Continued)

will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates.

Offering Costs

In connection with the Offering, affiliates have or will incur legal, accounting, and related costs, which will be reimbursed by the Company upon the consummation of the Offering. Such costs will be deducted from the gross proceeds of the Offering. Offering costs have not been accrued because the Company does not have an obligation to reimburse its affiliates for such costs until the closing of the Offering. As of December 31, 2010, the Company's affiliates had incurred costs in connection with the Offering of approximately \$4.7 million.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated balance sheets and accompanying notes. Actual results could differ from those estimates.

3. Shareholders Equity

From the date of inception, the Company has issued 110 common shares for \$2,200 in two separate transactions with related parties. The Company has authorized the issuance of 10,000,000 shares of preferred stock at \$0.01 par value per share. There are currently no preferred shares issued or outstanding.

4. Subsequent Events

STAG Industrial, Inc. has evaluated the events and transactions that have occurred through February 15, 2011 and noted no additional items requiring adjustment to the consolidated balance sheet or additional disclosure.

Report of Independent Registered Public Accounting Firm

To STAG Industrial, Inc.:

We have audited the accompanying combined balance sheets of the STAG Predecessor Group as of December 31, 2010 and 2009, and the related combined statements of operations, changes in owners' equity, and cash flows for each of the three years in the period ended December 31, 2010. In addition, our audits also included the financial statement schedule listed in the Index. These financial statements and the related schedule are the responsibility of the STAG Predecessor Group's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements and financial statement schedule referred to above present fairly, in all material respects, the combined financial position of the STAG Predecessor Group at December 31, 2010 and 2009, and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

STAG Predecessor Group

Combined Balance Sheets

(dollars in thousands)

	December 31,	
	2010	2009
Assets		
Rental Property		
Land	\$ 25,086	\$ 25,086
Buildings	173,456	173,456
Tenant improvements	8,197	9,440
Building improvements	3,447	2,027
Less: accumulated depreciation	(19,261)	(14,626)
Total rental property	190,925	195,383
Cash and cash equivalents	1,567	2,772
Restricted cash	2,571	1,983
Tenant accounts receivable, net	3,725	3,580
Prepaid expenses and other assets	458	585
Deferred financing fees, net	118	235
Leasing commissions, net	133	32
Deferred leasing intangibles, net	11,507	15,518
Due from related parties	—	28
Total assets	\$ 211,004	\$ 220,116
Liabilities and Owners' Equity		
Liabilities:		
Mortgage notes payable	\$ 203,166	\$ 207,748
Notes payable to related party	4,384	4,384
Accounts payable, accrued expenses and other liabilities	2,680	2,352
Interest rate swaps	3,277	2,995
Tenant security deposits	623	1,294
Prepaid rent	581	770
Deferred leasing intangibles, net	976	1,497
Due to related parties	3,653	597
Total liabilities	219,340	221,637
Owners' deficit	(8,336)	(1,521)
Total liabilities and owners' equity	\$ 211,004	\$ 220,116

The accompanying notes are an integral part of these combined financial statements.

STAG Predecessor Group
Combined Statements of Operations
(dollars in thousands)

	STAG Predecessor Group		
	Year Ended December 31,		
	2010	2009	2008
Revenue			
Rental income	\$ 24,249	\$ 25,658	\$ 27,319
Tenant recoveries	3,761	4,508	3,951
Total revenue	28,010	30,166	31,270
Expenses			
Property	3,254	5,342	3,009
General and administrative	337	478	502
Real estate taxes and insurance	2,869	3,067	2,804
Asset management fees	600	600	610
Depreciation and amortization	9,514	10,257	12,108
Loss on impairment of assets	—	—	3,728
Total expenses	16,574	19,744	22,761
Other income (expense)			
Interest income	16	66	140
Interest expense	(14,116)	(14,328)	(15,058)
Loss on interest rate swaps	(282)	(1,720)	(1,275)
Total other income (expenses)	(14,382)	(15,982)	(16,193)
Net loss	\$ (2,946)	\$ (5,560)	\$ (7,684)

The accompanying notes are an integral part of these combined financial statements.

STAG Predecessor Group
Combined Statements of Changes in Owners' Equity
(dollars in thousands)

	<u>Total</u>
Balance December 31, 2007	\$ 21,586
Distributions	(7,342)
Net loss	(7,684)
Balance December 31, 2008	6,560
Distributions	(2,521)
Net loss	(5,560)
Balance December 31, 2009	(1,521)
Distributions	(3,869)
Net loss	(2,946)
Balance December 31, 2010	<u>\$ (8,336)</u>

The accompanying notes are an integral part of these combined financial statements.

STAG Predecessor Group
Combined Statements of Cash Flows
(dollars in thousands)

	STAG Predecessor Group		
	Year Ended December 31,		
	2010	2009	2008
Cash flow from operating activities			
Net loss	\$ (2,946)	\$ (5,560)	\$ (7,684)
Adjustment to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	9,599	10,708	12,619
Intangible amortization in rental income	(34)	284	(563)
Tenant straight line receivable, net	(641)	(818)	(1,187)
Loss on impairment of assets	—	—	3,728
Loss on interest rate swaps	282	1,720	1,275
Change in assets and liabilities:			
Tenant accounts receivable, net	496	812	(413)
Leasing commissions, net	(101)	(5)	11
Prepaid expenses and other assets	127	(112)	527
Due from related parties	28	(17)	(11)
Accounts payable, accrued expenses and other liabilities	328	338	54
Tenant security deposits	(671)	(9)	87
Due to related parties	3,056	425	33
Prepaid rent	(189)	599	(45)
Total adjustments	12,280	13,925	16,115
Net cash provided by operating activities	9,334	8,365	8,431
Cash flow from investing activities:			
Additions of land, buildings and improvements	(1,500)	(1,293)	(386)
Proceeds from sale of land	—	50	—
Restricted cash—escrow	(588)	(797)	(25)
Net cash used in investing activities	(2,088)	(2,040)	(411)
Cash flow from financing activities:			
Proceeds from notes payable to related parties	—	4,384	—
Repayment or mortgage notes payable	(4,582)	(8,430)	(1,182)
Payments of deferred financing fees	—	(354)	—
Distributions	(3,869)	(2,521)	(7,342)
Net cash used in financing activities	(8,451)	(6,921)	(8,524)
Decrease in cash and cash equivalents	(1,205)	(596)	(504)
Cash and cash equivalents—beginning of year	2,772	3,368	3,872
Cash and cash equivalents—end of year	\$ 1,567	\$ 2,772	\$ 3,368
Supplemental cash flow information			
Cash paid for interest	\$ 10,965	\$ 13,487	\$ 14,535
Write-off of fully depreciated tenant improvements	\$ 1,323	\$ 184	\$ 396
Write-off of accumulated depreciation	\$ 1,112	\$ 33	\$ 22

The accompanying notes are an integral part of these combined financial statements.

STAG Predecessor Group

Notes to Combined Financial Statements

(dollars in thousands)

1. Organization and Description of Business

STAG Predecessor Group (the "predecessor" for accounting purposes), is not a legal entity, but a collection of 45 real estate entities and holdings of STAG Investments III, LLC. STAG Predecessor Group is engaged in the business of owning, leasing and operating real estate consisting primarily of industrial properties located throughout the United States. STAG Predecessor Group generates the majority of its revenue by entering into long-term, triple-net leases with local, regional, and national companies.

STAG Predecessor Group is the predecessor of STAG Industrial, Inc. (the "Company"). Concurrent with an initial public offering (the "Offering") of the common stock of the Company, which is expected to be completed in 2011, the Company and a newly formed majority owned limited partnership, STAG Industrial Operating Partnership, L.P. (the "Operating Partnership"), together with the partners and shareholders of the affiliated partnerships and corporations of the Company and other parties which hold direct or indirect interests in the properties (collectively, the "Participants"), will engage in certain formation transactions (the "Formation Transactions"). The Participants will elect to take either stock in the Company, or limited partnership units in the Operating Partnership pursuant to the Formation Transactions. The Formation Transactions are designed to (i) continue the operations of STAG Predecessor Group, (ii) enable the Company to raise the necessary capital to acquire interests in certain other properties, repay mortgage debt relating thereto and pay other indebtedness, (iii) fund costs, capital expenditures and working capital, (iv) provide a vehicle for future acquisitions, (v) enable the Company to comply with requirements under the federal income tax laws and regulations relating to real estate investment trusts, and (vi) preserve tax advantages for certain Participants.

The operations of the Company will be carried on primarily through the Operating Partnership. It is the intent of the Company to elect the status of and qualify as a REIT under the Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. STAG Industrial GP, LLC, a wholly owned subsidiary of the Company, will be the sole general partner in the Operating Partnership. The Company after the completion of the Formation Transactions will be fully integrated, self-administered and self-managed.

The properties included as part of STAG Predecessor Group were acquired in the following quarters: eleven properties during the three months ended December 31, 2006; one property during the three months ended March 31, 2007; thirteen properties during the three months ended June 30, 2007; thirteen properties during the three months ended September 30, 2007; and nineteen properties during the three months ended December 31, 2007.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined financial statements have been presented in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany balances and transactions have been eliminated in the combination of entities. These financial statements are presented on a "carve-out" or combined basis, for all periods prior to our carve-out and comprise the combined historical financial statements of the transferred collection of real estate entities and holdings.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

2. Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Rental Property and Depreciation

Rental property is carried at cost. The properties are reviewed on a periodic basis for impairment and a provision is provided for if impairments are identified. To determine if an impairment may exist, STAG Predecessor Group reviews its properties and identifies those that have had either an event of change or event of circumstances warranting further assessment of recoverability (such as a decrease in occupancy). If further assessment of recoverability is needed, STAG Predecessor Group estimates the future net cash flows expected to result from the use of the property and its eventual disposition, on an individual property basis. If the sum of the expected future net cash flows (undiscounted and without interest charges) is less than the carrying amount of the property on an individual property basis, STAG Predecessor Group will recognize an impairment loss based upon the estimated fair value of such property as compared to its current carrying value. For properties considered held for sale, STAG Predecessor Group ceases depreciating the properties and values the properties at the lower of depreciated cost or fair value, less costs to dispose. If circumstances arise that were previously considered unlikely, and, as a result, STAG Predecessor Group decided not to sell a property previously classified as held for sale, STAG Predecessor Group will reclassify such property as held and used. Such property is measured at the lower of its carrying amount (adjusted for any depreciation and amortization expense that would have been recognized had the property been continuously classified as held and used) or fair value at the date of the subsequent decision not to sell. STAG Predecessor Group classifies properties as held for sale when all criteria within the Financial Accounting Standards Board's (the "FASB") Accounting Standard Codification ("ASC") 360 *Property, Plant and Equipment* ("ASC 360") (formerly known as Statement of Financial Accounting Standard ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*) are met.

Depreciation expense is computed using the straight-line method based on the following useful lives:

Buildings	40 years
Building and land improvements	5-20 years
Tenant improvements	Shorter of useful life or terms of related lease

Expenditures for tenant improvements, leasehold improvements and leasing commissions are capitalized and amortized or depreciated over the shorter of their useful lives or the terms of each specific lease. Repairs and maintenance are charged to expense when incurred. Expenditures for improvements are capitalized.

STAG Predecessor Group accounts for all acquisitions in accordance with ASC 805, *Business Combinations*, (formerly known as SFAS No. 141(R)). The FASB issued ASC 805 to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity

STAG Predecessor Group**Notes to Combined Financial Statements (Continued)****(dollars in thousands)****2. Summary of Significant Accounting Policies (Continued)**

provides in its financial reports about a business combination and its effects. The statement is to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. STAG Predecessor Group adopted ASC 805 on January 1, 2009 and the adoption did not have a material effect on the combined financial statements.

Upon acquisition of a property, STAG Predecessor Group allocates the purchase price of the property based upon the fair value of the assets and liabilities acquired, which generally consist of land, buildings, tenant improvements and intangible assets including in-place leases, above market and below market leases and tenant relationships. STAG Predecessor Group allocates the purchase price to the fair value of the tangible assets of an acquired property by valuing the property as if it were vacant. Acquired above and below market leases are valued based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values are amortized as a reduction of rental income over the remaining term of the respective leases, and the below market lease values are amortized as an increase to rental income over the remaining initial terms plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases.

The purchase price is further allocated to in-place lease values and tenant relationships based on STAG Predecessor Group's evaluation of the specific characteristics of each tenant's lease and its overall relationship with the respective tenant. The value of in-place lease intangibles and tenant relationships, which are included as components of deferred leasing intangibles are amortized over the remaining lease term (and expected renewal periods of the respective lease for tenant relationships) as adjustments to depreciation and amortization expense. If a tenant terminates its lease early, the unamortized portion of leasing commissions, above and below market leases, the in-place lease value and tenant relationships are immediately written off.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less. STAG Predecessor Group maintains cash and cash equivalents in United States banking institutions that may exceed amounts insured by the Federal Deposit Insurance Corporation. While STAG Predecessor Group monitors the cash balances in its operating accounts, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, STAG Predecessor Group has experienced no loss or lack of access to cash in its operating accounts.

Restricted Cash

Restricted cash includes security deposits and cash held in escrow for real estate taxes and capital improvements as required in various mortgage loan agreements.

STAG Predecessor Group**Notes to Combined Financial Statements (Continued)****(dollars in thousands)****2. Summary of Significant Accounting Policies (Continued)****Tenant Accounts Receivable, net**

STAG Predecessor Group maintains an allowance for estimated losses that may result from the inability of tenants to make required payments. If a tenant fails to make contractual payments beyond any allowance, STAG Predecessor Group may recognize bad debt expense in future periods equal to the amount of unpaid rent and deferred rental income. As of December 31, 2010 and 2009, STAG Predecessor Group had an allowance for doubtful accounts of \$198 and \$1,920, respectively.

STAG Predecessor Group accrues rental revenue earned but not yet receivable in accordance with GAAP. As of December 31, 2010 and 2009, STAG Predecessor Group had accrued rental revenue of \$3,310 and \$2,515, respectively, which is reflected in tenant accounts receivable, net on the accompanying balance sheets. STAG Predecessor Group maintains an allowance for estimated losses that may result from those revenues. If a tenant fails to make contractual payments beyond any allowance, STAG Predecessor Group may recognize bad debt expense in future periods equal to the amount of unpaid rent and accrued rental revenue. As of December 31, 2010 and 2009, STAG Predecessor Group had an allowance on accrued rental revenue of \$250 and \$96, respectively.

As of December 31, 2010 and 2009, STAG Predecessor Group had a total of approximately \$2,162 and \$2,490, respectively, of total lease security available on existing letters of credit; and \$623 and \$1,294, respectively, of security available in security deposits.

Deferred Financing Fees

Costs incurred in obtaining mortgage notes payable are capitalized. The deferred financing fees are amortized to interest expense over the life of the respective loans. Any unamortized amounts upon early repayment of mortgage notes payable are written off in the period of repayment. For the years ended December 31, 2010, 2009 and 2008, amortization of deferred finance charges included in interest expense was \$117, \$466, and \$522, respectively. Fully amortized deferred charges are removed from the books upon maturity of the underlying debt.

Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, tenant accounts receivable, interest rate swaps, accounts payable, other accrued expenses and mortgage notes payable. The fair values of the cash and cash equivalents, tenant accounts receivable, accounts payable and other accrued expenses approximate their carrying or contract values. See Note 4 for the fair values of the mortgage notes payable. See Note 5 for the fair value of interest rate swaps. The carrying value of notes payable to related parties approximates fair value.

Derivative Financial Instruments and Hedging Activities

STAG Predecessor Group entered into interest rate swaps to hedge against interest rate risk on its variable rate loan with Anglo Irish Bank Corporation Limited ("Anglo Irish Bank"). The interest rate swaps are contracts to fix, for a period of time, the LIBOR component of the loan and allow for net settlement. As of December 31, 2010 and 2009, STAG Predecessor Group was party to separate interest rate swaps with notional amounts of \$157,815 each year.

STAG Predecessor Group**Notes to Combined Financial Statements (Continued)****(dollars in thousands)****2. Summary of Significant Accounting Policies (Continued)**

STAG Predecessor Group accounts for its interest rate swaps in accordance with ASC 815, *Derivatives and Hedging*, (formerly known as SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*). On January 1, 2009, STAG Predecessor Group adopted SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133* (SFAS 161), which changes the disclosure requirements for derivative instruments and hedging activities. The adoption of SFAS 161 (now included in ASC 815) did not have a material impact on STAG Predecessor Group's results of operations or financial condition.

STAG Predecessor Group has designated the interest rate swaps as non-hedge instruments for accounting purposes. Accordingly, STAG Predecessor Group recognizes the fair value of the interest rate swap as asset or liability on the combined balance sheets with the changes in fair value recognized in the combined statements of operations.

By using interest rate swaps, STAG Predecessor Group exposes itself to market and credit risk. Market risk is the risk of an adverse effect on the value of a financial instrument that results from a change in interest rates. Credit risk is the risk of failure of the counterparty to perform under the terms of the contract. STAG Predecessor Group minimizes the credit risk in interest rate swaps by entering into transactions with high-quality counterparties whose credit rating is higher than Bbb. STAG Predecessor Group's exposure to credit risk at any point is generally limited to amounts recorded as assets or liabilities on the combined balance sheets.

Revenue and Gain Recognition

Rental revenue is recognized on a straight-line basis over the term of the lease when collectability is reasonably assured in accordance with GAAP. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. Additional rents from expense reimbursements for insurance, real estate taxes and certain other expenses are recognized in the period in which the related expenses are incurred.

Certain tenants are obligated to make payments for insurance, real estate taxes and certain other expenses and these costs, which have been assumed by the tenants under the terms of their respective leases, are not reflected in STAG Predecessor Group's combined financial statements. To the extent any tenant responsible for these costs under their respective lease defaults on their lease or it is deemed probable that they will fail to pay for such costs, we would record a liability for such obligation. The Company estimates that real estate taxes which are the responsibility of all such tenants were approximately \$1,826 and \$1,868 for the years ended December 31, 2010 and 2009, respectively. STAG Predecessor Group does not recognize recovery revenue related to leases whereby the tenant has assumed the cost for real estate taxes, insurance, and certain other expenses.

Rental revenue from month-to-month leases or leases with no scheduled rent increases or other adjustments is recognized on a monthly basis when earned.

Lease termination fees are recognized on a straight line basis over the revised lease term as termination revenue when the tenants provide notification of their intent to terminate their lease, STAG Predecessor Group has no continuing obligation to provide services to such former tenants and

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

2. Summary of Significant Accounting Policies (Continued)

STAG Predecessor Group believes amounts are collectible. STAG Predecessor Group has no lease termination revenue for the periods presented.

Segment Reporting

STAG Predecessor Group manages its operations on a consolidated, single segment basis for purposes of assessing performance and making operating decisions and accordingly, has only one reporting segment.

Income Taxes

STAG Predecessor Group represents a combination of entities that are limited liability companies. Generally, absent an election to the contrary, an LLC is treated as a partnership or a disregarded entity under applicable federal and state income tax rules. Therefore, the allocated share of net income or loss from the limited liability companies is reportable in the income tax returns of the respective member or members. Accordingly, no income tax provision is included in the accompanying combined financial statements.

STAG Predecessor Group adopted the authoritative guidance on accounting for and disclosure of uncertainty in tax positions (ASC 740, "Accounting for Uncertainty in Income Taxes", (formerly FIN 48, "Uncertain Tax Positions")) on January 1, 2009, which required STAG Predecessor Group to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. STAG Predecessor Group has determined that there was no effect on the financial statements from its adoption of this authoritative guidance.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

3. Deferred Leasing Intangibles

Deferred leasing intangibles included in total assets consist of the following:

	December 31,	
	2010	2009
In-place leases	\$ 11,594	\$ 13,217
Lease: Accumulated amortization	(6,363)	(6,096)
In-place leases, net	5,231	7,121
Above market leases	2,705	3,568
Less: Accumulated amortization	(1,354)	(1,730)
Above market leases, net	1,351	1,838
Tenant relationships	3,285	3,908
Less: Accumulated amortization	(1,454)	(1,258)
Tenant relationships, net	1,831	2,650
Lease commission	5,492	5,939
Less: Accumulated amortization	(2,398)	(2,030)
Lease commission, net	3,094	3,909
Total deferred leasing intangibles, net	\$ 11,507	\$ 15,518

Deferred leasing intangibles included in our total liabilities consist of the following:

	December 31,	
	2010	2009
Below market leases	\$ 2,656	\$ 2,880
Less: Accumulated amortization	(1,680)	(1,383)
Total deferred leasing intangibles, net	\$ 976	\$ 1,497

The decrease in total deferred lease intangibles, net relates to tenant lease expirations and lease terminations. It is STAG Predecessor Group's policy to write off the deferred lease intangibles when a lease expires or a tenant's lease is terminated in the period which the expirations or termination occurred.

Amortization expense related to in-place leases, lease commissions and tenant relationships of deferred leasing intangibles was \$3,524, \$4,126 and \$5,427 for the years ended December 31, 2010, 2009 and 2008, respectively. Rental income increased (decreased) by \$34, (\$284), and \$563 related to net amortization of above (below) market leases for the years ended December 31, 2010, 2009 and 2008, respectively.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

3. Deferred Leasing Intangibles (Continued)

Amortization related to deferred leasing intangibles over the next five years is as follows:

	Estimated Net Amortization of In-Place Leases and Tenant Relationships	Net Decrease (Increase) to Rental Revenue Related to Above and Below Market Leases
2011	\$ 2,302	\$ 38
2012	1,795	108
2013	1,246	118
2014	911	14
2015	743	(14)

4. Mortgage Notes Payable

Payments on mortgage notes are generally due in monthly installments of principal amortization and interest. A summary of mortgage notes payable as of December 31, 2010 and 2009 follows:

Loan	Principal outstanding as of December 31, 2010	Principal outstanding as of December 31, 2009	Maturity
Anglo Irish Variable Amount	\$ 10,954	\$ 14,745	Jan-31-2012
Anglo Irish Fixed Amount	157,815	157,815	Jan-31-2012
Anglo Irish Bridge Loan	34,397	35,188	Jan-31-2012
	<u>\$ 203,166</u>	<u>\$ 207,748</u>	

STAG Predecessor Group is party to a master loan agreement with Anglo Irish Bank. The agreement had an original maturity date of August 10, 2009. According to the original loan agreement, all loans under the loan agreement were interest only through the maturity date, at which time all unpaid principal and interest was scheduled to be due. The borrowing rate was variable and calculated based on the applicable LIBOR rate plus 1.75%.

In January 2009 the terms of the master loan agreement were amended. The current terms stipulate that interest and principal payments are to be made monthly based on a 25-year amortization schedule. The loan also requires a capital improvement escrow to be funded monthly in an amount equal to the difference between the payments required under the 25-year amortizing loan and a 20-year amortizing loan. Additionally, a \$4,384 principal payment was made on the loan prior to commencing monthly principal payments. The maturity date was extended to January 31, 2012. Notwithstanding the interest rate swap transactions discussed below, the borrowing rate is variable and calculated based on the applicable LIBOR rate plus 3.00%. As of December 31, 2010 and 2009, the outstanding balance under this loan agreement was \$168,769 and \$172,560, respectively. The LIBOR rate as of December 31, 2010 and December 31, 2009 was 0.26% and 0.24%, respectively.

On May 1, 2008 STAG Predecessor Group entered into an \$87,678 notional amount interest rate swap transaction with Anglo Irish Bank. STAG Predecessor Group swapped \$87,678 of the outstanding debt under the loan agreement to a fixed rate of 3.055%. The swap terminated on August 11, 2009.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

4. Mortgage Notes Payable (Continued)

On February 5, 2009 STAG Predecessor Group entered into a forward swap agreement with Anglo Irish Bank. The terms of this agreement stipulated that on August 11, 2009, \$157,815 of the outstanding debt under this loan agreement converted to a fixed rate of 2.165% plus the loan spread of 3.00% (5.165%). The swap terminates on January 31, 2012.

STAG Predecessor Group is also party to a bridge loan agreement with Anglo Irish Bank. The loan agreement had an original maturity date of December 31, 2007. The original terms stipulated that the loan was interest only through the maturity date, at which time all unpaid principal and interest was to be due. The borrowing rate was variable and calculated based on the applicable Libor rate plus 3.00%.

In January 2009 the terms of the bridge loan agreement were amended. The current terms stipulate that interest and principal payments are to be made monthly based on a 25-year amortization schedule. The loan also requires a capital improvement escrow to be funded monthly in an amount equal to the difference between the payments required under the 25-year amortizing loan and a 20-year amortizing loan. The maturity date of the bridge loan was extended to January 31, 2012. The current borrowing rate is variable and calculated based on the applicable LIBOR rate plus 4.25%. As of December 31, 2010 and 2009 the outstanding balance under this loan agreement was \$34,397 and \$35,188, respectively.

The master loan and bridge loan are both collateralized by the specific properties financed under the loans and a first priority collateral assignment of the specific leases and rents. The bridge loan is also subject to a collective, joint and several repayment guaranty by two individual related parties of STAG Predecessor Group. These loans are subject to certain financial covenants. STAG Predecessor Group was in compliance with all financial covenants as of December 31, 2010 and 2009. Management continuously monitors the STAG Predecessor Group's current and anticipated compliance with the covenants. While STAG Predecessor Group currently believes it will remain in compliance with its covenants, in the event of a continued slow-down or continued crisis in the credit markets, the STAG Predecessor Group may not be able to remain in compliance with such covenants. In these events, if the lender would not provide a waiver, it would result in an event of default.

Annual principal payments due under mortgage notes over the next 5 years are as follows:

2011	\$ 4,807
2012	198,359
2013	—
2014	—
2015	—
Total	<u>\$ 203,166</u>

For purposes of financial reporting disclosures, STAG Predecessor Group calculates the fair value of mortgage notes payable. The fair values of STAG Predecessor Group's mortgage notes payable were determined by discounting the future cash flows using the current rates at which loans would be made to borrowers with similar credit ratings for loans with similar remaining maturities and similar loan-to-value ratios. The following table presents the aggregate carrying value of STAG Predecessor

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

4. Mortgage Notes Payable (Continued)

Group's mortgage notes payable and STAG Predecessor Group's corresponding estimate of fair value as of December 31, 2010 and 2009:

December 31, 2010		December 31, 2009	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
\$ 203,166	\$ 200,866	\$ 207,748	\$ 203,998

5. Use of Derivative Financial Instruments

STAG Predecessor Group's use of derivative instruments is limited to the utilization of interest rate agreements to manage interest rate risk exposures and not for speculative purposes. The principal objective of such arrangements is to minimize the risks and/or costs associated with STAG Predecessor Group's operating and financial structure, as well as to hedge specific transactions.

A summary of the fair values of interest rate swaps outstanding as of December 31, 2010 and 2009 is as follows:

	Notional Amount	Fair Value December 31, 2010	Fair Value December 31, 2009
Anglo Master Loan Swap	\$ 157,815	\$ (3,277)	\$ (2,995)

STAG Predecessor Group adopted the fair value measurement provisions as of January 1, 2008 for its interest rate swaps recorded at fair value. The new guidance establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. As of December 31, 2010 and 2009, STAG Predecessor Group applied the provisions of this standard to the valuation of its interest rate swaps, which are the only financial instruments measured at fair value on a recurring basis.

During the years ended December 31, 2010, 2009 and 2008, STAG Predecessor Group recognized losses relating to the change in fair market value of its interest rate swaps of \$282, \$1,720 and \$1,275, respectively.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

5. Use of Derivative Financial Instruments (Continued)

The following sets forth STAG Predecessor Group's financial instruments that are accounted for at fair value on a recurring basis as of December 31, 2010 and 2009:

		Fair Market Measurements as of December 31, 2010 Using:		
	December 31, 2010	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities:				
Interest Rate Swap	\$ 3,277	—	\$ 3,277	—
		Fair Market Measurements as of December 31, 2009 Using:		
	December 31, 2009	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Liabilities:				
Interest Rate Swap	\$ 2,995	—	\$ 2,995	—

6. Minimum Future Rental Revenue

STAG Predecessor Group leases space to tenants primarily under non-cancelable operating leases, which generally contain provisions for a base rent plus reimbursement for certain operating expenses.

Future minimum base rentals on non-cancelable operating leases as of December 31, 2010, are as follows:

2011	\$ 21,447
2012	18,510
2013	14,160
2014	11,030
2015	9,633

The above future minimum lease payments exclude tenant reimbursements, amortization of deferred rent receivables and above/below-market lease intangibles. Some leases are subject to termination options. In general, these leases provide for termination payments should the termination options be exercised. The above table is prepared assuming such options are not exercised.

7. Commitments and Contingencies

STAG Predecessor Group is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance subject to deductible requirements. Management believes that the ultimate settlement of these actions will not have a material adverse effect on STAG Predecessor Group's financial position, results of operations or cash flows.

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

8. Concentrations of Credit Risk

Concentrations of credit risk arise when a number of tenants related to STAG Predecessor Group's investments or rental operations are engaged in similar business activities, are located in the same geographic region, or have similar economic features that would cause their inability to meet contractual obligations, including those to STAG Predecessor Group, to be similarly affected. STAG Predecessor Group regularly monitors its tenant base to assess potential concentrations of credit risk. Management believes the current credit risk portfolio is reasonably well diversified and does not contain any unusual concentration of credit risk. No tenant accounted for 5% or more of STAG Predecessor Group's rents during 2010, 2009, 2008. Recent developments in the general economy and the global credit markets have had a significant adverse effect on companies in numerous industries. STAG Predecessor Group has tenants concentrated in various industries that may be experiencing adverse effects from the current economic conditions and STAG Predecessor Group could be adversely affected if such tenants go into default on their leases.

9. Impairment Charges

STAG Predecessor Group adopted the fair value measurement provisions as of January 1, 2008 for the impairment of long-lived assets recorded at fair value. In connection with the periodic review of the carrying values of STAG Predecessor Group's properties, STAG Predecessor Group determined during the year ended December 31, 2008 that an impairment loss in the amount of \$3,728 should be recorded for STAG Predecessor Group's property located in Daytona Beach, Florida. The determination that an impairment loss should be recorded was made as a result of a tenant default and subsequent vacancy.

The following table presents information about STAG Predecessor Group's impairment charge and fair market value of the asset which was measured in accordance with GAAP for the year ended December 31, 2008. The table indicates the fair value hierarchy of the valuation techniques STAG Predecessor Group utilized to determine fair value. Fair value was determined by estimating the future cash flows from the property discounted to the present value using a discount rate commensurate with the risks involved in those cash flows.

	December 31, 2008	Fair Value Measurements as of December 31, 2008 Using			Impairment Charge
		Quoted in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Daytona Beach, FL property	\$ 1,883	\$ —	\$ —	\$ 1,883	\$ (3,728)

10. Related-Party Transactions

On January 31, 2009, STAG Predecessor Group entered into a \$4,384 loan agreement with NED Credit, Inc. (a related party). The note has an original maturity date of January 31, 2012 and is interest only through the maturity date, at which time all unpaid principal and interest due. The borrowing rate is variable and calculated based on the applicable LIBOR rate plus 12.50%. In the event of default, all outstanding amounts shall bear interest at the applicable LIBOR rate plus 16.50%. The loan is classified as notes payable to related party on the combined balance sheets. STAG Predecessor Group expensed \$569 and \$521 in interest expense related to this note payable for the years ended December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009, STAG Predecessor

STAG Predecessor Group

Notes to Combined Financial Statements (Continued)

(dollars in thousands)

10. Related-Party Transactions (Continued)

Group had \$331 and \$375, respectively, in accrued and unpaid interest expense which has been included in accounts payable, accrued expenses and other liabilities on the combined balance sheets.

On June 6, 2007, STAG Predecessor Group entered into a loan guarantee agreement with an affiliate of NED Credit Inc. (related party). The loan guarantee is for the Anglo Irish Bank bridge loan dated August 11, 2006 and amended on June 6, 2007. STAG Predecessor Group agreed to pay the guarantor an annual fee for the guarantor's provision of the guaranty in an amount equal to nine per cent (9.0%) per annum of the outstanding balance of the bridge loan. STAG Predecessor Group expensed \$3,129, \$3,241 and \$3,389 in such guarantee fees for the years ended December 31, 2010, 2009 and 2008, respectively. As of December 31, 2010 and 2009, STAG Predecessor Group had \$3,501 and \$425, respectively, in accrued and unpaid bridge loan guarantee fees included in due to related parties on the combined balance sheets.

STAG Predecessor Group is obligated to pay asset management fees to STAG Capital Partners, LLC and STAG Capital Partners III, LLC (collectively the "Manager") in consideration of the Manager's agreement that it shall provide reasonable and customary advisory and asset management services to STAG Predecessor Group. The management fee is payable quarterly in arrears on the first business day of each succeeding calendar quarter. Each quarterly installment of the management fee is equal to ¹ / 4 of one-quarter of one percent (0.0625%) of the aggregate acquisition costs of all investments of STAG Predecessor Group, with the acquisition costs of investments made or sold during such quarter calculated on a weighted average basis according to the point during the quarter when such investments were made or sold.

STAG Predecessor Group expensed \$600, \$600 and \$610 in such asset management fees for the years ended December 31, 2010, 2009 and 2008, respectively. As of December 31, 2010 and 2009, STAG Predecessor Group had \$151 and, \$172, respectively, in accrued and unpaid asset management fees, which have been included in amounts due to related parties on the combined balance sheets.

STAG Predecessor Group is obligated to reimburse certain expenses related to STAG Predecessor Group's operations incurred by the Manager (or its designated Affiliate). STAG Predecessor Group expensed \$12, \$82 and \$86 in legal costs incurred by the Manager for the years ended December 31, 2010, 2009 and 2008, respectively.

STAG Predecessor Group was required to pay acquisition service fees to the Manager upon the acquisition of properties, in an amount of 1% of the Gross Acquisition Price of such property (as defined in the Operating Agreement). No acquisitions were made in 2010, 2009 or 2008.

11. Subsequent Events

STAG Predecessor Group has evaluated the events and transactions that have occurred through February 15, 2011, the date the financial statements were available to be issued, and noted no items requiring adjustment of the financial statements or additional disclosure.

STAG Predecessor Group

Schedule III—Real Estate and Accumulated Depreciation as of December 31, 2010

(dollars in thousands)

SCHEDULE III

REAL ESTATE AND ACCUMULATED DEPRECIATION

Building Address	City/State	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition and Valuation	Gross Amount Carried at Close of Period 12/31/10			Accumulated Depreciation 12/31/10	Year Acquired
			Building	Land	Provision	Building and Improvements	Land	Total		
1515 East State Road 8	Albion, IN	9,118	8,245	1,065	—	8,245	1,065	9,310	813	2006
37 Hunt Road	Amesbury, MA	5,126	3,523	1,022	—	3,523	1,022	4,545	286	2007
2111 N. Sandra Street	Appleton, WI	4,509	3,916	495	333	4,249	495	4,744	464	2007
3311 Pinewood Drive	Arlington, TX	2,820	2,455	413	—	2,455	413	2,868	242	2007
365 McClurg Road	Boardman, OH	3,840	3,482	282	596	4,078	282	4,360	304	2007
8401 Southern Blvd	Boardman, OH	2,026	1,980	192	—	1,980	192	2,172	157	2007
818 Mulberry Street	Canton, OH	5,871	5,078	586	85	5,163	586	5,749	501	2007
50501/50371/50271/50900 E. Russell Schmidt	Chesterfield, MI	9,588	8,073	1,449	604	8,677	1,449	10,126	1,082	2007
1011 Glendale Milford Road	Cincinnati, OH	5,222	5,172	384	31	5,203	384	5,587	485	2007
4646 Needmore Road	Dayton, OH	4,056	3,650	391	—	3,650	391	4,041	596	2007
530 Fentress Boulevard	Daytona Beach, FL	5,920	875	1,237	42	917	1,237	2,154	221	2007
53105 Marina Drive/23590 CR6	Elkhart, IN	4,080	3,777	447	161	3,938	447	4,385	343	2007
6051/2311 North Lee Highway	Fairfield, VA/Lexington, VA	3,284	2,719	354	177	2,896	354	3,250	276	2007
5786 Collett Road	Farmington, NY	5,489	5,342	410	—	5,342	410	5,752	488	2007
One Fuller Way	Great Bend, KS	7,987	7,222	1,065	—	7,222	1,065	8,287	689	2007
900 Brooks Avenue	Holland, MI	5,833	5,235	489	497	5,732	489	6,221	579	2007
414 E. 40th Street	Holland, MI	4,417	4,046	497	—	4,046	497	4,543	434	2007
1102 Chastain Drive/4795 I-55 North	Jackson, MS	4,754	4,068	968	565	4,633	968	5,601	372	2007
165 American Way	Jefferson, NC	2,960	2,875	119	—	2,875	119	2,994	257	2007
19 Mollison Way	Lewiston, ME	5,232	5,515	173	238	5,753	173	5,926	581	2007
243/219 Medford Street	Malden, MA	7,425	6,778	873	—	6,778	873	7,651	622	2007
800 Pennsylvania Avenue	Salem, OH	7,332	6,849	858	—	6,849	858	7,707	614	2006
605 Fourth Street	Mayville, WI	4,718	4,118	547	—	4,118	547	4,665	371	2007
8900 N. 55th Street	Milwaukee, WI	4,495	4,090	456	—	4,090	456	4,546	352	2007
200 West Capitol Drive	Milwaukee, WI	6,046	5,283	1,048	5	5,288	1,048	6,336	635	2007
111/113 Pencader Drive	Newark, DE	4,700	3,957	527	137	4,094	527	4,621	421	2007
3100 West Fairfield Drive	Pensacola, FL	230	206	42	83	289	42	331	24	2007
1301 North Palafox Street	Pensacola, FL	5,164	4,705	282	61	4,766	282	5,048	413	2007
805 North Main Street	Pocatello, ID	3,673	3,472	399	—	3,472	399	3,871	404	2007
1400 Turbine Drive	Rapid City, SD	13,669	11,957	2,306	—	11,957	2,306	14,263	1,624	2007
2550 N. Mays Street	Round Rock, TX	3,763	3,399	394	76	3,475	394	3,869	426	2007
102 Sergeant Square Drive	Sergeant Bluff, IA	12,792	11,675	736	24	11,699	736	12,435	1,480	2007
15 Loveton Circle	Sparks, MD	4,205	3,577	790	—	3,577	790	4,367	386	2007
8950 & 8970 Pershall Road	Hazelwood, MO	7,394	5,436	1,960	—	5,436	1,960	7,396	487	2006

STAG Predecessor Group

Schedule III—Real Estate and Accumulated Depreciation as of December 31, 2010 (Continued)

(dollars in thousands)

Building Address	City/State	Encumbrances	Initial Cost		Costs Capitalized Subsequent to Acquisition and Valuation Provision	Gross Amount Carried at Close of Period 12/31/10			Accumulated	
			Building	Land		Building and Improvements	Land	Total	Depreciation 12/31/10	Year Acquired
476 Southridge Industrial Drive	Tavares, FL	6,761	6,339	722	—	6,339	722	7,061	754	2006
7990 Bavaria Road	Twinsburg, OH	6,912	6,497	590	—	6,497	590	7,087	521	2007
300 Spencer Mattingly Lane	Bardstown, KY	2,733	2,399	379	—	2,399	379	2,778	230	2007
1100 Performance Place	Youngstown, OH	3,406	3,400	139	—	3,400	139	3,539	327	2007
Total		207,550	181,385	25,086	3,715	185,100	25,086	210,186	19,261	

Reconciliation of Real Estate Investments

	2010	2009	2008
Balance at beginning of period	\$ 210,009	\$ 208,948	\$ 212,688
Additions during period			
Other acquisitions	—	—	—
Improvements, etc.	1,500	1,295	384
Other additions	—	—	—
Deductions during period			
Cost of real estate sold	—	(50)	—
Write-off of tenant improvements	(1,323)	(184)	(396)
Asset Impairments	—	—	(3,728)
Balance at close of period	\$ 210,186	\$ 210,009	\$ 208,948

The unaudited aggregate cost of real estate properties for federal tax purposes as of December 31, 2010 was \$227,119.

Reconciliation of Accumulated Depreciation

	2010	2009	2008
Balance at beginning of period	\$ 14,626	\$ 8,680	\$ 2,395
Additions during period			
Depreciation and amortization expense	5,747	5,979	6,307
Other additions	—	—	—
Reductions during period			
Disposals	(1,112)	(33)	(22)
Other reductions	—	—	—
Balance at close of period	\$ 19,261	\$ 14,626	\$ 8,680

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying combined statements of revenue and certain expenses (the "Statements") of the STAG Contribution Group for the years ended December 31, 2010 and 2009 and the periods from July 28, 2008 to December 31, 2008 and January 1, 2008 to July 27, 2008. These Statements are the responsibility of the management of the STAG Contribution Group. Our responsibility is to express an opinion on these Statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statements. We believe that our audits provide a reasonable basis for our opinion.

The accompanying Statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and are not intended to be a complete presentation of the STAG Contribution Group's combined revenue and expenses.

In our opinion, the Statements referred to above present fairly, in all material respects, the combined revenue and certain expenses, as described in note 2, of the STAG Contribution Group for the years ended December 31, 2010 and 2009 and the periods from July 28, 2008 to December 31, 2008 and January 1, 2008 to July 27, 2008 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

STAG Contribution Group
Combined Statements of Revenue and Certain Expenses
(dollars in thousands)

		Ownership I		Ownership II
	Year Ended December 31, 2010	Year Ended December 31, 2009	July 28 - December 31, 2008	January 1, 2008 - July 27, 2008
Revenue				
Rental income	\$ 16,446	\$ 12,608	\$ 4,240	\$ 3,502
Tenant recoveries	1,533	1,754	803	674
Total revenue	\$ 17,979	\$ 14,362	\$ 5,043	\$ 4,176
Certain expenses				
Cost of rental operations	1,077	927	553	530
Real estate taxes and insurance	1,218	1,036	420	349
Certain expenses	2,295	1,963	973	879
Revenue in excess of certain expenses	<u>\$ 15,684</u>	<u>\$ 12,399</u>	<u>\$ 4,070</u>	<u>\$ 3,297</u>

The accompanying notes are an integral part to the combined statements of revenue and certain expenses.

STAG Contribution Group

Notes to Combined Statements of Revenue and Certain Expenses

(dollars in thousands)

1. Organization

STAG Contribution Group (the "Properties"), which is not a legal entity, but rather a combination of certain real estate entities and operations as described below, is engaged in the business of owning and operating real estate consisting primarily of industrial properties located throughout the United States. The accompanying combined statements of revenue and certain expenses ("Statements") relates to the operations of the Properties which consist of 32 industrial buildings located in 16 states.

The Properties are owned by STAG Investments IV, LLC (the "Fund") and STAG GI Investments, LLC ("GI") and will be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The acquisition of the Properties is expected to occur upon the consummation of the proposed initial public offering.

Since these Properties are being acquired from related parties as part of the initial public offering, these statements have been prepared for the period of ownership by the related parties, which in certain cases is less than three years but not less than one year. The Properties are being combined as they are all under common management for all periods being presented.

Certain properties owned by the Fund and being contributed were initially purchased by a related party and affiliate of the Fund and were subsequently contributed to the Fund. Accordingly, the Statements are presented for two periods, labeled Ownership I and Ownership II. The two periods have been separated by a vertical line on the face of the Statements to highlight the fact that the financial information for such periods has been prepared under two different historical-cost bases of accounting. The accounting policies followed during the Ownership I period in the preparation of the Statements are consistent with those of the Ownership II period and are further described below. The Ownership II period began on December 20, 2007 and ended with the contribution of properties to the Fund on July 28, 2008.

The remaining properties owned by the Fund and GI being contributed are recorded from the date of acquisition by the respective entity and are included within the Ownership I section.

The properties included as part of STAG Contribution Group were acquired in the following quarters: five properties in the three months ended December 31, 2007; three properties in the three months ended March 31, 2008; one property in the three months ended June 30, 2008; three properties in the three months ended September 30, 2008; five properties in the three months ended December 31, 2008; one property in the three months ended March 31, 2009; one property in the three months ended June 30, 2010; and four properties in the three months ended September 30, 2010; and nine properties in the three months ended December 31, 2010.

2. Significant Accounting Policies

(a) *Basis of Presentation*

The accompanying Statements relate to the Properties and have been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Properties for the year ended December 31, 2010 and 2009 and the periods from July 28, 2008 to December 31, 2008

STAG Contribution Group

Notes to Combined Statements of Revenue and Certain Expenses (Continued)

(dollars in thousands)

2. Significant Accounting Policies (Continued)

and January 1, 2008 to July 27, 2008, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Properties:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Acquisition fees incurred or paid to STAG Capital Partners III, LLC in 2010 and 2009
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Properties.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the leases are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$599, \$474, \$141 and \$58 for the years ended December 31, 2010 and 2009, the period from July 28, 2008 to December 31, 2008 and the period from January 1, 2008 to July 27, 2008, respectively. Tenant recoveries represent additional rents from expense reimbursements for insurance, real estate taxes, and certain other expenses are recognized in the period in which the related expenses are incurred.

Certain tenants make payments for insurance, real estate taxes and certain other expenses and these costs, which have been assumed by the tenants under the terms of their respective leases, are not reflected in the Properties' financial statements. In instances whereby the tenant has assumed the cost for insurance, real estate taxes, and certain other expenses, no recovery revenue has been reflected in the Statements.

Rental revenue from month-to-month leases or leases with no scheduled rent increases or other adjustments is recognized on a monthly basis when earned.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

3. Description of Leasing Arrangements

The Properties are leased to tenants primarily under non-cancelable operating leases which vary in length.

STAG Contribution Group**Notes to Combined Statements of Revenue and Certain Expenses (Continued)****(dollars in thousands)****3. Description of Leasing Arrangements (Continued)**

Future minimum base rentals on non-cancelable operating leases as of December 31, 2010, are as follows:

2011	\$ 25,697
2012	25,289
2013	23,047
2014	21,568
2015	18,018

The above future minimum lease payments exclude tenant reimbursements, amortization of deferred rental revenue and above/below-market lease intangibles. Some leases are subject to termination options. In general, these leases provide for termination payments should the termination options be exercised. The above table is prepared assuming such options are not exercised.

Certain leases provide for payments that represent reimbursements for related expenses incurred under existing ground leases.

One tenant, Bank of America, N.A., represented 15% and 19% of the total base rental income revenue for the years ended December 31, 2010 and 2009, respectively. The building occupied by this tenant was purchased on November 25, 2008. Bank of America N.A.'s financial information is publicly available.

On October 18, 2010 an agreement was reached with that tenant to terminate its lease agreement. In accordance with the terms of the termination agreement, the tenant was required to pay a \$479 lease termination fee. The payment was received on October 28, 2010 and is classified as rental income. The terminated lease was originally set to expire on December 31, 2011. A new lease for the space has been executed with an unaffiliated tenant.

4. Ground Lease Commitments

Certain properties are subject to non-cancelable operating ground lease agreements. The ground leases provide for monthly minimum rent and future rent increases. For the years ended December 31, 2010 and 2009, the period from July 28, 2008 to December 31, 2008 and the period from January 1, 2008 to July 27, 2008, the Properties expensed ground lease payments under these operating leases in the amount of \$114, \$114, \$47, and \$38, respectively.

The following is a schedule of minimum ground lease payments due over the next five years as of December 31, 2010:

2011	\$ 114
2012	114
2013	115
2014	115
2015	115

STAG Contribution Group

Notes to Combined Statements of Revenue and Certain Expenses (Continued)

(dollars in thousands)

5. Commitments and Contingencies

The Properties are subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Properties revenue and certain operating expenses.

6. Acquisitions

On May 14, 2010 the Fund acquired a 100% occupied single tenant industrial property in Newton, NC. A statement of revenue and certain expenses for this property for the period January 1, 2010 to May 13, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On July 30, 2010, GI acquired a 100% occupied single tenant industrial property in O'Fallon, MO. A statement of revenue and certain expenses for this property for the period January 1, 2010 to July 29, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On August 13, 2010, GI acquired a 100% occupied single tenant industrial property in Goshen, IN. A statement of revenue and certain expenses for this property for the period January 1, 2010 to August 12, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On September 17, 2010, GI acquired a 100% occupied single tenant industrial property in Charlotte, NC. A statement of revenue and certain expenses for this property for the period January 1, 2010 to September 16, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On September 30, 2010, GI acquired a 100% occupied single tenant industrial property in Charlotte, NC. A statement of revenue and certain expenses for this property for the period January 1, 2010 to September 29, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On October 12, 2010, GI acquired the Madison Property, a single tenant industrial property located in Madison, TN. A statement of revenue and certain expenses for this property for the period January 1, 2010 to October 11, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On October 15, 2010, GI acquired the Walker Property, a single tenant industrial property located in Walker, MI. A statement of revenue and certain expenses for this property for the period January 1, 2010 to October 14, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On October 26, 2010, GI acquired the Rogers and Vonore Properties, a single tenant industrial property located in Rogers, MN and a single tenant industrial property located in Vonore, TN. A combined statement of revenue and certain expenses for these properties for the period January 1, 2010 to October 25, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

STAG Contribution Group

Notes to Combined Statements of Revenue and Certain Expenses (Continued)

(dollars in thousands)

6. Acquisitions (Continued)

On October 28, 2010, GI acquired the Streetsboro Property, a single tenant industrial property located in Streetsboro, OH. A statement of revenue and certain expenses for this property for the period January 1, 2010 to October 27, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On November 4, 2010, GI acquired the Salem Properties, two industrial buildings located in Salem, OR. One of the buildings is occupied by a single tenant and the other building is occupied by two tenants. A combined statement of revenue and certain expenses for these properties for the period January 1, 2010 to November 3, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

On December 10, 2010, GI acquired the Piscataway and Lopatcong Properties, one manufacturing building located in Lopatcong, NJ and one industrial building located in Piscataway, NJ. Both of the buildings are occupied by the same tenant. A combined statement of revenue and certain expenses for these properties for the period January 1, 2010 to December 9, 2010, prepared in accordance with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, is included elsewhere in this prospectus.

7. Subsequent Events

STAG Contribution Group has evaluated the events and transactions that have occurred through February 15, 2011, the date which the Statements were available to be issued, and noted no additional items requiring adjustment to the Statements or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Newton Property (the "Property") for the period from January 1, 2010 to May 13, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to May 13, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Newton Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to May 13, 2010
Revenue	
Rental income	\$ 247
Tenant recoveries	2
Total revenue	249
Certain expenses	
Real estate taxes and insurance	2
Certain expenses	2
Revenue in excess of certain expenses	\$ 247

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Newton Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Newton Property (the "Property"), is a single tenant industrial property located in Newton, NC. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to May 14, 2010, the Property was owned by an unaffiliated third party. On May 14, 2010, the Property was acquired by STAG IV Newton, LLC ("STAG IV") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from May 14, 2010 to December 31, 2010 are included in STAG Contribution Group.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$1 for the period from January 1, 2010 to May 13, 2010. Tenant recoveries represent additional rents from expense reimbursements for insurance are recognized in the period in which the related expenses are incurred.

The tenant makes payments for certain other expenses and these costs, which have been assumed by the tenant under the terms of their respective lease, are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Newton Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of December 31, 2016.

Future minimum base rentals on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 662
2012	662
2013	662
2014	662
2015	662

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below -market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011, the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Charlotte Property (the "Property") for the period from January 1, 2010 to September 16, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to September 16, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Charlotte Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to September 16, 2010
Revenue	
Rental revenue	\$ 1,526
Tenant recoveries	143
Total revenue	1,669
Certain expenses	
Property	88
Real estate taxes and insurance	108
Certain expenses	196
Revenue in excess of certain expenses	\$ 1,473

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Charlotte Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Charlotte Property (the "Property"), is a single tenant industrial property located in Charlotte, NC. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to September 17, 2010, the Property was owned by an unaffiliated third party. On September 17, 2010, the Property was acquired by STAG GI Charlotte, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from September 17, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$182 for the period from January 1, 2010 to September 16, 2010. Tenant recoveries representing additional rents from expense reimbursements for real estate taxes, insurance and other expenditures are recognized in the period in which the related expenses are incurred.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Charlotte Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of April 30, 2019.

Future minimum base rentals on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 1,890
2012	2,004
2013	2,102
2014	2,165
2015	2,230

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011, the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Goshen Property (the "Property") for the period from January 1, 2010 to August 12, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to August 12, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Goshen Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to August 12, 2010
Revenue	
Rental revenue	\$ 695
Tenant recoveries	144
Total revenue	839
Certain expenses	
Real estate taxes and insurance	144
Certain expenses	144
Revenue in excess of certain expenses	\$ 695

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Goshen Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Goshen Property (the "Property"), is a single tenant industrial property located in Goshen, IN. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to August 13, 2010, the Property was owned by an unaffiliated third party. On August 13, 2010, the Property was acquired by STAG GI Goshen, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from August 13, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. Tenant recoveries representing additional rents from expense reimbursements for real estate taxes and insurance are recognized in the period in which the related expenses are incurred.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Goshen Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of June 30, 2022.

Future minimum base rentals over the next five years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 1,138
2012	1,138
2013	1,138
2014	1,138
2015	1,138

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the O'Fallon Property (the "Property") for the period from January 1, 2010 to July 29, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to July 29, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

O'Fallon Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to July 29, 2010
Revenue	
Rental revenue	\$ 314
Tenant recoveries	—
Total revenue	314
Certain expenses	
Property	4
Real estate taxes and insurance	—
Certain expenses	4
Revenue in excess of certain expenses	<u>\$ 310</u>

The accompanying notes are an integral part to the statement of revenue and certain expenses.

O'Fallon Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The O'Fallon property (the "Property"), is a single tenant industrial property located in O'Fallon, MO. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to July 30, 2010, the Property was owned by an unaffiliated third party. On July 30, 2010, the Property was acquired by STAG GI O'Fallon, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from July 30, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the leases are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$22 for the period from January 1, 2010 to July 29, 2010. Tenant recoveries represent additional rents from expense reimbursements for insurance and real estate taxes are recognized in the period in which the related expenses are incurred.

The tenant makes payments for certain other expenses and these costs, which have been assumed by the tenant under the terms of their respective lease, are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

O'Fallon Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of May 31, 2016.

Future minimum base rentals on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 523
2012	539
2013	552
2014	562
2015	562

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying combined statement of revenue and certain expenses (the "Statement") of the Piscataway and Lopatcong Properties (the "Properties") for the period from January 1, 2010 to December 9, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Properties' revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Properties for the period from January 1, 2010 to December 9, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Piscataway & Lopatcong Properties
Combined Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to December 9, 2010
Revenue	
Rental revenue	\$ 1,613
Total revenue	1,613
Certain expenses	
Certain expenses	—
Revenue in excess of certain expenses	\$ 1,613

The accompanying notes are an integral part to the combined statement of revenue and certain expenses.

Piscataway & Lopatcong Properties

Notes to Combined Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Piscataway & Lopatcong Properties (the "Properties"), are single tenant industrial properties located in Piscataway, NJ and Lopatcong, NJ. The accompanying combined statement of revenue and certain expenses ("Statement") relates to the operations of the Properties.

Prior to December 10, 2010, the Properties were owned by an unaffiliated third party and were under common management. Therefore their results are being presented on a combined basis in the Statement. On December 10, 2010, the Properties were acquired by STAG GI New Jersey, LLC ("GI") and are intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of these properties from December 10, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, are not representative of the actual results of operations of the Properties, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Properties:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Properties.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The tenant makes payments for certain expenses and costs, which have been assumed by the tenant under the terms of their respective lease, and are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Piscataway & Lopatcong Properties**Notes to Combined Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Properties are leased to two tenants under non-cancelable operating leases which have an expiration date of May 30, 2017.

Future minimum base rentals over the next five years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 1,718
2012	1,718
2013	1,718
2014	1,718
2015	1,718

The above future minimum lease payments exclude amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Properties are subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Properties' revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Charlotte II Property (the "Property") for the period from January 1, 2010 to September 29, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to September 29, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Charlotte II Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to September 29, 2010
Revenue	
Rental revenue	\$ 1,635
Tenant recoveries	256
Total revenue	1,891
Certain expenses	
Real estate taxes and insurance	176
Property	80
Certain expenses	256
Revenue in excess of certain expenses	\$ 1,635

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Charlotte II Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Charlotte II Property (the "Property"), is a single tenant industrial property located in Charlotte, NC. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to September 30, 2010, the Property was owned by an unaffiliated third party. On September 30, 2010, the Property was acquired by STAG GI Charlotte II, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from September 30, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment decreased revenue by approximately \$42 for the period from January 1, 2010 to September 29, 2010. Tenant recoveries representing additional rents from expense reimbursements for real estate taxes, insurance and other expenses are recognized in the period in which the related expenses are incurred.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Charlotte II Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of March 31, 2017.

Future minimum base rentals over the next five years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 2,290
2012	2,342
2013	2,395
2014	2,449
2015	2,504

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Madison Property (the "Property") for the period from January 1, 2010 to October 11, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to October 11, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Madison Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to October 11, 2010
Revenue	
Rental revenue	\$ 903
Total revenue	903
Certain expenses	
Certain expenses	—
Revenue in excess of certain expenses	<u>\$ 903</u>

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Madison Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Madison Property (the "Property"), is a single tenant industrial property located in Madison, TN. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to October 12, 2010 the Property was owned by an unaffiliated third party. The Property was acquired by STAG GI Madison, LLC ("GI") on October 12, 2010 and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from October 12, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$24 for the period from January 1, 2010 to October 11, 2010.

The tenant makes payments for certain expenses and costs, which have been assumed by the tenant under the terms of their respective lease, and are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Madison Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of December 22, 2014.

Future minimum base rentals over the next four years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 1,151
2012	1,172
2013	1,173
2014	1,184

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Streetsboro Property (the "Property") for the period from January 1, 2010 to October 27, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to October 27, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Streetsboro Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to October 27, 2010
Revenue	
Rental revenue	\$ 970
Total revenue	970
Certain expenses	
Property	—
Certain expenses	—
Revenue in excess of certain expenses	\$ 970

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Streetsboro Property

Notes to Statement of Revenue and Certain Expenses

(Dollars in thousands)

(1) Organization

The Streetsboro Property (the "Property"), is a single tenant industrial property located in Streetsboro, OH. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to October 28, 2010, the Property was owned by an unaffiliated third party. On October 28, 2010, the Property was acquired by STAG GI Streetsboro, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from October 28, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment decreased revenue by approximately \$2 for the period from January 1, 2010 to October 27, 2010.

The tenant makes payments for certain expenses and costs, which have been assumed by the tenant under the terms of their respective lease, and are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Streetsboro Property

Notes to Statement of Revenue and Certain Expenses (Continued)

(Dollars in thousands)

(3) Description of Leasing Arrangements

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of December 31, 2014.

Future minimum base rentals over the next four years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 1,199
2012	1,216
2013	1,236
2014	1,253

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying combined statement of revenue and certain expenses (the "Statement") of the Rogers and Vonore Properties (the "Properties") for the period from January 1, 2010 to October 25, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Properties' revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Properties for the period from January 1, 2010 to October 25, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Rogers & Vonore Properties
Combined Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to October 25, 2010
Revenue	
Rental revenue	\$ 2,414
Total revenue	2,414
Certain expenses	
Certain expenses	—
Revenue in excess of certain expenses	\$ 2,414

The accompanying notes are an integral part to the combined statement of revenue and certain expenses.

Rogers & Vonore Properties

Notes to Combined Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Rogers and Vonore Properties (the "Properties"), are single tenant industrial properties located in Rogers, MN and Vonore, TN, respectively. The accompanying combined statement of revenue and certain expenses ("Statement") relates to the operations of the Properties.

Prior to October 26, 2010, the Properties were owned by an unaffiliated third party and were under common management. Therefore, their results are being presented on a combined basis in the Statement. On October 26, 2010, the Properties were acquired by STAG GI Rogers, LLC ("GI1") and STAG GI Vonore, LLC ("GI2") and are intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of these properties from October 26, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Properties and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Properties, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Properties:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Properties.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment decreased revenue by approximately \$44 for the period from January 1, 2010 to October 25, 2010. The tenant makes payments for certain expenses and costs, which have been assumed by the tenant under the terms of their respective lease, and are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Rogers & Vonore Properties**Notes to Combined Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Properties are leased to two tenants under non-cancelable operating leases which have expiration dates of June 30, 2014 and October 14, 2016, respectively.

Future minimum base rentals over the next five years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 3,050
2012	3,336
2013	3,426
2014	2,642
2015	1,858

The above future minimum lease payments exclude amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Properties are subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Properties' revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011, the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying combined statement of revenue and certain expenses (the "Statement") of the Salem Properties (the "Properties") for the period from January 1, 2010 to November 3, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Properties' revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Properties for the period from January 1, 2010 to November 3, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Salem Properties
Combined Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to November 3, 2010
Revenue	
Rental revenue	\$ 710
Tenant recoveries	134
Total revenue	844
Certain expenses	
Property	13
Real estate taxes	123
Certain expenses	136
Revenue in excess of certain expenses	\$ 708

The accompanying notes are an integral part to the combined statement of revenue and certain expenses.

Salem Properties

Notes to Combined Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Salem Properties (the "Properties") are two industrial properties located in Salem, OR. The accompanying combined statement of revenue and certain expenses ("Statement") relates to the operations of the Properties.

Prior to November 4, 2010, the Properties were owned by an unaffiliated third party and were under common management. Therefore, their results are being presented on a combined basis in the Statement. On November 4, 2010, the Properties were acquired by STAG GI Salem, LLC ("GI") and are intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of these properties from November 4, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Properties and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Properties, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Properties:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Properties.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$22 for the period from January 1, 2010 to November 3, 2010. Tenant recoveries representing additional rents from expense reimbursements for real estate taxes, insurance and other operating expenses are recognized in the period in which the related expenses are incurred.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Salem Properties**Notes to Combined Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Properties are leased to three tenants under non-cancelable operating leases which have expiration dates of March 31, 2012, February 28, 2014 and December 31, 2014, respectively.

Future minimum base rentals over the next four years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 846
2012	736
2013	710
2014	583

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Properties are subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Properties' revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Walker Property (the "Property") for the period from January 1, 2010 to October 14, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the period from January 1, 2010 to October 14, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2011

Walker Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Period from January 1, 2010 to October 14, 2010
Revenue	
Rental revenue	\$ 560
Tenant recoveries	164
Total revenue	724
Certain expenses	
Property	61
Real estate taxes and insurance	103
Certain expenses	164
Revenue in excess of certain expenses	\$ 560

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Walker Property
Notes to Statement of Revenue and Certain Expenses
(dollars in thousands)

(1) Organization

The Walker Property(the "Property"), is a single tenant industrial property located in Walker, MI. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to October 15, 2010, the Property was owned by an unaffiliated third party. On October 15, 2010, the Property was acquired by STAG GI Walker, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P. The operating results of this property from October 15, 2010 to December 31, 2010 are combined within STAG Contribution Group as they were under common management for this period.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement relates to the Property and has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment decreased revenue by approximately \$43 for the period from January 1, 2010 to October 14, 2010. Tenant recoveries representing additional rents from expense reimbursements for real estate taxes, insurance and other operating expenses are recognized in the period in which the related expenses are incurred.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period in preparing the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Walker Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements**

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of August 31, 2017.

Future minimum base rentals over the next five years on non-cancelable operating leases at December 31, 2010, are as follows:

2011	\$ 704
2012	704
2013	704
2014	704
2015	704

The above future minimum lease payments exclude tenant reimbursements, amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through February 15, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Mooresville Property (the "Property") for the year ended December 31, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the year ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
April 4, 2011

Mooreville Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Year Ended December 31, 2010
Revenue	
Rental revenue	\$ 1,080
Total revenue	1,080
Certain expenses	
Certain expenses	—
Revenue in excess of certain expenses	<u>\$ 1,080</u>

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Mooreville Property

Notes to Statement of Revenue and Certain Expenses

(dollars in thousands)

(1) Organization

The Mooreville Property (the "Property"), is a single tenant industrial properties located in Mooreville, NC. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

Prior to March 1, 2011 the Property was owned by an unaffiliated third party. On March 1, 2011 the Property was acquired by Stag GI Mooreville, LLC ("GI") and is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related lease when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The tenant makes payments for certain expenses and costs, which have been assumed by the tenant under the terms of their respective lease, and are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the year to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(3) Description of Leasing Arrangements

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of May 31, 2021.

Mooreville Property**Notes to Statement of Revenue and Certain Expenses (Continued)****(dollars in thousands)****(3) Description of Leasing Arrangements (Continued)**

Future minimum base rentals over the next five years on the non-cancelable operating lease at December 31, 2010 are as follows:

2011	\$ 1,080
2012	1,080
2013	1,080
2014	1,080
2015	1,080

The above future minimum lease payments exclude amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through April 4, 2011, the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Report of Independent Auditors

To STAG Industrial, Inc.:

We have audited the accompanying statement of revenue and certain expenses (the "Statement") of the Cleveland Property (the "Property") for the year ended December 31, 2010. This Statement is the responsibility of management. Our responsibility is to express an opinion on this Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the registration statement on Form S-11 of STAG Industrial, Inc.), as described in note 2 and is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and certain expenses, as described in note 2, of the Property for the year ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
April 4, 2011

Cleveland Property
Statement of Revenue and Certain Expenses
(dollars in thousands)

	Year Ended December 31, 2010
Revenue	
Rental income	\$ 484
Tenant recoveries	41
Total revenue	525
Certain expenses	
Real estate taxes	41
Certain expenses	41
Revenue in excess of certain expenses	\$ 484

The accompanying notes are an integral part to the statement of revenue and certain expenses.

Cleveland Property
Notes to Statement of Revenue and Certain Expenses
(dollars in thousands)

(1) Organization

The Cleveland Property (the "Property"), is a single tenant industrial properties located in Cleveland, TN. The accompanying statement of revenue and certain expenses ("Statement") relates to the operations of the Property.

For the year presented in the Statement the Property was owned by an unaffiliated third party. The acquisition of the Property by STAG GI Cleveland, LLC ("GI") is considered probable. The Property is intended to be contributed to STAG Industrial Operating Partnership, L.P. in connection with the proposed initial public offering of STAG Industrial, Inc., the majority owner of STAG Industrial Operating Partnership, L.P.

(2) Significant Accounting Policies

(a) Basis of Presentation

The accompanying Statement has been prepared for the purpose of complying with Rule 3-14 of Regulation S-X promulgated under the Securities Act of 1933, as amended, and accordingly, is not representative of the actual results of operations of the Property, due to the exclusion of the following revenue and expenses which may not be comparable to the proposed future operations of the Property:

- Depreciation and amortization
- Interest income and expense
- Amortization of above and below market leases
- Other miscellaneous revenue and expenses not directly related to the proposed future operations of the Property.

(b) Revenue Recognition

Rental revenue is recognized on a straight-line basis over the term of the related leases when collectability is reasonably assured. Differences between rental revenue earned and amounts due under the lease are charged or credited, as applicable, to accrued rental revenue. The impact of the straight-line rent adjustment increased revenue by approximately \$30 for the year ended December 31, 2010. Tenant recoveries represent additional rents from expense reimbursements for real estate taxes and are recognized in the period in which the related expenses are incurred.

The tenant makes payments for certain other expenses and these costs, which have been assumed by the tenant under the terms of their respective lease, are not reflected in the Statement.

(c) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the year to prepare the Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Cleveland Property

Notes to Statement of Revenue and Certain Expenses (Continued)

(dollars in thousands)

(3) Description of Leasing Arrangements

The Property is leased to one tenant under a non-cancelable operating lease which has an expiration date of October 31, 2025.

Future minimum base rentals over the next five years on the non-cancelable operating lease at December 31, 2010 are as follows:

2011	\$ 462
2012	469
2013	476
2014	483
2015	490

The above future minimum lease payments exclude amortization of accrued rental revenue and above/below-market lease intangibles.

(4) Commitments and Contingencies

The Property is subject to legal claims and disputes in the ordinary course of business. Management believes that the ultimate settlement of any existing potential claims and disputes would not have a material impact on the Property's revenue and certain operating expenses.

(5) Subsequent Events

Management has evaluated the events and transactions that have occurred through April 4, 2011 the date which the Statement was available to be issued, and noted no items requiring adjustment of the Statement or additional disclosure.

Until _____, 2011 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

13,750,000 Shares



Common Stock

P R O S P E C T U S

BofA Merrill Lynch

J.P. Morgan

UBS Investment Bank

RBC Capital Markets

Evercore Partners

Keefe, Bruyette & Woods

RBS

, 2011

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. Other Expenses of Issuance and Distribution.

The following table shows the fees and expenses, other than underwriting discounts, to be paid by us in connection with the sale and distribution of the securities being registered hereby. All amounts except the SEC registration fee and the FINRA fee are estimated.

SEC registration fee	\$ 21,390
FINRA filing fee	30,500
NYSE fee	125,000
Legal fees and expenses (including Blue Sky fees)	2,754,000
Accounting fees and expenses	1,580,000
Printing and engraving expenses	300,000
Transfer agent fees and expenses	3,000
Miscellaneous	1,286,110
Total	<u>\$ 6,100,000</u>

* To be filed by amendment.

Item 32. Sales to Special Parties.

See response to Item 33 below.

Item 33. Recent Sales of Unregistered Securities.

On July 21, 2010, we issued 100 shares of common stock to Benjamin S. Butcher in exchange for \$2,000 in cash as its initial capitalization. On July 26, 2010, we issued 10 shares of common stock to Kathryn Arnone in exchange for \$200 in cash. We will repurchase these shares at cost upon completion of this offering. Such issuances were exempt from the requirements of the Securities Act pursuant to Section 4(2) thereof.

In connection with the formation transactions, 7,590,000 common units of limited partnership in our operating partnership with an aggregate value of \$121.4 million, assuming a price per share or unit at the midpoint of the range set forth on the cover page of the prospectus that forms a part of this registration statement, will be issued to certain persons transferring interests in our historical predecessor companies to us in consideration of such transfer. All such persons had a substantive, pre-existing relationship with us. All of such persons are "accredited investors" as defined under Regulation D of the Securities Act. Each such person is a holder of an interest in our predecessor business and we have dealt with such persons throughout the tenure of such person's ownership of interests in our predecessor business. The issuance of such units will be effected in reliance upon an exemption from registration provided by Section 4(2) under the Securities Act in which no general solicitation was undertaken. All such persons were provided with and had access to information about the issuer of these securities including business objectives and historical property and financial information.

Upon the completion of this offering, we are granting an aggregate of 200,441 LTIP units that will be issued to our executive officers and directors under our equity incentive plan. All such persons had a substantive, pre-existing relationship with us. The issuance of such LTIP units will be effected in reliance upon an exemption from registration under Section 4(2) of the Securities Act in which no general solicitation was undertaken. All such persons were provided with and had access to information about the issuer of these securities including business objectives and historical property and financial information.

Item 34. Indemnification of Directors and Officers.

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its shareholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty established by a final judgment and which is material to the cause of action.

Our charter contains such a provision that eliminates directors' and officers' liability to the maximum extent permitted by Maryland law. These limitations of liability do not apply to liabilities arising under the federal securities laws and do not generally affect the availability of equitable remedies such as injunctive relief or rescission.

Our charter also authorizes our company, to the maximum extent permitted by Maryland law, to obligate our company to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at the request of our company, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding.

Our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at the request of our company, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity, from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our charter and bylaws also permit our company to indemnify and advance expenses to any individual who served a predecessor of our company in any of the capacities described above and any employee or agent of our company or a predecessor of our company.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis of that personal benefit was improperly received, unless in either case a court orders indemnification and

then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and
- a written undertaking by him or her on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

We intend to enter into indemnification agreements with our directors and executive officers that will obligate us to indemnify them to the maximum extent permitted by Maryland law.

The indemnification agreements will provide that if a director or executive officer is a party or is threatened to be made a party to any proceeding by reason of such director's or executive officer's status as a director, officer or employee of our company, we must indemnify such director or executive officer for all expenses and liabilities actually and reasonably incurred by him or her, or on his or her behalf, unless it has been established that:

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

The indemnification agreements will also provide that upon application of a director or executive officer of our company to a court of appropriate jurisdiction, the court may order indemnification of such director or executive officer if:

- the court determines the director or executive officer is entitled to indemnification under the applicable section of the MGCL, in which case the director or executive officer shall be entitled to recover from us the expenses of securing such indemnification; or
- the court determines that such director or executive officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director or executive officer has met the standards of conduct set forth in the applicable section of the MGCL; provided, however, that our indemnification obligations to such director or executive officer will be limited to the expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with any proceeding by or in the right of our company or in which the executive officer or director shall have been adjudged liable for receipt of an improper personal benefit under the applicable section of the MGCL.

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

In addition, the indemnification agreements will require us to advance reasonable expenses incurred by the indemnitee within 20 days of the receipt by us of a statement from the indemnitee requesting the advance, provided the statement evidences the expenses and is accompanied by:

- a written affirmation of the indemnitee's good faith belief that he or she has met the standard of conduct necessary for indemnification; and
- a written undertaking by or on behalf of the indemnitee to repay the portion of any expenses advanced to the indemnitee relating to claims, issues or matters in a proceeding if it is ultimately established that the standard of conduct was not met.

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

In addition to the maximum extent permitted by law, our 2011 Equity Incentive Plan provides the members of our board of directors with limited liability with respect to actions taken or decisions made in good faith relating to the plan and indemnification in connection with their activities under the plan.

Insofar as the foregoing provisions permit indemnification of directors, executive officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 35. Treatment of Proceeds From Stock Being Registered.

None of the proceeds will be credited to an account other than the appropriate capital share account.

Item 36. Financial Statements and Exhibits.

- (a) Financial Statements. See page F-1 for an index to the financial statements included in this registration statement.
- (b) Exhibit. The following is a complete list of exhibits filed as part of the registration statement, which are incorporated herein:

Exhibit Number	Description
1.1	Form of Underwriting Agreement*
3.1	Form of Articles of Amendment and Restatement of STAG Industrial, Inc.**
3.2	Form of Bylaws of STAG Industrial, Inc.**
4.1	Form of Common Stock Certificate of STAG Industrial, Inc.**
5.1	Opinion of DLA Piper LLP (US) relating to the legality of the securities being registered (including consent of such firm)*
8.1	Opinion of DLA Piper LLP (US) regarding tax matters (including consent of such firm)*
10.1	Form of Amended and Restated Agreement of Limited Partnership of STAG Industrial Operating Partnership, L.P.**
10.2	2011 Equity Incentive Plan
10.3	Form of LTIP Unit Agreement
10.4	Form of Employment Agreement with Mr. Butcher
10.5	Form of Employment Agreement with Mr. Sullivan

Exhibit Number	Description
10.6	Form of Employment Agreement with Mr. Mecke
10.7	Form of Employment Agreement with Ms. Arnone
10.8	Form of Employment Agreement with Mr. King
10.9	Form of Indemnification Agreement between STAG Industrial, Inc. and its directors and officers**
10.10	Form of Registration Rights Agreement**
10.11	Form of Voting Agreement**
10.12	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., and STAG Investments III, LLC
10.13	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., and STAG Investments IV, LLC
10.14	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., Net Lease Aggregation Funds, LLC, Innovative Promotions LLC, Gregory W. Sullivan and Roseview Capital Partners LLC
10.15	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., BSB STAG III, LLC, STAG III Employees, LLC, Benjamin S. Butcher, NED STAG III Residual LLC, Gregory W. Sullivan and Roseview Capital Partners LLC
10.16	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P. and STAG GI Investments, LLC
10.17	Form of Purchase Option Agreement by STAG Investments III, LLC in favor of STAG Industrial Operating Partnership, L.P.
10.18	Loan Agreement dated as of August 11, 2006 by and among affiliates of STAG Investments III, LLC, Anglo Irish Bank Corporation Limited and certain other lenders party thereto, as amended by that certain Joinder to Loan Agreement, Modification to Senior Loan Agreement and Third Modification to Bridge Loan Agreement dated December 20, 2007, as amended by that certain Joinder to Loan Agreement, Second Modification to Senior Loan Agreement and Fourth Modification to Bridge Loan Agreement dated February 12, 2008, as amended by that certain Third Modification to Senior Loan Agreement, Eighth Modification to Bridge Loan Agreement and Agreement to Release Properties dated July 28, 2008, as further amended by that certain Fourth Modification to Senior Loan Agreement dated as of January 31, 2009**
10.19	Master Loan Agreement, dated as of July 9, 2010, by and among STAG GI Investments Holdings, LLC and Connecticut General Life Insurance Company**
10.20	Form of Services Agreement between STAG Industrial Management, LLC and STAG Manager II, LLC**
10.21	Form of Services Agreement between STAG Industrial Management, LLC and STAG Manager III, LLC**
10.22	Form of Services Agreement between STAG Industrial Management, LLC and STAG Manager IV, LLC**
10.23	Form of Fifth Modification to Senior Loan Agreement by and among affiliates of STAG Investments III, LLC and Anglo Irish Bank Corporation Limited

Exhibit Number	Description
10.24	Form of Credit Agreement by and among STAG Industrial Operating Partnership, L.P., STAG Industrial, Inc., Bank of America, N.A. and the other lenders party thereto and Banc of America Securities LLC as lead arranger**
21.1	Subsidiaries of STAG Industrial, Inc.
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of DLA Piper LLP (US) (included in Exhibits 5.1 and 8.1)*
23.3	Consent of CB Richard Ellis—Econometric Advisors**
99.1	Consent of F. Alexander Fraser**
99.2	Consent of Jeffrey D. Furber**
99.3	Consent of Larry T. Guillemette**
99.4	Consent of Francis X. Jacoby III**
99.5	Consent of Edward F. Lange, Jr.**
99.6	Consent of Hans S. Weger**

* To be filed by amendment.

** Previously filed.

Item 37. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

- (i) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this Amendment No. 5 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Boston, Commonwealth of Massachusetts, on the 4th day of April, 2011.

STAG Industrial, Inc.

By: /s/ BENJAMIN S. BUTCHER
Name: Benjamin S. Butcher
Title: *Chairman, Chief Executive Officer and President*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ BENJAMIN S. BUTCHER</u> Name: Benjamin S. Butcher	Chairman, Chief Executive Officer and President	April 4, 2011
<u>/s/ GREGORY W. SULLIVAN</u> Name: Gregory W. Sullivan	Chief Financial Officer, Executive Vice President and Treasurer (principal financial and accounting officer)	April 4, 2011

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement*
3.1	Form of Articles of Amendment and Restatement of STAG Industrial, Inc.**
3.2	Form of Bylaws of STAG Industrial, Inc.**
4.1	Form of Common Stock Certificate of STAG Industrial, Inc.**
5.1	Opinion of DLA Piper LLP (US) relating to the legality of the securities being registered (including consent of such firm)*
8.1	Opinion of DLA Piper LLP (US) regarding tax matters (including consent of such firm)*
10.1	Form of Amended and Restated Agreement of Limited Partnership of STAG Industrial Operating Partnership, L.P.**
10.2	2011 Equity Incentive Plan
10.3	Form of LTIP Unit Agreement
10.4	Form of Employment Agreement with Mr. Butcher
10.5	Form of Employment Agreement with Mr. Sullivan
10.6	Form of Employment Agreement with Mr. Mecke
10.7	Form of Employment Agreement with Ms. Arnone
10.8	Form of Employment Agreement with Mr. King
10.9	Form of Indemnification Agreement between STAG Industrial, Inc. and its directors and officers**
10.10	Form of Registration Rights Agreement**
10.11	Form of Voting Agreement**
10.12	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., and STAG Investments III, LLC
10.13	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., and STAG Investments IV, LLC
10.14	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., Net Lease Aggregation Funds, LLC, Innovative Promotions LLC, Gregory W. Sullivan and Roseview Capital Partners LLC
10.15	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P., BSB STAG III, LLC, STAG III Employees, LLC, Benjamin S. Butcher, NED STAG III Residual LLC, Gregory W. Sullivan and Roseview Capital Partners LLC
10.16	Contribution Agreement, by and among STAG Industrial, Inc., STAG Industrial Operating Partnership, L.P. and STAG GI Investments, LLC
10.17	Form of Purchase Option Agreement by STAG Investments III, LLC in favor of STAG Industrial Operating Partnership, L.P.

Exhibit Number	Description
10.18	Loan Agreement dated as of August 11, 2006 by and among affiliates of STAG Investments III, LLC, Anglo Irish Bank Corporation Limited and certain other lenders party thereto, as amended by that certain Joinder to Loan Agreement, Modification to Senior Loan Agreement and Third Modification to Bridge Loan Agreement dated December 20, 2007, as amended by that certain Joinder to Loan Agreement, Second Modification to Senior Loan Agreement and Fourth Modification to Bridge Loan Agreement dated February 12, 2008, as amended by that certain Third Modification to Senior Loan Agreement, Eighth Modification to Bridge Loan Agreement and Agreement to Release Properties dated July 28, 2008, as further amended by that certain Fourth Modification to Senior Loan Agreement dated as of January 31, 2009**
10.19	Master Loan Agreement, dated as of July 9, 2010, by and among STAG GI Investments Holdings, LLC and Connecticut General Life Insurance Company**
10.20	Form of Services Agreement between STAG Industrial Management, LLC and STAG Manager II, LLC**
10.21	Form of Services Agreement between STAG Industrial Management, LLC and STAG Manager III, LLC**
10.22	Form of Services Agreement between STAG Industrial Management LLC and STAG Manager, LLC**
10.23	Form of Fifth Modification to Senior Loan Agreement by and among affiliates of STAG Investments III, LLC and Anglo Irish Bank Corporation Limited
10.24	Form of Credit Agreement by and among STAG Industrial Operating Partnership, L.P., STAG Industrial, Inc., Bank of America, N.A. and the other lenders party thereto and Merrill Lynch, Pierce, Fenner and Smith Incorporated as lead arranger**
21.1	Subsidiaries of STAG Industrial, Inc.
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of DLA Piper LLP (US) (included in Exhibits 5.1 and 8.1)*
23.3	Consent of CB Richard Ellis—Econometric Advisors**
99.1	Consent of F. Alexander Fraser**
99.2	Consent of Jeffrey D. Furber**
99.3	Consent of Larry T. Guillemette**
99.4	Consent of Francis X. Jacoby III**
99.5	Consent of Edward F. Lange, Jr.**
99.6	Consent of Hans S. Weger**

* To be filed by amendment.

** Previously filed.

**STAG INDUSTRIAL, INC.
2011 EQUITY INCENTIVE PLAN**

1. Establishment, Purpose and Types of Awards

STAG Industrial, Inc. (the “*Company*”) hereby establishes the STAG Industrial, Inc. 2011 Equity Incentive Plan (the “*Plan*”). The purpose of the Plan is to promote the long-term growth and profitability of the Company and its Affiliates by (i) providing key people with incentives to improve shareholder value and to contribute to the growth and financial success of the Company and its Affiliates through their future services, and (ii) enabling the Company and its Affiliates to attract, retain and reward the best-available persons.

The Plan permits the granting of stock options (including incentive stock options qualifying under Code section 422 and nonstatutory stock options), stock appreciation rights, restricted or unrestricted stock awards, performance awards and other stock-based awards in the Company, or any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) “*Administrator*” means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan as provided in Section 3 hereof.

(b) “*Affiliate*” means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships). For this purpose, “*control*” shall mean ownership of 50% or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) “*Award*” means with respect to the Company, any stock option, stock appreciation right, stock award, restricted stock unit, performance award, or other stock-based award (including an LTIP Unit).

(d) “*Board*” means the Board of Directors of the Company.

(e) “*Change in Control*” means: (i) the acquisition in one or more transactions by any Person, as defined in this Section 2(e), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 50% or more of (A) the then outstanding shares of Common Stock, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors; (ii) the closing of a sale or other conveyance of all or substantially all of the assets of the Company other than a sale or other conveyance by the Company to an entity at least 50% of the combined voting power of the voting securities of which are owned by the stockholders of the Company in substantially the same proportion as their ownership of the Common Stock immediately prior to such sale or other conveyance; (iii) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company or a direct or indirect subsidiary of the Company that results in the voting securities of the Company outstanding immediately prior to such transaction representing (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) less than 50% of the combined voting power of the securities of the surviving entity or its parent outstanding

immediately after such transaction; (iv) during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director or directors (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in clause (i), (ii) or (iii)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or (v) approval by the stockholders of the Company of the liquidation or dissolution of the Company; provided, however, that for purposes of any Award or subplan that constitutes a "nonqualified deferred compensation plan," within the meaning of Code section 409A, the Administrator, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code section 409A. For purposes of this Section 2(e), a "Person" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than: employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company; an underwriter of the Common Stock in a registered public offering; or any entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Common Stock.

(f) "Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(g) "Common Stock" means shares of common stock of the Company.

(h) "Fair Market Value" means, with respect to a share of the Company's Common Stock for any purpose on a particular date, the value determined by the Administrator in good faith. However, if the Common Stock is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended, and listed for trading on a national exchange or market, "Fair Market Value" means, as applicable, (i) either the closing price or the average of the high and low sale price on the relevant date, as determined in the Administrator's discretion, quoted on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market, or the Nasdaq Global Market; (ii) the last sale price on the relevant date quoted on the Nasdaq Capital Market; (iii) the average of the high bid and low asked prices on the relevant date quoted on the Nasdaq OTC Bulletin Board Service or by the National Quotation Bureau, Inc. or a comparable service as determined in the Administrator's discretion; or (iv) if the Common Stock is not quoted by any of the above, the average of the closing bid and asked prices on the relevant date furnished by a professional market maker for the Common Stock, or by such other source, selected by the Administrator. If no public trading of the Common Stock occurs on the relevant date but the shares are so listed, then Fair Market Value shall be determined as of the last date before the relevant date on which trading of the Common Stock did occur. For all purposes under this Plan, the term "relevant date" as used in this Section 2(h) means either the date as of which Fair Market Value is to be determined or the next preceding date on which public trading of the Common Stock occurs, as determined in the Administrator's discretion.

(i) "Grant Agreement" means a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

(j) "IPO" means the consummation of the first fully underwritten, firm commitment public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Common Stock shall be publicly held.

(k) “*LTIP Unit*” means an LTIP Unit as defined in the Partnership’s partnership agreement. An LTIP Unit granted under this Plan represents the right to receive the benefits, payments or other rights set forth in that partnership agreement, subject to the terms and conditions of the applicable Grant Agreement and the partnership agreement.

(l) “*Partnership*” means STAG Industrial Operating Partnership, L.P.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable state law, the Board by resolution may authorize an officer or officers to grant Awards (other than stock Awards) to other officers and employees of the Company and its Affiliates (including the Partnership), and, to the extent of such authorization, such officer or officers shall be the Administrator.

(b) *Powers of the Administrator.* The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (i) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate; (v) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (provided however, that, except as provided in Section 6 or 7(d) of the Plan, any modification that would materially adversely affect any outstanding Award (e.g., an extension of the vesting period) shall not be made without the consent of the holder); (vi) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award; (vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a performance period; and (viii) for any purpose, including but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued thereunder, to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable, and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

Notwithstanding any provision of the Plan to the contrary, neither the Board nor the Administrator shall have the authority to take any of the following actions, unless the shareholders of the Company have approved such an action within twelve (12) months prior to such an event: (i) the reduction of the exercise price of any outstanding stock option or Stock Appreciation Right under the

Plan; (ii) the cancellation of any outstanding stock option or Stock Appreciation Right under the Plan and the grant in substitution therefor of (1) a new stock option or Stock Appreciation Right under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (2) a restricted stock Award (including a share bonus), (3) an other stock-based Award, (4) a restricted stock unit, (5) a performance award, (6) cash and/or (7) other valuable consideration (as determined by the Board, in its sole discretion); or (iii) any other action that is treated as a repricing under generally accepted accounting principles.

(c) *Non-Uniform Determinations* . The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Administrator selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability*. To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification* . To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Administrator's Decision* . All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company and the Partnership, the Company's shareholders, the Partnership's members, any participants in the Plan and any other employee, consultant, or director of the Company or the Partnership, and their respective successors in interest.

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(c) of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan, in the aggregate, shall not exceed 7.5% of the issued and outstanding shares of Common Stock as of the later of the date of the IPO or the last closing date of any shares of Common Stock sold solely to cover overallocments in connection with the IPO (on a fully diluted basis (assuming, if applicable, the exercise of all outstanding options, the conversion of all warrants and convertible securities into shares of Common Stock and the exchange of all interests in the Partnership that may be convertible into shares of Common Stock) and including shares of Common Stock solely to cover overallocments, but excluding any shares of Common Stock issued or issuable under the Plan). 1,300,000 shares of Common Stock may be issued as incentive stock options to qualify under Code section 422. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Section 7(c) of the Plan. The issuance of any share of Common Stock shall result in a reduction of the number of shares of Common Stock available for Awards. Awards that are LTIP Units shall reduce the maximum aggregate number of shares of Common Stock that may be issued under this Plan on a one-for-one basis, i.e. , each such unit shall be treated as an award of shares of Common Stock. If any Award, or portion of an Award, granted under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of shares of Common Stock, or is forfeited or otherwise terminated, surrendered or canceled, then any

shares of Common Stock and any LTIP Units covered by such lapsed, cancelled, expired, unexercised or cash-settled portion of such Award shall be available for the grant of other Awards under this plan.

Subject to adjustments as provided in Section 7(c) of the Plan, the maximum number of shares of Common Stock subject to Awards in the form of stock options and/or Stock Appreciation Rights that may be granted during any one fiscal year of the Company to any one individual under this Plan shall be limited to 500,000 shares. Subject to adjustments as provided in Section 7(c) of the Plan, the maximum number of performance awards that may be granted to any individual shall, with respect to Awards representing the right to receive shares of Common Stock, not to exceed 500,000 shares in any one fiscal year of the Company, and with respect to performance awards payable in cash, not to exceed \$2,000,000 in any one fiscal year of the Company. Such per-individual limits shall not be adjusted to effect a restoration of shares of Common Stock with respect to which the related Award is terminated, surrendered or canceled.

Upon the exercise of any Award granted in tandem with any other Award, the related Award will be cancelled to the extent as to which the Award is exercised and, notwithstanding anything in this Plan to the contrary, that number of shares of Common Stock will no longer be available for grant.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing *bona fide* services to or for, the Company, or of any Affiliate of the Company (including the Partnership), as may be selected by the Administrator from time to time. The Administrator may also grant Awards to individuals in connection with hiring, retention or otherwise, prior to the date the individual first performs services for the Company or an Affiliate (including the Partnership), provided that such Awards shall not become vested or exercisable, and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

6. Awards

The Administrator, in its sole discretion, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards, concurrently with or with respect to outstanding Awards. All Awards are subject to the terms and conditions provided in the Grant Agreement.

(a) *Stock Options.* The Administrator may from time to time grant to eligible participants Awards of incentive stock options as that term is defined in Code section 422 or nonstatutory stock options; provided, however, that Awards of incentive stock options shall be limited to employees of the Company or of any current or hereafter existing “parent corporation” or “subsidiary corporation,” as defined in Code sections 424(e) and (f), respectively, of the Company and any other individuals who are eligible to receive incentive stock options under the provisions of Code section 422. Options shall have an exercise price at least equal to Fair Market Value as of the date of grant. No stock option shall be an incentive stock option unless so designated by the Administrator at the time of grant or in the Grant Agreement evidencing such stock option. No option shall have a term longer than ten (10) years duration.

(b) *Stock Appreciation Rights.* The Administrator may from time to time grant to eligible participants Awards of Stock Appreciation Rights (“SAR”). A SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of

Common Stock over (B) the base price per share specified in the Grant Agreement, times (ii) the number of shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the Fair Market Value on the grant date. No SAR shall have a term longer than ten years' duration. Payment by the Company of the amount receivable upon any exercise of a SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator or as specified in the Grant Agreement. If upon settlement of the exercise of a SAR a grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(c) *Stock Awards.* The Administrator may from time to time grant restricted or unrestricted stock Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. A stock Award may be paid in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator.

(d) *Restricted Stock Units.* The Administrator may from time to time grant Awards to eligible participants denominated in stock-equivalent units ("*Restricted Stock Units*") in such amounts and on such terms and conditions as it shall determine. Restricted Stock Units granted to a participant shall represent the right at a future date to be settled in Common Stock, in cash or in a combination of the two. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a shareholder with respect to any shares of Common Stock represented by a Restricted Stock Unit until such Restricted Stock Unit is settled.

(e) *Performance Awards.* The Administrator may, in its discretion, grant performance awards which become payable on account of attainment of one or more performance goals established by the Administrator. Performance awards may be paid by the delivery of Common Stock or cash, as determined in the sole discretion of the Administrator. Notwithstanding anything to the contrary herein, certain awards granted under this Section 6(e) may be granted in a manner which is intended to be deductible by the Company under Section 162(m) of the Code (or any successor section thereto) ("*Performance-Based Awards*"). A participant's Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Administrator for a performance period established by the Administrator (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per share; (v) book value per share; (vi) return on shareholders' equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) revenues or sales; (xiv) costs; (xv) cash flow, funds from operations or similar measure; and (xvi) return on assets. The foregoing criteria may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to prior years for the Company, one or more peer group companies or indices, or any combination thereof, all as the Administrator shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The Administrator shall determine whether,

with respect to a performance period, the applicable performance goals have been met with respect to a given participant and, if they have, shall so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Administrator. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Administrator. The amount of the Performance-Based Award determined by the Administrator for a performance period shall be paid to the participant at such time as determined by the Administrator in its sole discretion after the end of such performance period; provided, however, that a participant may, if and to the extent permitted by the Board and consistent with the provisions of Sections 162(m) and 409A of the Code, elect to defer payment of a Performance-Based Award.

(f) *Other Stock-Based Awards.* The Administrator may from time to time grant other stock-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock (including LTIP Units), or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Administrator; provided, however, that the grant of the LTIP Units must satisfy the requirements of the partnership agreement of the Partnership as in effect on the date of the grant.

7. Miscellaneous

(a) *Withholding of Taxes.* Grantees and holders of Awards shall pay to the Company or its Affiliate (including the Partnership), or make provision satisfactory to the Administrator for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or its Affiliate may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or its Affiliate of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Transferability.* Except as otherwise determined by the Administrator, and in any event in the case of an incentive stock option or a stock appreciation right granted with respect to an incentive stock option, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Administrator in accord with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(c) *Adjustments for Corporate Transactions and Other Events.*

(i) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan and the maximum number of shares with respect to which Awards may be granted during any one fiscal year of the Company to any individual, as provided in Section 4 of the Plan, and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the

Board, be adjusted to reflect such event. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.

(ii) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(c)(i), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Administrator, in its discretion and without the consent of the holders of the Awards, may make (A) appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, in the aggregate and with respect to any individual during any one fiscal year of the Company, as provided in Section 4 of the Plan; and (B) any adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards.

(iii) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding stock options and other Awards that are payable in or convertible into Common Stock under this Plan will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of the equivalent awards, as determined in the sole discretion of the Administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, (A) the outstanding stock options and other Awards that will terminate upon the effective time of the Change in Control shall become fully vested immediately before the effective time of the Change in Control, and (B) the holders of stock options and other Awards under the Plan will be permitted, immediately before the Change in Control, to exercise or convert all portions of such stock options or other Awards under the Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the Change in Control.

(iv) *Unusual or Nonrecurring Events.* The Administrator is authorized to make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate (including the Partnership), or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate (including the Partnership), as the result of a merger or consolidation of the employing entity with the Company or an Affiliate (including the Partnership), or the acquisition by the Company or an Affiliate (including the Partnership), of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Termination, Amendment and Modification of the Plan .* The Board may terminate, amend or modify the Plan or any portion thereof at any time subject to stockholder approval as required by applicable law or applicable stock exchange listing rules. Except as otherwise determined by the

Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(f) *Non-Guarantee of Employment or Service* . Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company, an Affiliate or the Partnership and shall not interfere in any way with the right of the Company, its Affiliates or the Partnership to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(g) *No Trust or Fund Created* . Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, its Affiliates or the Partnership and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor.

(h) *Forfeiture Events*.

(i) A Grant Agreement may specify that the participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of service for cause or any act by a participant, whether before or after termination of service, that would constitute cause for termination of service.

(ii) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company for (i) the amount of any payment in settlement of an Award received by such participant during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement, and (ii) any profits realized by such participant from the sale of securities of the Company during such twelve- (12-) month period. In addition, Grant Agreements shall contain such other claw back or recoupment policies as may be required by applicable law or Company or Affiliate (including the Partnership) policies.

(i) *Governing Law* . Except to the extent otherwise specified in the Grant Agreement, the validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the Commonwealth of Massachusetts, without regard to its conflict of laws principles.

(j) *409A Savings Clause* . The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Code section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted, and construed in a manner consistent with Code section 409A

to the extent necessary to avoid the imposition of additional taxes under Code section 409A(a)(1)(B). Should any provision of the Plan, any Grant Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Code section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent, that such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

(k) *Effective Date; Termination Date* . The Plan is effective as of the date on which the Plan is adopted by the Board, subject to approval of the shareholders within twelve months before or after such date. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan, or if earlier, the tenth anniversary of the date this Plan is approved by the shareholders. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

PLAN APPROVAL

Date Approved by the Board: April 1, 2011

Date Approved by the Shareholders: April 1, 2011

LTIP UNIT AGREEMENT

Under the STAG Industrial, Inc. 2011 Equity Incentive Plan (Officers and Employees)

Name of Grantee:

No. of LTIP Units:

Grant Date: , 2011

Final Acceptance Date: , 2011

Pursuant to the STAG Industrial, Inc. 2011 Equity Incentive Plan as amended through the date hereof (the “Plan”) and the Amended and Restated Agreement of Limited Partnership, dated as of , 2011, as amended through the date hereof (the “Partnership Agreement”), of STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Partnership”), STAG Industrial, Inc., a Maryland corporation and the indirect general partner of the Partnership (the “Company”), for the provision of services to or for the benefit of the Partnership in a partner capacity or in anticipation of being a partner, hereby grants to the Grantee named above an Other Equity-Based Award (an “Award”) in the form of, and by causing the Partnership to issue to the Grantee named above, LTIP Units (as defined in the Partnership Agreement). Upon acceptance of this LTIP Unit Agreement (this “Agreement”), the Grantee shall receive, effective as of the Grant Date, the number of LTIP Units specified above, subject to the restrictions and conditions set forth herein and in the Partnership Agreement. Unless defined in this agreement, capitalized terms shall have the meaning given to them in the Partnership Agreement.

1. Acceptance of Agreement. The Grantee shall have no rights with respect to this Agreement unless he or she shall have accepted this Agreement prior to the close of business on the Final Acceptance Date specified above by (i) signing and delivering to the Partnership a copy of this Agreement and (ii) unless the Grantee is already a Limited Partner (as defined in the Partnership Agreement), signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached hereto as Exhibit A). Upon acceptance of this Agreement by the Grantee, the Partnership Agreement shall be amended to reflect the issuance to the Grantee of the LTIP Units so accepted, effective as of the Grant Date. Thereupon, the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of LTIP Units specified above, as set forth in the Partnership Agreement, subject, however, to the restrictions and conditions specified in Section 2 below.

2. Restrictions and Conditions.

(a) The records of the Partnership evidencing the LTIP Units granted herein shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such LTIP Units are subject to restrictions as set forth herein and in the Partnership Agreement.

(b) LTIP Units granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to the expiration of the forfeiture period applicable to such LTIP Units, and thereafter, only to the extent permitted by the Partnership Agreement.

(c) Subject to the terms of the Grantee's employment agreement, if any, if the Grantee's employment with the Company and its subsidiaries is voluntarily or involuntarily terminated for any reason prior to the end of the forfeiture period for the LTIP Units granted herein, the Partnership shall cause the forfeitable LTIP Units to be forfeited by the Grantee or the Grantee's legal representative. The Partnership shall provide written notice of the forfeiture to the Grantee or the Grantee's legal representative not later than 90 days following such termination of employment. The parties agree that any forfeited LTIP Units shall represent liquidated damages resulting from the event causing the forfeiture. Notwithstanding the provisions of this Section 2(c), in the event that the Grantee ceases for any reason to be employed by the Company and its affiliates but remains a director of the Company or is engaged within 10 days of such Grantee's termination as a consultant or other service provider to the Company or the Partnership pursuant to a written agreement, then the forfeiture periods on such Grantee's LTIP Units shall continue to expire, uninterrupted, pursuant to Section 3 below until such time as Grantee is no longer a director of the Company or engaged as a consultant or other service provider to the Company or the Partnership at which time all remaining forfeitable LTIP Units shall be forfeited by such Grantee.

3. Expiration of Forfeiture Period. The restrictions and conditions in Section 2 of this Agreement shall expire at the end of the forfeiture period specified in the following schedule, so long as the Grantee remains an employee of the Company or a subsidiary of the Company, or as provided in Section 2(c) above, from the Grant Date until the end of such forfeiture period. If a series of dates is specified, then the restrictions and conditions in Section 2 shall expire only with respect to the percentage of LTIP Units accepted by the Grantee hereunder for which the expiration of the applicable forfeiture period applies.

Fraction of LTIP Units	End of Forfeiture Period
1/20	June 30, 2011
1/20	September 30, 2011
1/20	December 31, 2011
1/20	March 31, 2012
1/20	June 30, 2012
1/20	September 30, 2012
1/20	December 31, 2012
1/20	March 31, 2013
1/20	June 30, 2013
1/20	September 30, 2013
1/20	December 31, 2013
1/20	March 31, 2014
1/20	June 30, 2014
1/20	September 30, 2014
1/20	December 31, 2014
1/20	March 31, 2015
1/20	June 30, 2015
1/20	September 30, 2015
1/20	December 31, 2015
1/20	March 31, 2016

Subsequent to the expiration of the applicable forfeiture period, the LTIP Units on which all restrictions and conditions have expired shall no longer be deemed restricted.

4. **Acceleration of Forfeiture Period in Special Circumstances**. If (i) the Grantee's employment with the Company and its subsidiaries ceases by reason of death or incapacity due to physical or mental illness or disability or (ii) a Change in Control (as defined in Section 2(e) of the Plan) occurs, any restrictions and conditions imposed by Section 2 above on all LTIP Units subject to this Award shall be deemed waived by the Compensation Committee and the forfeiture period for all LTIP Units granted hereby shall automatically terminate and be deemed to have expired for all purposes.

5. **Distributions**. Distributions on the LTIP Units shall be paid currently to the Grantee in accordance with the terms of the Partnership Agreement.

6. **Incorporation of Plan**. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan. Capitalized terms used in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

7. **Covenants**. The Grantee hereby covenants as follows:

(a) So long as the Grantee holds any LTIP Units, the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(b) The Grantee hereby agrees to make an election under Section 83(b) of the Code with respect to the LTIP Units awarded hereunder, and has delivered with this Agreement a completed, executed copy of the election form attached hereto as Exhibit B. The Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the Grant Date with the IRS Service Center at which such Grantee files his or her personal income tax returns, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which the LTIP Units are awarded to the Grantee.

(c) The Grantee hereby agrees not to dispose of the LTIP Units subject to this Award within two years of receipt of such LTIP Units. The Partnership and the Grantee hereby agree to treat the Grantee as the owner of the LTIP Units from the Grant Date. The Grantee hereby agrees to take into account the distributive share of Partnership income, gain, loss, deduction, and credit associated with the LTIP Units in computing the Grantee's income tax liability for the entire period during which the Grantee has the LTIP Units.

(d) The Grantee hereby recognizes that the IRS has proposed regulations under Sections 83 and 704 of the Code that may affect the proper treatment of the LTIP Units for federal tax purposes. In the event that those proposed regulations are finalized, the Grantee hereby agrees to cooperate with the Partnership in amending this Agreement and the Partnership Agreement, and to take such other action as may be required, to conform to such regulations.

(e) Grantee has read the Partnership Agreement, and has had his or her tax advisors review it or has waived the right to do so.

8. **Transferability**. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

9. **Amendment**. The Grantee acknowledges that the Plan may be amended or terminated in accordance with Section 7(e) thereof and that this Agreement may be amended or canceled by the Compensation Committee, on behalf of the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, provided that no such action shall adversely affect (i) LTIP Units, for which the applicable forfeiture period has expired, so that the LTIP Units are no longer be deemed restricted and are not subject to forfeiture or (ii) the Grantee's rights under this Agreement without the Grantee's written consent.

10. **No Obligation to Continue Employment; Services Provided to the Partnership**. (a) Neither the Company nor any affiliate of the Company is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any affiliate of the Company to terminate the employment of the Grantee at any time.

(b) The Company and the Partnership shall permit the Grantee to render services to the Partnership in his or her capacity as a partner of the Partnership as consideration for the grant of a compensatory interest in the future profits of the Partnership in the form of the LTIP Units granted to Grantee hereunder (which providing of services to the Partnership shall be authorized by Grantee's employment agreement with the Company).

11. **Notices**. Notices hereunder shall be mailed or delivered to the Partnership at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Partnership or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

12. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles. The parties agree that any action or proceeding arising directly, indirectly or otherwise in connection with, out of, related to or from this Agreement, any breach hereof or any action covered hereby, shall be resolved within the Commonwealth of Massachusetts and the parties hereto consent and submit to the jurisdiction of the federal and state courts located within Suffolk County, Massachusetts. The parties hereto further agree that any such action or proceeding brought by either party to enforce any right, assert any claim, obtain any relief whatsoever in connection with this Agreement shall be brought by such party exclusively in federal or state courts located within Suffolk County, Massachusetts.

[Remainder of page left blank intentionally]

STAG INDUSTRIAL, INC., a Maryland corporation

By:

Name:

Title:

Date:

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.,

a Delaware limited partnership

By:

STAG Industrial GP, LLC, Inc., a Delaware limited liability company, its
general partner

By:

STAG Industrial, Inc., a Maryland corporation, its member

By:

Name:

Title:

Date:

The foregoing agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the Grantee.

Date: _____

Grantee's Signature

Grantee's name and address:

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

Limited Partner Signature Page

The Grantee, desiring to become a Limited Partner of STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Partnership”), hereby becomes a party to the Amended and Restated Agreement of Limited Partnership, as amended and in effect from time to time (the “Partnership Agreement”), to which STAG Industrial GP, LLC, a Delaware limited liability company, is a party as the general partner and to which STAG Industrial, Inc., a Maryland corporation, and certain other persons are parties as limited partners. The Grantee hereby agrees to all of the provisions of the Partnership Agreement and agrees that this signature page may be attached to any counterpart copy of the Partnership Agreement.

Signature Line for Limited Partner:

Name:

Title:

Address:

Effective Date:

**ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF
TRANSFER OF PROPERTY PURSUANT TO SECTION 83(B)
OF THE INTERNAL REVENUE CODE**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the undersigned are:

Name: (the “Taxpayer”)

Address:

Social Security No./Taxpayer Identification No.:

2. Description of the property with respect to which the election is being made:

The election is being made with respect to LTIP Units in STAG Industrial Operating Partnership, L.P. (the “Partnership”). The LTIP units represent an interest in future profits of such entity received for services rendered to such entity in a partner capacity.

3. The date on which the LTIP Units were transferred is , 20 . The taxable year to which this election relates is calendar year 20 .

4. Nature of restrictions to which the LTIP Units are subject:

(a) Until the LTIP Units vest, the Taxpayer may not transfer in any manner any portion of the LTIP Units, and the Taxpayer may not dispose of the LTIP Units within two years of receipt of such LTIP Units.

(b) The LTIP Units are subject to time-based vesting. The Taxpayer will vest in 1/20 of the LTIP Units on June 30, 2011, and 1/20 of the LTIP Units will vest and become nonforfeitable every quarter thereafter, such that 100% of the LTIP Units will be vested and nonforfeitable on March 31, 2016, provided that the Taxpayer remains an employee of STAG Industrial, Inc., Inc. (the “Company”) or its subsidiaries through such dates, subject to acceleration in the event of certain extraordinary transactions or circumstances. Unvested LTIP Units are subject to forfeiture in the event of failure to vest based on the passage of time and continued employment with the Company or its subsidiaries.

5. The fair market value at the time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the LTIP Units with respect to which this election is being made was \$0 per LTIP Unit.

6. The amount paid by the Taxpayer for the LTIP Units was zero per LTIP Unit.
7. A copy of this statement has been furnished to the Partnership and to the sole member of its general partner, STAG Industrial, Inc.

Dated:

Name:

B-2

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (“Agreement”) is made effective as of April , 2011 (“Effective Date”), by and among **STAG INDUSTRIAL, INC.**, a Maryland corporation (“Company”), **STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.** (“Partnership”), a Delaware limited partnership, and **BENJAMIN S. BUTCHER** (“Executive”) to reaffirm and amend the terms and conditions of Executive’s employment.

The parties agree as follows:

1. **Employment**. Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.
 2. **Duties**.
 - 2.1 **Position**. Executive is employed on a full-time basis as Chief Executive Officer and President, shall report directly to the Board of Directors of the Company (the “Board of Directors”), and shall have the duties and responsibilities commensurate with such positions as shall be reasonably and in good faith determined from time to time by the Board of Directors, including such duties and responsibilities with respect to the Company, the Partnership and/or a subsidiary of either (collectively, “Employer”).
 - 2.2 **Duties**. Executive shall: (i) abide by all applicable federal, state and local laws, regulations and ordinances, and (ii) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of the Employer; provided, that, notwithstanding the foregoing, Executive may (w) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, (x) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer’s Business (as defined in Section 8), provided that such service is expressly approved in advance by the Board of Directors, (y) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association, and (z) serve as director, officer or any other capacity in which Executive is currently serving with respect to STAG Investments II, LLC, STAG Investments III, LLC, STAG Investments IV, LLC and STAG GI Investments, LLC (collectively, “Funds”); provided that all such other activities do not materially interfere with the performance of the Executive’s duties hereunder.
 3. **Term of Employment**. The term of this Agreement shall commence on the Effective Date and shall continue until and including the four-year anniversary of the Effective Date, unless earlier terminated as herein provided (the “Initial Term”). The Initial Term shall be automatically renewed for successive one-year periods (each an “Extended Term”) unless either party gives notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive’s employment with Employer as herein provided.
-

4. **Compensation.**

4.1 **Base Salary.** As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board of Directors from time to time, Employer shall pay to Executive a base salary of \$393,000 per year ("**Base Salary**"), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board of Directors, in light of the Executive's performance and the Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee.

4.2 **LTIP Units, Restricted Stock and Other Equity Awards.**

(a) In consideration of services to be performed by Executive for the Partnership in his capacity as a partner thereof, upon execution of this Agreement, the Employer shall cause to be granted to Executive at least 72,683 long-term incentive plan units ("**LTIP Units**"). Such LTIP Units shall be evidenced by, and subject to, the LTIP Unit award agreement attached to this Agreement as **Exhibit A** ("**LTIP Agreement**") and the Company's 2010 Equity Incentive Plan (a copy of which has been delivered to Executive). In addition, as part of the consideration for employment, Executive shall be eligible to receive additional awards of LTIP Units and other equity awards, subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(b) At any time after the execution of this Agreement, as part of the consideration for his employment as an officer of the Company, Executive shall be eligible to receive shares of common stock ("**Restricted Stock**"), in such number as the compensation committee of the Board of Directors deems appropriate, and such Restricted Stock shall be evidenced by, and subject to, a Restricted Stock award agreement in the form then currently in use by the Company ("**Restricted Stock Agreement**"). Such awards of Restricted Stock and any other equity awards granted shall be subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(c) Any LTIP Units granted to the Executive during the term of this Agreement shall be deemed to have been granted to the Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership.

(d) During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of LTIP Units to Executive and to the Company by Executive in his capacity as an officer of the Company to constitute full and adequate consideration for the issuance of Restricted Stock to Executive.

4.3 **Bonus.** At the sole discretion of the Board of Director's compensation committee, Executive may be paid a bonus ("**Bonus**") relating to each calendar year during the

Term, and such discretionary Bonus, if any, shall be paid on or before March 1st of the following year.

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive. In addition, Executive shall receive an allowance for his automobile of up to \$900.00 a month and an allowance for parking costs of \$500.00 a month. Notwithstanding the standard vacation policy provisions or vacation accrual rates, Executive shall be entitled to vacation of four weeks per year.

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined in Section 7.10), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (" Notice of Termination "). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive; provided that Company may require Executive to leave the Company's premises and refrain from any further business activities on behalf of the Company as of the date designated by Company in the Notice of Termination. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to the Executive the accrued and unpaid Base Salary and accrued but unused vacation as of the date of Executive's termination of employment. Further, if Executive's employment is terminated by either party, for any reason other than a termination by the Company for Cause or termination by Executive without Good Reason, during the Term, Employer shall pay to the Executive an amount equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs, such payment to be made no later than thirty (30) days following the date of termination of Executive's employment and shall be subject to Executive's execution of a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from

Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term.

7.1 **Severance Upon Involuntary Termination without Cause** . If Company terminates Executive's employment with Employer without Cause (as defined in Section 7.10) during the Term, such termination is not in connection with Executive's Disability (as defined below), and such termination qualifies as a "Separation from Service" under Section 409A (as hereinafter defined), Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to three (3) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$200,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however , that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.2 **Severance Upon Resignation for Good Reason.** If Executive resigns from employment with Employer for Good Reason (as defined in Section 7.10) during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to three (3) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$200,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent

permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.3 **Severance Upon Change of Control.** If during the last year of the Initial Term or during any Extended Term, a "Change of Control" (as defined in Section 7.10) occurs and the Company gives notice of non-renewal of this Agreement within twelve (12) months following such Change of Control, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to three (3) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$200,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.4 **Beneficial Excise Tax Treatment.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 **Section 409A Compliance.** The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely

manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a “specified employee” (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code (together, “ Specified Employee Payments .”) shall not be paid before the expiration of a period of six (6) months following the date of Executive’s termination of employment (or before the date of Executive’s death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive’s termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive’s termination of employment.

(b) To ensure satisfaction of the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company’s applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit .

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 **Effect of Death or Disability .** If Executive dies or his employment is terminated by Company upon his experiencing a Disability (as defined in Section 7.10) during the Term, Executive (or his estate) shall be entitled to payment of his accrued and unpaid Base Salary as of the date of Executive’s death or termination of employment by the Company upon his experiencing a Disability, a single cash lump-sum payment equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which Executive’s death or termination of his employment occurs and the date of Executive’s death or termination of employment and the denominator of which is the number of days in the fiscal year in which Executive’s death or termination of employment occurs. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid on the thirtieth (30th) day following

the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all.

7.7 **Employment Reference**. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 **Ineligibility For Severance**. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and none of Sections 7.1, 7.2 and 7.3 shall apply to Executive, if at any time during the Term, either (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, or (b) Company terminates Executive's employment for Cause. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 **Taxes and Withholdings**. The Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 **Definitions**.

(a) "**Cause**" shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any crime involving Employer, (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the Board of Directors or the member of the Board of Directors authorized by it (the "**Delegator**"), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request, or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

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(b) "**Disability**" shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) "**Change of Control**" shall have the meaning ascribed to it in the 2010 Equity Incentive Plan as of the date hereof.

(d) "**Good Reason**" shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by Company which is not cured by Company within 30 days following Company's receipt of written notice by Executive to Company describing such alleged breach; (ii) Executive's Base Salary is materially reduced by Company; (iii) a material reduction in Executive's title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position; or (iv) a material change in the Company headquarters' geographic location; provided, however, none of the occurrences described in (i) through (iv) hereof shall constitute Good Reason unless within ninety (90) days of any such occurrence Executive provides a Notice of Termination effective no more than 31 days after receipt by the Company and specifying the occurrence.

(e) "**Section 409A**" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations or guidance promulgated thereunder.

7.11 **Nonduplication of Benefits**. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. **No Competition and No Conflict of Interest**. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit B** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than Company or any entity directly or indirectly controlled by Company) engaged in the Employer Business, or (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, shareholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining

Company's prior written consent, during the Term. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, less than five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 8. For purposes of this Agreement, the term "Employer Business" shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of single tenant industrial properties in the United States, and "passive" means no employment or involvement in management, operations or policy decisions of the business entity and excludes any service as a director (or equivalent), manager, officer, employee or consultant or as a general partner or managing member (or equivalent) of the business entity

9. **Confidentiality**. During the Term, Executive has been and will continue to be given access to a wide variety of information about the Employer, its affiliates and other related businesses that the Employer considers "Confidential Employer Information." As a condition of continued employment, Executive agrees to abide by Employer's business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of the Employer which confers or may confer a competitive advantage upon the Employer over one who does not possess the information; and has commercial value in the business of the Employer or any other business in which the Employer engages or is preparing to engage during Executive's employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding the Employer's business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer's business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of the Employer that has not been disclosed to the public by an authorized representative of the Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of the Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to the Employer or Executive in the course of the Employer's business.

9.1 **Nondisclosure**. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of the Employer's business and that the unauthorized disclosure of such information to competitors of the Employer, or to the general public, will be highly detrimental to the Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive's employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 **Continuing Obligation**. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive's employment and continue even after Executive is no longer employed by Employer. Any obligation not to

disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; or (b) has been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 **Return of Employer Property**. On termination of employment with Employer for whatever reason, or at the request of the Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or the Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 **No Violation of Rights of Third Parties**. Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

10. **Interference with Business Relations**.

10.1 **Interference with Sellers, Tenants, Brokers and Other Business Partners**. Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 **Interference with Employer's Employees**. Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, Executive will not, either directly or indirectly, separately or in association with others, interfere

with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 **Negative Information.** During the Term and thereafter, Executive shall not disclose confidential or negative non-public information regarding, or take any action materially detrimental to the reputation of Employer or its directors, officers, employees, investors, shareholders or advisors and any affiliates of any of the foregoing (collectively, the "Employer Affiliates"); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information regarding, or take any action materially detrimental to the reputation of, Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of the Employer Affiliates under this Agreement.

10.4 **Post-Termination Noncompetition.** For a period of twelve (12) months following Executive's employment with the Employer, Executive will not engage in Competitive Activities (as hereinafter defined). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void in the event that the Employer terminates Executive's employment without Cause or Executive resigns from employment with Employer for Good Reason. The term "Competitive Activities," for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive's direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer's Business or, if smaller, to such business operation's business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive's employment with Employer (a "Competitive Operation"); (b) Executive's investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (c) Executive's lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, up to five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 10.4. For purposes of this Section 10.4, "Employer Business" and "passive" have the meanings set forth in Section 8 above and "material portion" shall mean that either (i) the total assets engaged in a Competitive Operation exceeds 20% of such business operation's total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds 20% of the Employer's Business. Notwithstanding the foregoing, the activities described on **Exhibit B** attached hereto shall not be deemed to be Competitive Activities. This Section 10.4 governs the period of time following Executive's employment with Employer, and Section 8 above governs during the Term.

11. **Injunctive Relief**. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "Covenants") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. **Agreement to Arbitrate**.

12.1 **Mandatory Arbitration**. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session) at any time before an arbitration demand has been filed and served, or before an arbitrator has been selected.

12.2 **Principles Governing Arbitration**. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (i) for written discovery and depositions as provided under Massachusetts law and (ii) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "Statutory Discrimination Claim"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 **Rules Governing Arbitration**. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 **Selection of Arbitrator**. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall

alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 **Arbitrator Decision**. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The parties in the arbitration shall each pay their respective attorneys fees and one half of the costs or fees charged by the arbitrator and the American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. **General Provisions**.

13.1 **Successors and Assigns**. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 **Nonexclusivity of Rights**. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 **Attorneys' Fees**. Each side will bear its own attorneys' fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party, and the arbitrator awards such attorneys' fees accordingly.

13.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to

be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

13.9 **Survival.** The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. **Entire Agreement.** This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitute the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Board of Directors of the Company and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: April , 2011

By: _____
Name
Title

**STAG INDUSTRIAL OPERATING
PARTNERSHIP, L.P.**

By: STAG Industrial GP, LLC, its sole general partner

Dated: April , 2011

By: _____
Name: _____
Title: _____

BENJAMIN S. BUTCHER

Dated: April , 2011

By: _____
Address: _____

Exhibit A

LTIP Unit Award Agreement

Exhibit B

Exceptions to No Competition and No Conflict of Interest Obligations

1. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments II, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties owned by such entities on the date hereof.
2. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments III, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties and, to the extent applicable, equity interests in the Partnership, owned by such entities on the date hereof.
3. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments IV, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
4. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG GI Investments, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
5. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in any direct or indirect member of any Butcher Family real estate trusts and offices; provided that such trusts and offices do not engage in the Employer Business.

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (“Agreement”) is made effective as of April , 2011 (“Effective Date”), by and among STAG INDUSTRIAL, INC. , a Maryland corporation (“Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P. (“Partnership”), a Delaware limited partnership, and GREGORY W. SULLIVAN (“Executive”) to reaffirm and amend the terms and conditions of Executive’s employment.

The parties agree as follows:

1. **Employment** . Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. **Duties** .

2.1 **Position** . Executive is employed on a full-time basis as Chief Financial Officer, Executive Vice President and Treasurer, shall report directly to the Board of Directors of the Company (the “Board of Directors”), and shall have the duties and responsibilities commensurate with such positions as shall be reasonably and in good faith determined from time to time by the Board of Directors, including such duties and responsibilities with respect to the Company, the Partnership and/or a subsidiary of either (collectively, “Employer”).

2.2 **Duties** . Executive shall: (i) abide by all applicable federal, state and local laws, regulations and ordinances, and (ii) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of the Employer; provided, that, notwithstanding the foregoing, Executive may (w) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, (x) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer’s Business (as defined in Section 8), provided that such service is expressly approved in advance by the Board of Directors, (y) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association, and (z) serve as director, officer or any other capacity in which Executive is currently serving with respect to STAG Investments II, LLC, STAG Investments III, LLC, STAG Investments IV, LLC and STAG GI Investments, LLC (collectively, “Funds”); provided that all such other activities do not materially interfere with the performance of the Executive’s duties hereunder.

3. **Term of Employment** . The term of this Agreement shall commence on the Effective Date and shall continue until and including the three-year anniversary of the Effective Date, unless earlier terminated as herein provided (the “Initial Term”). The Initial Term shall be automatically renewed for successive one-year periods (each an “Extended Term”) unless either party gives notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive’s employment with Employer as herein provided.

4. **Compensation.**

4.1 **Base Salary.** As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board of Directors from time to time, Employer shall pay to Executive a base salary of \$275,000 per year ("**Base Salary**"), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board of Directors, in light of the Executive's performance and the Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee.

4.2 **LTIP Units, Restricted Stock and Other Equity Awards.**

(a) In consideration of services to be performed by Executive for the Partnership in his capacity as a partner thereof, upon execution of this Agreement, the Employer shall cause to be granted to Executive at least 19,666 long-term incentive plan units ("**LTIP Units**"). Such LTIP Units shall be evidenced by, and subject to, the LTIP Unit award agreement attached to this Agreement as **Exhibit A** ("**LTIP Agreement**") and the Company's 2010 Equity Incentive Plan (a copy of which has been delivered to Executive). In addition, as part of the consideration for employment, Executive shall be eligible to receive additional awards of LTIP Units and other equity awards, subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(b) At any time after the execution of this Agreement, as part of the consideration for his employment as an officer of the Company, Executive shall be eligible to receive shares of common stock ("**Restricted Stock**"), in such number as the compensation committee of the Board of Directors deems appropriate, and such Restricted Stock shall be evidenced by, and subject to, a Restricted Stock award agreement in the form then currently in use by the Company ("**Restricted Stock Agreement**"). Such awards of Restricted Stock and any other equity awards granted shall be subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(c) Any LTIP Units granted to the Executive during the term of this Agreement shall be deemed to have been granted to the Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership.

(d) During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of LTIP Units to Executive and to the Company by Executive in his capacity as an officer of the Company to constitute full and adequate consideration for the issuance of Restricted Stock to Executive.

4.3 **Bonus.** At the sole discretion of the Board of Director's compensation committee, Executive may be paid a bonus ("**Bonus**") relating to each calendar year during the

Term, and such discretionary Bonus, if any, shall be paid on or before March 1st of the following year.

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive. In addition, Executive shall receive an allowance for parking costs of up to \$500.00 a month. Notwithstanding the standard vacation policy provisions or vacation accrual rates, Executive shall be entitled to vacation of four weeks per year.

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined in Section 7.10), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (" Notice of Termination "). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive; provided that Company may require Executive to leave the Company's premises and refrain from any further business activities on behalf of the Company as of the date designated by Company in the Notice of Termination. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to the Executive the accrued and unpaid Base Salary and accrued but unused vacation as of the date of Executive's termination of employment. Further, if Executive's employment is terminated by either party, for any reason other than a termination by the Company for Cause or termination by Executive without Good Reason, during the Term, Employer shall pay to the Executive an amount equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs, such payment to be made no later than thirty (30) days following the date of termination of Executive's employment and shall be subject to Executive's execution of a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from

Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term.

7.1 **Severance Upon Involuntary Termination without Cause**. If Company terminates Executive's employment with Employer without Cause (as defined in Section 7.10) during the Term, such termination is not in connection with Executive's Disability (as defined below), and such termination qualifies as a "Separation from Service" under Section 409A (as hereinafter defined), Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however , that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.2 **Severance Upon Resignation for Good Reason .** If Executive resigns from employment with Employer for Good Reason (as defined in Section 7.10) during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent

permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.3 **Severance Upon Change of Control.** If during the last year of the Initial Term or during any Extended Term, a "Change of Control" (as defined in Section 7.10) occurs and the Company gives notice of non-renewal of this Agreement within twelve (12) months following such Change of Control, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.4 **Beneficial Excise Tax Treatment.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 **Section 409A Compliance.** The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely

manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a “specified employee” (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code (together, “Specified Employee Payments”) shall not be paid before the expiration of a period of six (6) months following the date of Executive’s termination of employment (or before the date of Executive’s death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive’s termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive’s termination of employment.

(b) To ensure satisfaction of the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company’s applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit .

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 **Effect of Death or Disability** . If Executive dies or his employment is terminated by Company upon his experiencing a Disability (as defined in Section 7.10) during the Term, Executive (or his estate) shall be entitled to payment of his accrued and unpaid Base Salary as of the date of Executive’s death or termination of employment by the Company upon his experiencing a Disability, a single cash lump-sum payment equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which Executive’s death or termination of his employment occurs and the date of Executive’s death or termination of employment and the denominator of which is the number of days in the fiscal year in which Executive’s death or termination of employment occurs. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid on the thirtieth (30th) day following

the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all.

7.7 **Employment Reference**. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 **Ineligibility For Severance**. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and none of Sections 7.1, 7.2 and 7.3 shall apply to Executive, if at any time during the Term, either (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, or (b) Company terminates Executive's employment for Cause. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 **Taxes and Withholdings**. The Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 **Definitions**.

(a) "**Cause**" shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any crime involving Employer, (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the Board of Directors or the member of the Board of Directors authorized by it (the "**Delegator**"), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request, or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

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(b) "**Disability**" shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) "**Change of Control**" shall have the meaning ascribed to it in the 2010 Equity Incentive Plan as of the date hereof.

(d) "**Good Reason**" shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by Company which is not cured by Company within 30 days following Company's receipt of written notice by Executive to Company describing such alleged breach; (ii) Executive's Base Salary is materially reduced by Company; (iii) a material reduction in Executive's title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position; or (iv) a material change in the Company headquarters' geographic location; provided, however, none of the occurrences described in (i) through (iv) hereof shall constitute Good Reason unless within ninety (90) days of any such occurrence Executive provides a Notice of Termination effective no more than 31 days after receipt by the Company and specifying the occurrence.

(e) "**Section 409A**" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations or guidance promulgated thereunder.

7.11 **Nonduplication of Benefits**. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. **No Competition and No Conflict of Interest**. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit B** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than Company or any entity directly or indirectly controlled by Company) engaged in the Employer Business, or (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, shareholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining

Company's prior written consent, during the Term. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, less than five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 8. For purposes of this Agreement, the term "Employer Business" shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of single tenant industrial properties in the United States, and "passive" means no employment or involvement in management, operations or policy decisions of the business entity and excludes any service as a director (or equivalent), manager, officer, employee or consultant or as a general partner or managing member (or equivalent) of the business entity

9. **Confidentiality**. During the Term, Executive has been and will continue to be given access to a wide variety of information about the Employer, its affiliates and other related businesses that the Employer considers "Confidential Employer Information." As a condition of continued employment, Executive agrees to abide by Employer's business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of the Employer which confers or may confer a competitive advantage upon the Employer over one who does not possess the information; and has commercial value in the business of the Employer or any other business in which the Employer engages or is preparing to engage during Executive's employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding the Employer's business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer's business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of the Employer that has not been disclosed to the public by an authorized representative of the Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of the Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to the Employer or Executive in the course of the Employer's business.

9.1 **Nondisclosure**. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of the Employer's business and that the unauthorized disclosure of such information to competitors of the Employer, or to the general public, will be highly detrimental to the Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive's employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 **Continuing Obligation**. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive's employment and continue even after Executive is no longer employed by Employer. Any obligation not to

disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; or (b) has been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 **Return of Employer Property** . On termination of employment with Employer for whatever reason, or at the request of the Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or the Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 **No Violation of Rights of Third Parties** . Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

10. **Interference with Business Relations** .

10.1 **Interference with Sellers, Tenants, Brokers and Other Business Partners** . Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 **Interference with Employer's Employees** . Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, Executive will not, either directly or indirectly, separately or in association with others, interfere

with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 **Negative Information.** During the Term and thereafter, Executive shall not disclose confidential or negative non-public information regarding, or take any action materially detrimental to the reputation of Employer or its directors, officers, employees, investors, shareholders or advisors and any affiliates of any of the foregoing (collectively, the "Employer Affiliates"); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information regarding, or take any action materially detrimental to the reputation of, Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of the Employer Affiliates under this Agreement.

10.4 **Post-Termination Noncompetition.** For a period of twelve (12) months following Executive's employment with the Employer, Executive will not engage in Competitive Activities (as hereinafter defined). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void in the event that the Employer terminates Executive's employment without Cause or Executive resigns from employment with Employer for Good Reason. The term "Competitive Activities," for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive's direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer's Business or, if smaller, to such business operation's business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive's employment with Employer (a "Competitive Operation"); (b) Executive's investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (c) Executive's lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, up to five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 10.4. For purposes of this Section 10.4, "Employer Business" and "passive" have the meanings set forth in Section 8 above and "material portion" shall mean that either (i) the total assets engaged in a Competitive Operation exceeds 20% of such business operation's total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds 20% of the Employer's Business. Notwithstanding the foregoing, the activities described on **Exhibit B** attached hereto shall not be deemed to be Competitive Activities. This Section 10.4 governs the period of time following Executive's employment with Employer, and Section 8 above governs during the Term.

11. **Injunctive Relief**. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "Covenants") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. **Agreement to Arbitrate**.

12.1 **Mandatory Arbitration**. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session) at any time before an arbitration demand has been filed and served, or before an arbitrator has been selected.

12.2 **Principles Governing Arbitration**. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (i) for written discovery and depositions as provided under Massachusetts law and (ii) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "Statutory Discrimination Claim"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 **Rules Governing Arbitration**. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 **Selection of Arbitrator**. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall

alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 **Arbitrator Decision**. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The parties in the arbitration shall each pay their respective attorneys fees and one half of the costs or fees charged by the arbitrator and the American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. **General Provisions**.

13.1 **Successors and Assigns**. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 **Nonexclusivity of Rights**. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 **Attorneys' Fees**. Each side will bear its own attorneys' fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party, and the arbitrator awards such attorneys' fees accordingly.

13.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to

be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 **Governing Law** . This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 **Notices** . Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

13.9 **Survival** . The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. **Entire Agreement** . This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitute the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Board of Directors of the Company and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: April , 2011

By: _____
Name
Title

**STAG INDUSTRIAL OPERATING
PARTNERSHIP, L.P.**

By: STAG Industrial GP, LLC, its sole general partner

Dated: April , 2011

By: _____
Name: _____
Title: _____

GREGORY W. SULLIVAN

Dated: April , 2011

By: _____
Address: _____

Exhibit A

LTIP Unit Award Agreement

Exhibit B

Exceptions to No Competition and No Conflict of Interest Obligations

1. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments II, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties owned by such entities on the date hereof.
2. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments III, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties and, to the extent applicable, equity interests in the Partnership, owned by such entities on the date hereof.
3. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments IV, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
4. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG GI Investments, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (“Agreement”) is made effective as of April , 2011 (“Effective Date”), by and among **STAG INDUSTRIAL, INC.**, a Maryland corporation (“Company”), **STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.** (“Partnership”), a Delaware limited partnership, and **STEPHEN C. MECKE** (“Executive”) to reaffirm and amend the terms and conditions of Executive’s employment.

The parties agree as follows:

1. **Employment**. Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. **Duties**.

2.1 **Position**. Executive is employed on a full-time basis as Chief Operating Officer and Executive Vice President, shall report directly to the Board of Directors of the Company (the “Board of Directors”), and shall have the duties and responsibilities commensurate with such positions as shall be reasonably and in good faith determined from time to time by the Board of Directors, including such duties and responsibilities with respect to the Company, the Partnership and/or a subsidiary of either (collectively, “Employer”).

2.2 **Duties**. Executive shall: (i) abide by all applicable federal, state and local laws, regulations and ordinances, and (ii) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of the Employer; provided, that, notwithstanding the foregoing, Executive may (w) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, (x) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer’s Business (as defined in Section 8), provided that such service is expressly approved in advance by the Board of Directors, (y) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association, and (z) serve as director, officer or any other capacity in which Executive is currently serving with respect to STAG Investments II, LLC, STAG Investments III, LLC, STAG Investments IV, LLC and STAG GI Investments, LLC (collectively, “Funds”); provided that all such other activities do not materially interfere with the performance of the Executive’s duties hereunder.

3. **Term of Employment**. The term of this Agreement shall commence on the Effective Date and shall continue until and including the three-year anniversary of the Effective Date, unless earlier terminated as herein provided (the “Initial Term”). The Initial Term shall be automatically renewed for successive one-year periods (each an “Extended Term”) unless either party gives notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive’s employment with Employer as herein provided.

4. **Compensation.**

4.1 **Base Salary.** As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board of Directors from time to time, Employer shall pay to Executive a base salary of \$275,000 per year ("**Base Salary**"), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board of Directors, in light of the Executive's performance and the Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee.

4.2 **LTIP Units, Restricted Stock and Other Equity Awards.**

(a) In consideration of services to be performed by Executive for the Partnership in his capacity as a partner thereof, upon execution of this Agreement, the Employer shall cause to be granted to Executive at least 34,204 long-term incentive plan units ("**LTIP Units**"). Such LTIP Units shall be evidenced by, and subject to, the LTIP Unit award agreement attached to this Agreement as **Exhibit A** ("**LTIP Agreement**") and the Company's 2010 Equity Incentive Plan (a copy of which has been delivered to Executive). In addition, as part of the consideration for employment, Executive shall be eligible to receive additional awards of LTIP Units and other equity awards, subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(b) At any time after the execution of this Agreement, as part of the consideration for his employment as an officer of the Company, Executive shall be eligible to receive shares of common stock ("**Restricted Stock**"), in such number as the compensation committee of the Board of Directors deems appropriate, and such Restricted Stock shall be evidenced by, and subject to, a Restricted Stock award agreement in the form then currently in use by the Company ("**Restricted Stock Agreement**"). Such awards of Restricted Stock and any other equity awards granted shall be subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(c) Any LTIP Units granted to the Executive during the term of this Agreement shall be deemed to have been granted to the Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership.

(d) During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of LTIP Units to Executive and to the Company by Executive in his capacity as an officer of the Company to constitute full and adequate consideration for the issuance of Restricted Stock to Executive.

4.3 **Bonus.** At the sole discretion of the Board of Director's compensation committee, Executive may be paid a bonus ("**Bonus**") relating to each calendar year during the

Term, and such discretionary Bonus, if any, shall be paid on or before March 1st of the following year.

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive. In addition, Executive shall receive an allowance for parking costs of up to \$500.00 a month. Notwithstanding the standard vacation policy provisions or vacation accrual rates, Executive shall be entitled to vacation of four weeks per year.

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined in Section 7.10), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (" Notice of Termination "). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive; provided that Company may require Executive to leave the Company's premises and refrain from any further business activities on behalf of the Company as of the date designated by Company in the Notice of Termination. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to the Executive the accrued and unpaid Base Salary and accrued but unused vacation as of the date of Executive's termination of employment. Further, if Executive's employment is terminated by either party, for any reason other than a termination by the Company for Cause or termination by Executive without Good Reason, during the Term, Employer shall pay to the Executive an amount equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs, such payment to be made no later than thirty (30) days following the date of termination of Executive's employment and shall be subject to Executive's execution of a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from

Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term.

7.1 **Severance Upon Involuntary Termination without Cause**. If Company terminates Executive's employment with Employer without Cause (as defined in Section 7.10) during the Term, such termination is not in connection with Executive's Disability (as defined below), and such termination qualifies as a "Separation from Service" under Section 409A (as hereinafter defined), Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however , that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.2 **Severance Upon Resignation for Good Reason.** If Executive resigns from employment with Employer for Good Reason (as defined in Section 7.10) during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent

permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.3 **Severance Upon Change of Control.** If during the last year of the Initial Term or during any Extended Term, a "Change of Control" (as defined in Section 7.10) occurs and the Company gives notice of non-renewal of this Agreement within twelve (12) months following such Change of Control, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$140,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.4 **Beneficial Excise Tax Treatment.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 **Section 409A Compliance.** The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely

manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a “specified employee” (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code (together, “Specified Employee Payments”) shall not be paid before the expiration of a period of six (6) months following the date of Executive’s termination of employment (or before the date of Executive’s death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive’s termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive’s termination of employment.

(b) To ensure satisfaction of the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company’s applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit .

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 **Effect of Death or Disability** . If Executive dies or his employment is terminated by Company upon his experiencing a Disability (as defined in Section 7.10) during the Term, Executive (or his estate) shall be entitled to payment of his accrued and unpaid Base Salary as of the date of Executive’s death or termination of employment by the Company upon his experiencing a Disability, a single cash lump-sum payment equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which Executive’s death or termination of his employment occurs and the date of Executive’s death or termination of employment and the denominator of which is the number of days in the fiscal year in which Executive’s death or termination of employment occurs. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid on the thirtieth (30th) day following

the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all.

7.7 **Employment Reference**. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 **Ineligibility For Severance**. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and none of Sections 7.1, 7.2 and 7.3 shall apply to Executive, if at any time during the Term, either (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, or (b) Company terminates Executive's employment for Cause. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 **Taxes and Withholdings**. The Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 **Definitions**.

(a) "Cause" shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any crime involving Employer, (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the Board of Directors or the member of the Board of Directors authorized by it (the "Delegator"), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request, or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

(b) “Disability” shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) “Change of Control” shall have the meaning ascribed to it in the 2010 Equity Incentive Plan as of the date hereof.

(d) “Good Reason” shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by Company which is not cured by Company within 30 days following Company’s receipt of written notice by Executive to Company describing such alleged breach; (ii) Executive’s Base Salary is materially reduced by Company; (iii) a material reduction in Executive’s title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive’s position; or (iv) a material change in the Company headquarters’ geographic location; provided, however, none of the occurrences described in (i) through (iv) hereof shall constitute Good Reason unless within ninety (90) days of any such occurrence Executive provides a Notice of Termination effective no more than 31 days after receipt by the Company and specifying the occurrence.

(e) “Section 409A” means Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and all applicable regulations or guidance promulgated thereunder.

7.11 **Nonduplication of Benefits**. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. **No Competition and No Conflict of Interest**. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit B** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than Company or any entity directly or indirectly controlled by Company) engaged in the Employer Business, or (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, shareholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining

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Company’s prior written consent, during the Term. Notwithstanding the foregoing, Executive’s passive investment in, or passive ownership of, less than five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 8. For purposes of this Agreement, the term “Employer Business” shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of single tenant industrial properties in the United States, and “passive” means no employment or involvement in management, operations or policy decisions of the business entity and excludes any service as a director (or equivalent), manager, officer, employee or consultant or as a general partner or managing member (or equivalent) of the business entity

9. **Confidentiality**. During the Term, Executive has been and will continue to be given access to a wide variety of information about the Employer, its affiliates and other related businesses that the Employer considers “Confidential Employer Information.” As a condition of continued employment, Executive agrees to abide by Employer’s business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of the Employer which confers or may confer a competitive advantage upon the Employer over one who does not possess the information; and has commercial value in the business of the Employer or any other business in which the Employer engages or is preparing to engage during Executive’s employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding the Employer’s business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer’s business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of the Employer that has not been disclosed to the public by an authorized representative of the Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of the Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to the Employer or Executive in the course of the Employer’s business.

9.1 **Nondisclosure**. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of the Employer’s business and that the unauthorized disclosure of such information to competitors of the Employer, or to the general public, will be highly detrimental to the Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive’s employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 **Continuing Obligation**. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive’s employment and continue even after Executive is no longer employed by Employer. Any obligation not to

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disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; or (b) has been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 **Return of Employer Property** . On termination of employment with Employer for whatever reason, or at the request of the Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or the Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 **No Violation of Rights of Third Parties** . Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

10. **Interference with Business Relations** .

10.1 **Interference with Sellers, Tenants, Brokers and Other Business Partners** . Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 **Interference with Employer's Employees** . Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, Executive will not, either directly or indirectly, separately or in association with others, interfere

with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 **Negative Information.** During the Term and thereafter, Executive shall not disclose confidential or negative non-public information regarding, or take any action materially detrimental to the reputation of Employer or its directors, officers, employees, investors, shareholders or advisors and any affiliates of any of the foregoing (collectively, the "Employer Affiliates"); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information regarding, or take any action materially detrimental to the reputation of, Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of the Employer Affiliates under this Agreement.

10.4 **Post-Termination Noncompetition.** For a period of twelve (12) months following Executive's employment with the Employer, Executive will not engage in Competitive Activities (as hereinafter defined). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void in the event that the Employer terminates Executive's employment without Cause or Executive resigns from employment with Employer for Good Reason. The term "Competitive Activities," for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive's direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer's Business or, if smaller, to such business operation's business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive's employment with Employer (a "Competitive Operation"); (b) Executive's investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (c) Executive's lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, up to five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 10.4. For purposes of this Section 10.4, "Employer Business" and "passive" have the meanings set forth in Section 8 above and "material portion" shall mean that either (i) the total assets engaged in a Competitive Operation exceeds 20% of such business operation's total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds 20% of the Employer's Business. Notwithstanding the foregoing, the activities described on **Exhibit B** attached hereto shall not be deemed to be Competitive Activities. This Section 10.4 governs the period of time following Executive's employment with Employer, and Section 8 above governs during the Term.

11. **Injunctive Relief**. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "**Covenants**") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. **Agreement to Arbitrate**.

12.1 **Mandatory Arbitration**. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session) at any time before an arbitration demand has been filed and served, or before an arbitrator has been selected.

12.2 **Principles Governing Arbitration**. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (i) for written discovery and depositions as provided under Massachusetts law and (ii) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "**Statutory Discrimination Claim**"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 **Rules Governing Arbitration**. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 **Selection of Arbitrator**. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall

alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 **Arbitrator Decision**. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The parties in the arbitration shall each pay their respective attorneys fees and one half of the costs or fees charged by the arbitrator and the American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. **General Provisions**.

13.1 **Successors and Assigns**. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 **Nonexclusivity of Rights**. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 **Attorneys' Fees**. Each side will bear its own attorneys' fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party, and the arbitrator awards such attorneys' fees accordingly.

13.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to

be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 **Governing Law** . This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 **Notices** . Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

13.9 **Survival** . The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. **Entire Agreement** . This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitute the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Board of Directors of the Company and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: April , 2011

By: _____
Name
Title

**STAG INDUSTRIAL OPERATING
PARTNERSHIP, L.P.**

By: STAG Industrial GP, LLC, its sole general partner

Dated: April , 2011

By: _____
Name: _____
Title: _____

STEPHEN C. MECKE

Dated: April , 2011

By: _____
Address: _____

Exhibit A

LTIP Unit Award Agreement

Exhibit B

Exceptions to No Competition and No Conflict of Interest Obligations

1. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments II, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties owned by such entities on the date hereof.
2. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments III, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties and, to the extent applicable, equity interests in the Partnership, owned by such entities on the date hereof.
3. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments IV, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
4. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG GI Investments, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (“Agreement”) is made effective as of April , 2011 (“Effective Date”), by and among STAG INDUSTRIAL, INC. , a Maryland corporation (“Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P. (“Partnership”), a Delaware limited partnership, and KATHRYN ARNONE (“Executive”) to reaffirm and amend the terms and conditions of Executive’s employment.

The parties agree as follows:

1. **Employment** . Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. **Duties** .

2.1 **Position** . Executive is employed on a full-time basis as Executive Vice President, General Counsel and Secretary, shall report directly to the Board of Directors of the Company (the “Board of Directors”), and shall have the duties and responsibilities commensurate with such positions as shall be reasonably and in good faith determined from time to time by the Board of Directors, including such duties and responsibilities with respect to the Company, the Partnership and/or a subsidiary of either (collectively, “Employer”).

2.2 **Duties** . Executive shall: (i) abide by all applicable federal, state and local laws, regulations and ordinances, and (ii) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of the Employer; provided, that, notwithstanding the foregoing, Executive may (w) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, (x) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer’s Business (as defined in Section 8), provided that such service is expressly approved in advance by the Board of Directors, (y) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association, and (z) serve as director, officer or any other capacity in which Executive is currently serving with respect to STAG Investments II, LLC, STAG Investments III, LLC, STAG Investments IV, LLC and STAG GI Investments, LLC (collectively, “Funds”); provided that all such other activities do not materially interfere with the performance of the Executive’s duties hereunder.

3. **Term of Employment** . The term of this Agreement shall commence on the Effective Date and shall continue until and including the three-year anniversary of the Effective Date, unless earlier terminated as herein provided (the “Initial Term”). The Initial Term shall be automatically renewed for successive one-year periods (each an “Extended Term”) unless either party gives notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive’s employment with Employer as herein provided.

4. **Compensation.**

4.1 **Base Salary.** As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board of Directors from time to time, Employer shall pay to Executive a base salary of \$256,000 per year ("**Base Salary**"), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board of Directors, in light of the Executive's performance and the Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee.

4.2 **LTIP Units, Restricted Stock and Other Equity Awards.**

(a) In consideration of services to be performed by Executive for the Partnership in his capacity as a partner thereof, upon execution of this Agreement, the Employer shall cause to be granted to Executive at least 17,102 long-term incentive plan units ("**LTIP Units**"). Such LTIP Units shall be evidenced by, and subject to, the LTIP Unit award agreement attached to this Agreement as **Exhibit A** ("**LTIP Agreement**") and the Company's 2010 Equity Incentive Plan (a copy of which has been delivered to Executive). In addition, as part of the consideration for employment, Executive shall be eligible to receive additional awards of LTIP Units and other equity awards, subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(b) At any time after the execution of this Agreement, as part of the consideration for his employment as an officer of the Company, Executive shall be eligible to receive shares of common stock ("**Restricted Stock**"), in such number as the compensation committee of the Board of Directors deems appropriate, and such Restricted Stock shall be evidenced by, and subject to, a Restricted Stock award agreement in the form then currently in use by the Company ("**Restricted Stock Agreement**"). Such awards of Restricted Stock and any other equity awards granted shall be subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(c) Any LTIP Units granted to the Executive during the term of this Agreement shall be deemed to have been granted to the Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership.

(d) During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of LTIP Units to Executive and to the Company by Executive in his capacity as an officer of the Company to constitute full and adequate consideration for the issuance of Restricted Stock to Executive.

4.3 **Bonus.** At the sole discretion of the Board of Director's compensation committee, Executive may be paid a bonus ("**Bonus**") relating to each calendar year during the

Term, and such discretionary Bonus, if any, shall be paid on or before March 1st of the following year.

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive. In addition, Executive shall receive an allowance for parking costs of up to \$500.00 a month. Notwithstanding the standard vacation policy provisions or vacation accrual rates, Executive shall be entitled to vacation of four weeks per year.

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined in Section 7.10), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (" Notice of Termination "). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive; provided that Company may require Executive to leave the Company's premises and refrain from any further business activities on behalf of the Company as of the date designated by Company in the Notice of Termination. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to the Executive the accrued and unpaid Base Salary and accrued but unused vacation as of the date of Executive's termination of employment. Further, if Executive's employment is terminated by either party, for any reason other than a termination by the Company for Cause or termination by Executive without Good Reason, during the Term, Employer shall pay to the Executive an amount equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs, such payment to be made no later than thirty (30) days following the date of termination of Executive's employment and shall be subject to Executive's execution of a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from

Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term.

7.1 **Severance Upon Involuntary Termination without Cause**. If Company terminates Executive's employment with Employer without Cause (as defined in Section 7.10) during the Term, such termination is not in connection with Executive's Disability (as defined below), and such termination qualifies as a "Separation from Service" under Section 409A (as hereinafter defined), Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$125,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however , that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.2 **Severance Upon Resignation for Good Reason.** If Executive resigns from employment with Employer for Good Reason (as defined in Section 7.10) during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$125,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent

permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.3 **Severance Upon Change of Control.** If during the last year of the Initial Term or during any Extended Term, a "Change of Control" (as defined in Section 7.10) occurs and the Company gives notice of non-renewal of this Agreement within twelve (12) months following such Change of Control, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board of Directors and paid (which will be deemed to be \$125,000 until such time as the compensation committee of the Board of Directors makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.4 **Beneficial Excise Tax Treatment.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 **Section 409A Compliance.** The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely

manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a “specified employee” (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code (together, “Specified Employee Payments”) shall not be paid before the expiration of a period of six (6) months following the date of Executive’s termination of employment (or before the date of Executive’s death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive’s termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive’s termination of employment.

(b) To ensure satisfaction of the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company’s applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit .

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 **Effect of Death or Disability** . If Executive dies or his employment is terminated by Company upon his experiencing a Disability (as defined in Section 7.10) during the Term, Executive (or his estate) shall be entitled to payment of his accrued and unpaid Base Salary as of the date of Executive’s death or termination of employment by the Company upon his experiencing a Disability, a single cash lump-sum payment equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which Executive’s death or termination of his employment occurs and the date of Executive’s death or termination of employment and the denominator of which is the number of days in the fiscal year in which Executive’s death or termination of employment occurs. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid on the thirtieth (30th) day following

the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all.

7.7 **Employment Reference**. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 **Ineligibility For Severance**. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and none of Sections 7.1, 7.2 and 7.3 shall apply to Executive, if at any time during the Term, either (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, or (b) Company terminates Executive's employment for Cause. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 **Taxes and Withholdings**. The Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 **Definitions**.

(a) "Cause" shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any crime involving Employer, (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the Board of Directors or the member of the Board of Directors authorized by it (the "Delegator"), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request, or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

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(b) "Disability" shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) "Change of Control" shall have the meaning ascribed to it in the 2010 Equity Incentive Plan as of the date hereof.

(d) "Good Reason" shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by Company which is not cured by Company within 30 days following Company's receipt of written notice by Executive to Company describing such alleged breach; (ii) Executive's Base Salary is materially reduced by Company; (iii) a material reduction in Executive's title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position; or (iv) a material change in the Company headquarters' geographic location; provided, however, none of the occurrences described in (i) through (iv) hereof shall constitute Good Reason unless within ninety (90) days of any such occurrence Executive provides a Notice of Termination effective no more than 31 days after receipt by the Company and specifying the occurrence.

(e) "Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations or guidance promulgated thereunder.

7.11 **Nonduplication of Benefits**. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. **No Competition and No Conflict of Interest**. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit B** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than Company or any entity directly or indirectly controlled by Company) engaged in the Employer Business, or (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, shareholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining

Company's prior written consent, during the Term. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, less than five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 8. For purposes of this Agreement, the term "Employer Business" shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of single tenant industrial properties in the United States, and "passive" means no employment or involvement in management, operations or policy decisions of the business entity and excludes any service as a director (or equivalent), manager, officer, employee or consultant or as a general partner or managing member (or equivalent) of the business entity

9. **Confidentiality**. During the Term, Executive has been and will continue to be given access to a wide variety of information about the Employer, its affiliates and other related businesses that the Employer considers "Confidential Employer Information." As a condition of continued employment, Executive agrees to abide by Employer's business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of the Employer which confers or may confer a competitive advantage upon the Employer over one who does not possess the information; and has commercial value in the business of the Employer or any other business in which the Employer engages or is preparing to engage during Executive's employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding the Employer's business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer's business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of the Employer that has not been disclosed to the public by an authorized representative of the Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of the Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to the Employer or Executive in the course of the Employer's business.

9.1 **Nondisclosure**. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of the Employer's business and that the unauthorized disclosure of such information to competitors of the Employer, or to the general public, will be highly detrimental to the Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive's employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 **Continuing Obligation**. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive's employment and continue even after Executive is no longer employed by Employer. Any obligation not to

disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; or (b) has been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 **Return of Employer Property**. On termination of employment with Employer for whatever reason, or at the request of the Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or the Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 **No Violation of Rights of Third Parties**. Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

10. **Interference with Business Relations**.

10.1 **Interference with Sellers, Tenants, Brokers and Other Business Partners**. Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 **Interference with Employer's Employees**. Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, Executive will not, either directly or indirectly, separately or in association with others, interfere

with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 **Negative Information.** During the Term and thereafter, Executive shall not disclose confidential or negative non-public information regarding, or take any action materially detrimental to the reputation of Employer or its directors, officers, employees, investors, shareholders or advisors and any affiliates of any of the foregoing (collectively, the "Employer Affiliates"); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information regarding, or take any action materially detrimental to the reputation of, Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of the Employer Affiliates under this Agreement.

10.4 **Post-Termination Noncompetition.** For a period of twelve (12) months following Executive's employment with the Employer, Executive will not engage in Competitive Activities (as hereinafter defined). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void in the event that the Employer terminates Executive's employment without Cause or Executive resigns from employment with Employer for Good Reason. The term "Competitive Activities," for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive's direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer's Business or, if smaller, to such business operation's business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive's employment with Employer (a "Competitive Operation"); (b) Executive's investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (c) Executive's lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. Notwithstanding the foregoing, Executive's passive investment in, or passive ownership of, up to five percent (5%) of the capital stock or other equity interests of any business entity (including a business entity engaged in the Employer Business) shall not be treated as a breach of this Section 10.4. For purposes of this Section 10.4, "Employer Business" and "passive" have the meanings set forth in Section 8 above and "material portion" shall mean that either (i) the total assets engaged in a Competitive Operation exceeds 20% of such business operation's total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds 20% of the Employer's Business. Notwithstanding the foregoing, the activities described on **Exhibit B** attached hereto shall not be deemed to be Competitive Activities. This Section 10.4 governs the period of time following Executive's employment with Employer, and Section 8 above governs during the Term.

11. **Injunctive Relief**. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "Covenants") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. **Agreement to Arbitrate**.

12.1 **Mandatory Arbitration**. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session) at any time before an arbitration demand has been filed and served, or before an arbitrator has been selected.

12.2 **Principles Governing Arbitration**. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (i) for written discovery and depositions as provided under Massachusetts law and (ii) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "Statutory Discrimination Claim"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 **Rules Governing Arbitration**. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 **Selection of Arbitrator**. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall

alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 **Arbitrator Decision**. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The parties in the arbitration shall each pay their respective attorneys fees and one half of the costs or fees charged by the arbitrator and the American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. **General Provisions**.

13.1 **Successors and Assigns**. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 **Nonexclusivity of Rights**. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 **Attorneys' Fees**. Each side will bear its own attorneys' fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party, and the arbitrator awards such attorneys' fees accordingly.

13.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to

be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

13.9 **Survival**. The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. **Entire Agreement**. This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitute the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Board of Directors of the Company and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: April , 2011

By: _____
Name
Title

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

By: STAG Industrial GP, LLC, its sole general partner

Dated: April , 2011

By: _____
Name: _____
Title: _____

KATHRYN ARNONE

Dated: April , 2011

By: _____
Address: _____

Exhibit A

LTIP Unit Award Agreement

Exhibit B

Exceptions to No Competition and No Conflict of Interest Obligations

1. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments II, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties owned by such entities on the date hereof.
2. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments III, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties and, to the extent applicable, equity interests in the Partnership, owned by such entities on the date hereof.
3. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments IV, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
4. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG GI Investments, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (“Agreement”) is made effective as of April , 2011 (“Effective Date”), by and among **STAG INDUSTRIAL, INC.**, a Maryland corporation (“Company”), **STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.** (“Partnership”), a Delaware limited partnership, and **DAVID G. KING** (“Executive”) to reaffirm and amend the terms and conditions of Executive’s employment.

The parties agree as follows:

1. **Employment**. Employer (as defined below) hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. **Duties**.

2.1 **Position**. Executive is employed on a full-time basis as Executive Vice President and Director of Real Estate, shall report directly to the Board of Directors of the Company (the “Board of Directors”), and shall have the duties and responsibilities commensurate with such positions as shall be reasonably and in good faith determined from time to time by the Board of Directors, including such duties and responsibilities with respect to the Company, the Partnership and/or a subsidiary of either (collectively, “Employer”).

2.2 **Duties**. Executive shall: (i) abide by all applicable federal, state and local laws, regulations and ordinances, and (ii) except for vacation and illness periods, devote substantially all of his business time, energy, skill and efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business interests of the Employer; provided, that, notwithstanding the foregoing, Executive may (w) make and manage personal business investments of his choice, subject to the limitations set forth in Section 8 hereof, (x) serve as a director or in any other capacity of any business enterprise, including an enterprise whose activities may involve or relate to the Employer’s Business (as defined in Section 8), provided that such service is expressly approved in advance by the Board of Directors, (y) serve in any capacity with any civic, educational, religious or charitable organization, or any governmental entity or trade association, and (z) serve as director, officer or any other capacity in which Executive is currently serving with respect to STAG Investments II, LLC, STAG Investments III, LLC, STAG Investments IV, LLC and STAG GI Investments, LLC (collectively, “Funds”); provided that all such other activities do not materially interfere with the performance of the Executive’s duties hereunder.

3. **Term of Employment**. The term of this Agreement shall commence on the Effective Date and shall continue until and including the three-year anniversary of the Effective Date, unless earlier terminated as herein provided (the “Initial Term”). The Initial Term shall be automatically renewed for successive one-year periods (each an “Extended Term”) unless either party gives notice of non-renewal at least sixty (60) days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any lawful termination of Executive’s employment with Employer as herein provided.

4. **Compensation.**

4.1 **Base Salary.** As compensation for Executive's performance of Executive's duties as set forth herein and as hereafter determined by the compensation committee of the Board of Directors from time to time, Employer shall pay to Executive a base salary of \$246,000 per year (" **Base Salary** "), payable in accordance with the normal payroll practices of Employer, less all legally required or authorized payroll deductions and tax withholdings. Base Salary shall be reviewed annually, and may be increased, at the sole discretion of the compensation committee of the Board of Directors, in light of the Executive's performance and the Employer's financial performance and other economic conditions and relevant factors determined by the compensation committee.

4.2 **LTIP Units, Restricted Stock and Other Equity Awards.**

(a) Upon execution of this Agreement, the Employer shall cause to be granted to Executive at least 15,391 long-term incentive plan units (" **LTIP Units** ") in consideration of services to be performed by Executive for the Partnership in his capacity as a partner thereof, and such LTIP Units shall be evidenced by, and subject to, the LTIP Unit award agreement attached to this Agreement as **Exhibit A** (" **LTIP Agreement** ") and the Company's 2010 Equity Incentive Plan (a copy of which has been delivered to Executive). In addition, as part of the consideration for employment, Executive shall be eligible to receive additional awards of LTIP Units and other equity awards, subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(b) At any time after the execution of this Agreement, as part of the consideration for his employment as an officer of the Company, Executive shall be eligible to receive shares of common stock (" **Restricted Stock** "), in such number as the compensation committee of the Board of Directors deems appropriate, and such Restricted Stock shall be evidenced by, and subject to, a Restricted Stock award agreement in the form then currently in use by the Company (" **Restricted Stock Agreement** "). Such awards of Restricted Stock and any other equity awards granted shall be subject to the terms and conditions of the Company's 2010 Equity Incentive Plan (or such subsequent equity plan as may be in place from time to time) and the applicable award agreement.

(c) Any LTIP Units granted to the Executive during the term of this Agreement shall be deemed to have been granted to the Executive in consideration of services rendered or to be rendered in Executive's capacity as a partner of the Partnership.

(d) During the Term, the Company and the Partnership shall (and shall cause each subsidiary that is a component Employer to) allocate the services provided by Executive to each component Employer and compensate Executive from the respective component Employer on a basis proportionate to the services provided by Executive to each component Employer. The parties confirm that Employer shall (and intends to) require that a sufficient amount of services be provided hereunder to the Partnership by Executive in his capacity as a partner of the Partnership to constitute full and adequate consideration for the issuance of LTIP Units to Executive and to the Company by Executive in his capacity as an officer of the Company to constitute full and adequate consideration for the issuance of Restricted Stock to Executive.

4.3 **Bonus.** At the sole discretion of the Board of Director's compensation committee, Executive may be paid a bonus (" **Bonus** ") relating to each calendar year during the

Term, and such discretionary Bonus, if any, shall be paid on or before March 1st of the following year.

5. **Customary Fringe Benefits.** Executive shall be eligible for all customary and usual fringe benefits generally available to full-time employees of Employer, subject to the terms and conditions of Employer's policies and benefit plan documents, as the same may be amended from time to time. In addition, Executive shall receive an allowance for parking costs of \$445.00 a month. Employer reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive. Notwithstanding the standard vacation policy provisions or vacation accrual rates, Executive shall be entitled to vacation of four weeks per year.

6. **Business Expenses.** Executive shall be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Employer. To obtain reimbursement, expenses must be submitted within one (1) month of being incurred with appropriate supporting documentation in accordance with Employer's policies. All such expenses shall be reimbursed within one (1) month of submission and, in any event, in the same fiscal year in which they were incurred or within one (1) month after the end of such year.

7. **Termination of Employment.** Subject to the terms and conditions of this Section 7, either Company or Executive may terminate Executive's employment with Employer at any time, with or without Cause (as defined in Section 7.10), during the Term. Any termination of Executive's employment during the Term shall be communicated by written notice of termination from the terminating party to the other party (" Notice of Termination "). The Notice of Termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination and a written statement of the reason(s) for the termination. In the case of a Notice of Termination provided by Executive to Employer, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Employer. In the case of a Notice of Termination provided by Company to Executive, such Notice of Termination shall not be effective for a period of thirty (30) days after receipt of such Notice of Termination by Executive; provided that Company may require Executive to leave the Company's premises and refrain from any further business activities on behalf of the Company as of the date designated by Company in the Notice of Termination. If Executive's employment is terminated by either party, for any reason, during the Term, Employer shall pay to the Executive the accrued and unpaid Base Salary and accrued but unused vacation as of the date of Executive's termination of employment. Further, if Executive's employment is terminated by either party, for any reason other than a termination by the Company for Cause or termination by Executive without Good Reason, during the Term, Employer shall pay to the Executive an amount equal to the product of (a) the Bonus (or deemed Bonus) referenced in Section 7.1(a)(ii) of this Agreement multiplied by (b) a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the termination occurs and the date of termination and the denominator of which is the number of days in the fiscal year in which the termination occurs, such payment to be made no later than thirty (30) days following the date of termination of Executive's employment and shall be subject to Executive's execution of a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company. Except as otherwise provided in this Section 7 and its subsections, Employer shall have no further obligation to make or provide to Executive, and Executive shall have no further right to receive or obtain from

Employer, any payments or benefits in respect of the termination of Executive's employment with Employer during the Term.

7.1 **Severance Upon Involuntary Termination without Cause**. If Company terminates Executive's employment with Employer without Cause (as defined in Section 7.10) during the Term, and such termination is not in connection with Executive's Disability (as defined below), such termination qualifies as a "Separation from Service" under Section 409A (as hereinafter defined), Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board and paid (which will be deemed to be \$125,000 until such time as the compensation committee makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under the Consolidated Omnibus Budget and Reconciliation Act ("COBRA")) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however , that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on or before the date that is the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.2 **Severance Upon Resignation for Good Reason** . If Executive resigns from employment with Employer for Good Reason (as defined in Section 7.10) during the Term and such resignation qualifies as a "Separation from Service" under Section 409A, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board and paid (which will be deemed to be \$125,000 until such time as the compensation committee makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided , however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent

permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.3 **Severance Upon Change of Control.** If during the last year of the Initial Term or during any Extended Term, a "Change of Control" (as defined in Section 7.10) occurs and the Company does not renew this Agreement for an Extended Term within twelve (12) months following such Change of Control, Executive shall be entitled to a "Severance Package" that consists of the following:

(a) a single cash lump-sum "Severance Payment" equal to two (2) times the sum of (i) Executive's annual rate of Base Salary in effect immediately prior to Executive's termination of employment, and (ii) an amount equal to the Bonus (if any) actually paid to Executive for the most recently completed fiscal year for which the amount of Executive's Bonus was determined by the compensation committee of the Board and paid (which will be deemed to be \$125,000 until such time as the compensation committee makes its first determination regarding payment of any Bonus, which determination shall occur no later than March 1, 2012 in respect of fiscal year 2011);

(b) Employer's direct-to-insurer payment of any group health or other insurance premiums for a period of eighteen (18) months (subject to Executive's eligibility for, and proper and timely election of continued group health benefits under COBRA) to continue Executive's coverage under the Company's group health insurance plan and, if any, the Company's group life and disability insurance plans;

(c) immediate vesting of all outstanding LTIP Units (which shall, in accordance with the applicable award agreement, remain subject to achieving parity with common units of limited partnership interest in the Partnership), Restricted Stock, stock options, and other equity awards granted to Executive under any of Employer's equity incentive plans; and

(d) continuation of coverage under the Company's liability insurance for directors and officers with respect to any of the Executive's actions as Executive of the Company during the Term;

provided, however, that all of the following conditions are first satisfied:

(i) Executive reaffirms Executive's commitment to comply with all surviving provisions of this Agreement, including Section 9 and Section 10 hereof; and

(ii) Executive executes a Separation Agreement that includes a general release in favor of Company, and all subsidiary and related entities, and their officers, directors, shareholders, employees and agents to the fullest extent permitted by law, drafted by Company and in a form reasonably satisfactory to Company, and the general release becomes effective in accordance with its terms no later than thirty (30) days following the date of termination of Executive's employment.

The Severance Payment shall be subject to all legally required and authorized deductions and tax withholdings and shall be paid on the thirtieth (30th) day following the date of termination of Executive's employment, provided that Executive has complied with all of the above-referenced conditions to receiving the Severance Payment. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.4 **Beneficial Excise Tax Treatment.** In the event that any payment or benefit received or to be received by Executive pursuant to this Agreement or otherwise would subject Executive to any excise tax pursuant to Section 4999 of the Code due to the characterization of such payment or benefit as an excess parachute payment under Section 280G of the Code, Executive may elect, in his sole discretion, to reduce the amounts of any payments or benefits called for under this Agreement in order to avoid such characterization. To aid Executive in making any election called for under this Section 7.4, upon the occurrence of any event that might reasonably be anticipated to give rise to the application of this Section 7.4 (an "Event"), Company shall promptly request a determination in writing by independent public accountants selected by Employer (the "Accountants"). Unless Company and Executive otherwise agree in writing, the Accountants, within thirty (30) days after the date of the Event, shall determine and report to Company and Executive whether any reduction in payments or benefits at the election of Executive would produce a greater after-tax benefit to Executive and shall provide to Company and Executive a written report containing a sufficiently detailed quantitative substantiation of their analysis and presented in a manner that Executive can readily understand. For the purposes of such determination, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 7.4. Under no circumstances shall Executive be entitled to any tax reimbursement or tax gross-up payment by virtue of the occurrence of an Event or any additional payment or benefit under this Section 7.4.

7.5 **Section 409A Compliance.** The parties intend for this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. If this Agreement either fails to satisfy the requirements of Section 409A or is not exempt from the application of Section 409A, then the parties hereby agree to amend or to clarify this Agreement in a timely

manner so that this Agreement either satisfies the requirements of Section 409A or is exempt from the application of Section 409A.

(a) Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a “specified employee” (as defined in Section 409A), any Severance Payment, severance benefits or other amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code (together, “Specified Employee Payments”) shall not be paid before the expiration of a period of six (6) months following the date of Executive’s termination of employment (or before the date of Executive’s death, if earlier). The Specified Employee Payments to which Executive would otherwise have been entitled during the six-month period following the date of Executive’s termination of employment shall be accumulated and paid as soon as administratively practicable following the first date of the seventh month following the date of Executive’s termination of employment.

(b) To ensure satisfaction the requirements of Section 409A(b)(3) of the Code, assets shall not be set aside, reserved in a trust or other arrangement, or otherwise restricted for purposes of the payment of amounts payable under this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company’s applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit .

(d) Employer hereby informs Executive that the federal, state, local, and/or foreign tax consequences (including without limitation those tax consequences implicated by Section 409A) of this Agreement are complex and subject to change. Executive acknowledges and understands that Executive should consult with his or her own personal tax or financial advisor in connection with this Agreement and its tax consequences. Executive understands and agrees that Employer has no obligation and no responsibility to provide Executive with any tax or other legal advice in connection with this Agreement and its tax consequences. Executive agrees that Executive shall bear sole and exclusive responsibility for any and all adverse federal, state, local, and/or foreign tax consequences (including without limitation any and all tax liability under Section 409A) of this Agreement to Executive.

7.6 **Effect of Death or Disability** . If Executive dies or is terminated by Company upon his experiencing a Disability (as defined in Section 7.10) during the Term, Executive shall be entitled to payment of his accrued and unpaid Base Salary as of the date of Executive’s death or Disability (the “Measurement Date”), a single cash lump-sum payment equal to the Bonus specified in Section 7.1(a)(ii) of this Agreement that otherwise would have been payable to Executive for Employer’s fiscal year in which the Measurement Date occurs multiplied by a fraction, the numerator of which is the number of days that have elapsed between the beginning of the fiscal year in which the Measurement Date occurs and the Measurement Date and the denominator of which is the number of days in the fiscal year in which the Measurement Date occurs. The payments described in the previous sentence shall be subject to all legally required and authorized deductions and tax withholdings, including for wage garnishments, if applicable, to the extent required or permitted by law, and shall be paid

on thirtieth (30th) day following the date of termination of Executive's employment. Payment under this Section 7.6 shall be made not more than once, if at all.

7.7 **Employment Reference**. If Executive's employment is terminated without Cause, or Executive resigns for Good Reason, or this Agreement is not renewed by Company pursuant to a Change of Control, Executive and Employer will negotiate in good faith to reach an agreement on a neutral statement for termination or resignation, to the extent necessary or appropriate. This statement will include, at minimum and as applicable, positions held, date of hire, employment period and confirmation of salary history (if requested by Executive).

7.8 **Ineligibility For Severance**. For avoidance of doubt, Executive shall not be entitled to any Severance Package under this Agreement, and Section 7.2 shall not apply to Executive, if at any time during the Term, either (a) Executive voluntarily resigns or otherwise terminates employment with Employer other than for Good Reason, or (b) Company terminates Executive's employment for Cause. Effective immediately upon termination of employment, Executive shall no longer be eligible to contribute to or to be an active participant in any retirement or benefit plan covering employees of Employer; provided, however, Executive may effect a rollover or other transfer of his interests in any such retirement or benefit plan in accordance with the terms of such plan and applicable law. All other Employer obligations to Executive shall be automatically terminated and completely extinguished.

7.9 **Taxes and Withholdings**. The Employer may withhold from any amounts payable under this Agreement, including any benefits or Severance Payment, such federal, state or local taxes as may be required to be withheld pursuant to applicable law or regulations, which amounts shall be deemed to have been paid to Executive.

7.10 **Definitions**.

(a) "Cause" shall mean the occurrence during the Term of any of the following: (i) Executive's indictment for, formal admission to (including a plea of guilty or *nolo contendere* to), or conviction of: a felony, a crime of moral turpitude, fraud and dishonesty, breach of trust or unethical business conduct, or any crime involving Employer, (ii) gross negligence or willful misconduct by Executive in the performance of Executive's duties which has materially damaged Employer's financial position or reputation; (iii) willful or knowing unauthorized dissemination with the intent to cause harm by Executive of Confidential Employer Information; (iv) repeated failure by Executive to perform Executive's duties that are reasonably and in good faith requested in writing by the Board of Directors or the member of the Board of Directors authorized by it (the "Delegator"), and which are not substantially cured by Executive within thirty (30) days following receipt by Executive of such written request; (v) failure of Executive to perform any lawful and reasonable directive of the Delegator communicated to Executive in the form of a written request from the Delegator, which is consistent with the Employer Business, and which failure Executive does not begin to cure within ten (10) days following receipt by Executive of such written request or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written request, or (vi) material breach of this Agreement by Executive which breach has been communicated to Executive in the form of a written notice from a Delegator, which material breach Executive does not begin to cure within ten (10) days following receipt by Executive of such written notice or Executive has not substantially cured within forty-five (45) days following receipt by Executive of such written notice.

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(b) "Disability" shall mean the occurrence during the Term of a medically determinable physical or mental impairment of Executive that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which either (i) renders Executive unable to engage in any substantial gainful activity, with or without leave accommodation, for a period of not less than three (3) months; or (ii) results in Executive receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance that may be maintained by the Company for the benefit of its employees.

(c) "Change of Control" shall have the meaning ascribed to it in the 2010 Equity Incentive Plan as of the date hereof.

(d) "Good Reason" shall mean the occurrence during the Term of any of the following: (i) a material breach of this Agreement by Company which is not cured by Company within 30 days following Company's receipt of written notice by Executive to Company describing such alleged breach; (ii) Executive's Base Salary is materially reduced by Company; (iii) a material reduction in Executive's title, duties and/or responsibilities, or the assignment to Executive of any duties materially inconsistent with Executive's position; or (iv) a material change in the Company headquarters' geographic location; provided, however, Executive shall assert such Good Reason within ninety (90) days of any of the occurrences described in (i) through (iv) hereof.

(e) "Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations or guidance promulgated thereunder.

7.11 **Nonduplication of Benefits**. Notwithstanding any provision in this Agreement or in any other Employer benefit plan or compensatory arrangement to the contrary, but at all times subject to Section 7.4, (a) any payments due under Section 7.1, Section 7.2 or Section 7.3 shall be made not more than once, if at all, (b) payments may be due under Section 7.1, Section 7.2 or Section 7.3, but under no circumstances shall payments be made under all of or any combination of Section 7.1, Section 7.2 and Section 7.3, (c) no payments made under Sections 7.1, 7.2 and 7.3 this Agreement shall be considered compensation for purposes of any benefit plan or compensatory arrangement of Employer, and (d) Executive shall not be entitled to severance benefits from Employer other than as contemplated under this Agreement, unless such other severance benefits offset and reduce the benefits due under this Agreement on a dollar-for-dollar basis, but not below zero.

8. **No Competition and No Conflict of Interest**. Except as otherwise provided in Section 2.2 of this Agreement or as set forth in **Exhibit B** to this Agreement, during the Term, Executive must not (a) engage in any work, paid or unpaid, that creates an actual conflict of interest with the essential business-related interests of the Employer where such conflict would materially and substantially disrupt operations, (b) directly or indirectly, whether as an owner, partner, stockholder, principal, agent, employee, consultant, or in any other relationship or capacity, engage in, or acquire any interest in any Person, corporation, partnership or other entity (other than Company or any entity directly or indirectly controlled by Company) engaged in the Employer Business, (c) in any way other than on behalf of and as an employee of Employer, act as an officer, director, employee, consultant, shareholder, volunteer, lender, or agent of any business enterprise engaged in the Employer Business or any business in which Employer becomes actively engaged during the Term. In addition, Executive agrees not to refer any tenant or potential tenant of Employer to competitors of Employer, without obtaining Company's prior written consent, during the Term. Notwithstanding the foregoing, Executive's

investment in, or ownership of, less than five percent (5%) of the capital stock of any business entity that competes with or could reasonably be expected to compete with the Employer Business and whose securities are traded on any national securities exchange or registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, shall not be treated as a breach of this Section 8. For purposes of this Agreement, the term “Employer Business” shall mean the acquisition, disposition, development, redevelopment, ownership, operation, management or financing of single tenant (or primarily single tenant) industrial properties in the United States.

9. **Confidentiality**. During the Term, Executive has been and will continue to be given access to a wide variety of information about the Employer, its affiliates and other related businesses that the Employer considers “Confidential Employer Information.” As a condition of continued employment, Executive agrees to abide by Employer’s business policies and directives on confidentiality and nondisclosure of Confidential Employer Information. Confidential Employer Information shall mean all information applicable to the business of the Employer which confers or may confer a competitive advantage upon the Employer over one who does not possess the information; and has commercial value in the business of the Employer or any other business in which the Employer engages or is preparing to engage during Executive’s employment with Employer. Confidential Employer Information includes, but is not limited to, information regarding the Employer’s business plans and strategies; contracts and proposals (including leases and proposed leases); artwork, designs, drawings and specifications for development and redevelopment projects; tenants and prospective tenants; suppliers and other business partners and Employer’s business arrangements and strategies with respect to them; current and future marketing or advertising campaigns; software programs; codes, underwriting models, credit analyses, formulae or techniques; rent rolls; financial information; personnel information; and all ideas, plans, processes or information related to the current, future and proposed projects or other business of the Employer that has not been disclosed to the public by an authorized representative of the Employer, acting within the scope of his or her authority, whether or not such information would be enforceable as a trade secret of the Employer or enjoined or restrained by a court or arbitrator as constituting unfair competition. Confidential Employer Information also includes confidential information of any third party who may disclose such information to the Employer or Executive in the course of the Employer’s business.

9.1 **Nondisclosure**. Executive acknowledges that Confidential Employer Information constitutes valuable, special and unique assets of the Employer’s business and that the unauthorized disclosure of such information to competitors of the Employer, or to the general public, will be highly detrimental to the Employer. Executive therefore agrees to hold Confidential Employer Information in strictest confidence. Except as shall occur as and to the extent that Executive performs his duties to Employer, Executive agrees not to disclose or allow to be disclosed to any individual or entity, other than those individuals or entities authorized by the Company, any Confidential Employer Information that Executive has or may acquire during Executive’s employment by Employer (whether or not developed or compiled by Executive and whether or not Executive has been authorized to have access to such Confidential Employer Information).

9.2 **Continuing Obligation**. Executive agrees that the agreement not to disclose Confidential Employer Information will be effective during Executive’s employment and continue even after Executive is no longer employed by Employer. Any obligation not to disclose any portion of any Confidential Employer Information will continue indefinitely unless such information (a) has become public knowledge through no fault of Executive; or (b) has

been developed independently without any reference to any information obtained during Executive's employment with Employer; or (c) must be disclosed in response to a valid order by a court or government agency or is otherwise required by law.

9.3 **Return of Employer Property**. On termination of employment with Employer for whatever reason, or at the request of the Employer before termination, Executive agrees to promptly deliver to Employer all records, files, computer disks, memoranda, documents, lists and other information regarding or containing any Confidential Employer Information, including all copies, reproductions, summaries or excerpts thereof, then in Executive's possession or control, whether prepared by Executive or others. Executive also agrees to promptly return, on termination or the Employer's request, any and all Employer property issued to Executive, including but not limited to computers, cellular phones, keys and credits cards. Executive further agrees that should Executive discover any Employer property or Confidential Employer Information in Executive's possession after the return of such property has been requested, Executive agrees to return it promptly to Employer without retaining copies, summaries or excerpts of any kind.

9.4 **No Violation of Rights of Third Parties**. Executive warrants that the performance of all the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive prior to Executive's employment with Employer. Executive agrees not to disclose to Employer, or induce Employer to use, any confidential or proprietary information or material belonging to any previous employers or others. Executive warrants that Executive is not a party to any other agreement that will interfere with Executive's full compliance with this Agreement. Executive further agrees not to enter into any agreement, whether written or oral, in conflict with the provisions of this Agreement while such provisions remain effective.

10. **Interference with Business Relations**.

10.1 **Interference with Sellers, Tenants, Brokers and Other Business Partners**. Executive acknowledges that Employer's seller information, tenant base, broker network, pipeline, leasing and acquisitions/sales strategies and its other business arrangements have been developed through substantial effort and expense, and its nonpublic business information regarding these matters is confidential and constitutes trade secrets. In addition, because of Executive's position, Executive understands that Employer will be particularly vulnerable to significant harm from Executive's use of such information for purposes other than to further Employer's business interests. Accordingly, Executive agrees that during Executive's employment with Employer, and for a period of twelve (12) months thereafter, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's relationship with any of the sellers, tenants, brokers or other business partners of Employer with whom Executive has had contact, or conducted business, during the Term of Employment by contacting them for the purpose of inducing or encouraging any of them to divert or take away business from Employer.

10.2 **Interference with Employer's Employees**. Executive acknowledges that the services provided by Employer's employees are unique and special, and that Employer's employees possess trade secrets and Confidential Employer Information that is protected against misappropriation and unauthorized use. As such, Executive agrees that during, and for a period of twelve (12) months after, Executive's employment with Employer, Executive will not, either directly or indirectly, separately or in association with others, interfere with, impair, disrupt or damage Employer's business by contacting any Employer employees for the purpose of inducing or encouraging them to discontinue their employment with Employer.

10.3 **Negative Information.** During the Term and thereafter, Executive shall not disclose confidential or negative non-public information regarding, or take any action materially detrimental to the reputation of Employer or its directors, officers, employees, investors, shareholders or advisors and any affiliates of any of the foregoing (collectively, the “Employer Affiliates”); provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of Executive to respond to mandatory governmental inquiries concerning the Employer Affiliates or to act in accordance with, or to establish, his rights under this Agreement. Employer likewise agrees that no one acting with the actual authority of Employer shall disclose negative non-public information regarding, or take any action materially detrimental to the reputation of, Executive; provided, however, that nothing contained in this Section 10.3 shall affect any legal obligation of the Employer Affiliates to respond to mandatory governmental inquiries concerning Executive or to act in accordance with, or to establish, the rights of the Employer Affiliates under this Agreement.

10.4 **Post-Termination Noncompetition.** (a) For a period of twelve (12) months following Executive’s employment with the Employer, Executive will not engage in Competitive Activities (as hereinafter defined). Notwithstanding any other provision herein to the contrary, this Section 10.4 shall terminate and be null and void in the event that the Employer terminates Executive’s employment without Cause or Executive resigns from employment with Employer for Good Reason. The term “Competitive Activities,” for purposes of this Section 10.4, shall mean the taking of any of the following actions by Executive: (a) Executive’s direct or indirect participation (for his own account or jointly with others) in the management of, or as an employee, board member, partner, manager, member, joint venturer, representative or other agent of, or advisor or consultant to, any other business operation if a material portion (either in comparison to the size of Employer’s Business or, if smaller, to such business operation’s business) of such operation is engaging in the Employer Business or any business in which Employer has been actively engaged at the time of the termination of Executive’s employment with Employer (a “Competitive Operation”); (b) Executive’s investment in, or ownership of, the capital stock or other equity interests in any business entity that is a Competitive Operation; or (iii) Executive’s lending of funds for the purpose of establishing or operating any Competitive Operation, or otherwise giving advice to any Competitive Operation, or lending or allowing his name or reputation to be used by any Competitive Operation or otherwise allowing his skill, knowledge or experience to be so used. For purposes of this Section 10.4, “Employer Business” and “passive” have the meanings set forth in Section 8 above and “material portion” shall mean that either (i) the total assets engaged in a Competitive Operation exceeds 20% of such business operation’s total assets or (ii) the total assets engaged in a Competitive Operation of such business operation equals or exceeds 20% of the Employer’s Business. Notwithstanding the foregoing, the activities described on **Exhibit B** attached hereto shall not be deemed to be Competitive Activities. This Section 10.4 governs the period of time following Executive’s employment with Employer, and Section 8 above governs during the Term.

11. **Injunctive Relief**. Executive acknowledges that Executive's breach of the covenants contained in Sections 8 through 10 of this Agreement inclusive (collectively "Covenants") would cause irreparable injury and continuing harm to Employer for which there will be no adequate remedy at law, and agrees that Employer shall be entitled to temporary and preliminary injunctive relief upon a showing of a likelihood of such a breach, and shall be entitled to permanent injunctive relief upon establishing such a breach, to the fullest extent allowed by Massachusetts law, without the necessity of proving irreparable harm or actual damages or of posting any bond or other security.

12. **Agreement to Arbitrate**.

12.1 **Mandatory Arbitration**. Any dispute or controversy arising out of or relating to any interpretation, construction, performance, termination or breach of this Agreement, will be settled by final and binding arbitration by a single arbitrator to be held in Boston, Massachusetts, in accordance with the American Arbitration Association national rules for resolution of employment disputes then in effect, except as provided herein. The arbitrator selected shall have the authority to grant any party all remedies otherwise available by law, including injunctions, but shall not have the power to grant any remedy that would not be available in a state or federal court. The arbitrator shall have the authority to hear and rule on dispositive motions (such as motions for summary adjudication or summary judgment). The arbitrator shall have the powers granted by Massachusetts law and the rules of the American Arbitration Association which conducts the arbitration, except as modified or limited herein. In aid of arbitration, either party may seek temporary and/or preliminary injunctive relief in the Business Litigation Session of the Suffolk County Massachusetts Superior Court (or in a regular session of that court if the case is not accepted into the Business Litigation Session) at any time before an arbitration demand has been filed and served, or before an arbitrator has been selected.

12.2 **Principles Governing Arbitration**. Notwithstanding anything to the contrary in the rules of the American Arbitration Association, the arbitration shall provide (i) for written discovery and depositions as provided under Massachusetts law and (ii) for a written decision by the arbitrator that includes the essential findings and conclusions upon which the decision is based which shall be issued no later than thirty (30) days after a dispositive motion is heard and/or an arbitration hearing has completed. Except in disputes where Executive asserts a claim otherwise under a state or federal statute prohibiting discrimination in employment (a "Statutory Discrimination Claim"), each side shall split equally the fees and administrative costs charged by the arbitrator and American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim against Employer, Executive shall be required to pay the American Arbitration Association's filing fee only to the extent such filing fee does not exceed the fee to file a complaint in state or federal court. Employer shall pay the balance of the arbitrator's fees and administrative costs.

12.3 **Rules Governing Arbitration**. Executive and Employer shall have the same amount of time to file any claim against any other party as such party would have if such a claim had been filed in state or federal court. In conducting the arbitration, the arbitrator shall follow the rules of evidence of the Commonwealth of Massachusetts (including but not limited to all applicable privileges), and the award of the arbitrator must follow Massachusetts and/or federal law, as applicable.

12.4 **Selection of Arbitrator**. The arbitrator shall be selected by the mutual agreement of the parties. If the parties cannot agree on an arbitrator, the parties shall

alternately strike names from a list provided by the American Arbitration Association until only one name remains.

12.5 **Arbitrator Decision**. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. The parties in the arbitration shall each pay their respective attorneys fees and one half of the costs or fees charged by the arbitrator and the American Arbitration Association. In disputes where Executive asserts a Statutory Discrimination Claim, reasonable attorneys' fees shall be awarded by the arbitrator based on the same standard as such fees would be awarded if the Statutory Discrimination Claim had been asserted in state or federal court. Judgment may be entered on the arbitrator's decision in any court having jurisdiction.

13. **General Provisions**.

13.1 **Successors and Assigns**. The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. The Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) or assignee to all or substantially all of the business and/or assets of the Employer to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement without Employer's written consent.

13.2 **Nonexclusivity of Rights**. Except as expressly provided in this Agreement, Executive is not prevented from continuing or future participation in any Employer benefit, bonus, incentive or other plans, programs, policies or practices provided by Employer subject to the terms and conditions of such plans, programs, or practices.

13.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

13.4 **Attorneys' Fees**. Each side will bear its own attorneys' fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys' fees to the prevailing party, and the arbitrator awards such attorneys' fees accordingly.

13.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

13.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Employer, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to

be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

13.7 **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Except as and to the extent that Section 12 does not properly apply, each party consents to the jurisdiction and venue of the state or federal courts in Suffolk County, Massachusetts in any action, suit, or proceeding arising out of or relating to this Agreement.

13.8 **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing.

13.9 **Survival**. The following provisions shall survive Executive's employment with Employer to the extent reasonably necessary to fulfill the parties' expectations in entering this Agreement: Section 7 ("Termination of Employment"), Section 9 ("Confidentiality"), 10 ("Interference with Business Relations") Section 11 ("Injunctive Relief"), Section 12 ("Agreement to Arbitrate"), Section 13 ("General Provisions"), and Section 14 ("Entire Agreement").

14. **Entire Agreement**. This Agreement, together with the other agreements and documents governing the benefits described in this Agreement, constitute the entire agreement among the parties relating to this subject matter hereof and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Board of Directors of the Company and Executive. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

STAG INDUSTRIAL, INC.

Dated: April , 2011

By: _____
Name
Title

**STAG INDUSTRIAL OPERATING
PARTNERSHIP, L.P.**

By: STAG Industrial GP, LLC, its sole general partner

Dated: April , 2011

By: _____
Name:
Title:

DAVID G. KING

Dated: April , 2011

By: _____
Address: _____

Exhibit A

LTIP Unit Award Agreement

Exhibit B

Exceptions to No Competition and No Conflict of Interest Obligations

1. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments II, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties owned by such entities on the date hereof.
2. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments III, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the disposition, development, redevelopment, ownership, operation, management and financing of the properties and, to the extent applicable, equity interests in the Partnership, owned by such entities on the date hereof.
3. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG Investments IV, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.
4. Serving as an officer, board member, management committee member or any other position with, or performing any and all activities related to, or having any ownership interest in a any direct or indirect member of, STAG GI Investments, LLC, its members and its subsidiaries; provided that such entities do not engage in the Employer Business, except with respect to the ownership, financing and disposition of the equity interests in the Partnership owned by such entities on the date hereof.

CONTRIBUTION AGREEMENT

BY AND AMONG

STAG INVESTMENTS III, LLC

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

AND

STAG INDUSTRIAL, INC.

DATED AS OF APRIL 4, 2011

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (including all exhibits and schedules, this “Agreement”) is made and entered into as of April 4, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and a subsidiary of the Company (the “Operating Partnership”), and STAG INVESTMENTS III, LLC, a Delaware limited liability company (the “Contributor”).

RECITALS

A. The Company, which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “General Partner”), which in turn is the sole general partner of the Operating Partnership, desires to consolidate the ownership of a portfolio of primarily single tenant real estate assets, all of which assets are owned or ground leased by those certain limited liability companies and limited partnerships set forth on **Exhibit A** attached hereto and incorporated herein (each, a “Participating Entity” and, collectively, the “Participating Entities”), through the transaction contemplated by this Agreement (the “Formation Transaction”).

B. The Formation Transaction relates to the proposed initial public offering (the “Public Offering”) of the common stock, par value \$0.01, of the Company (the “Common Stock”).

C. The Contributor owns 100% of the membership interests in STAG Investments Holdings III, LLC, a Delaware limited liability company (“Holdings”), Holdings owns 100% of the membership interests or limited partnership interests, as applicable, in each of the Participating Entities, and Holdings or the Participating Entities own or ground lease the properties set forth on **Exhibit B** attached hereto and incorporated herein (each, a “Property” and together, the “Properties”). As used herein, “Participating Entity Agreements” means the articles of organization, certificates of formation, limited liability company agreements, limited partnership agreements, charters and bylaws and other similar organizational documents under which Holdings and each Participating Entity was formed or incorporated (including all amendments and restatements thereto).

D. Holdings currently also owns 100% of the membership interests in those certain limited liability companies set forth on **Exhibit F** attached hereto and incorporated herein (collectively, the “Excluded Entities”), which own or ground lease the properties set forth on **Exhibit F** (the “Excluded Properties”). At or prior to the Closing (as defined in Section 2.2) of the Formation Transaction, the Contributor will cause Holdings to transfer its ownership interests in the Excluded Entities to a new wholly-owned subsidiary of the Contributor (the “Exclusion Transaction”) and the properties owned by the Excluded Entities (the “Excluded Properties”) will be released from the debt (the “Existing Debt”) currently secured by the Properties and the Excluded Properties (the “Loan Release”).

E. The Contributor desires to, and the Operating Partnership desires that the Contributor, contribute to the Operating Partnership all of the Contributor’s right, title and

interest, free and clear of all Encumbrances, as a member of Holdings, including, without limitation, all of its voting rights and interests in the capital, profits and losses of Holdings or any property distributable therefrom, constituting all of its rights and interests in Holdings after divesting the Excluded Entities (such right, title and interest, the “Holdings Interests”), in exchange for common units of limited partnership interests in the Operating Partnership (the “Units”) in a transaction intended by the parties to qualify as a tax-free contribution to the Operating Partnership pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the “Code”). As used herein, “Participating Equity Interests” means all of Holdings’ direct or indirect right, title and interest, free and clear of all Encumbrances, as the owner of each Participating Entity, including, without limitation, all of its voting rights and interests in the capital, profits and losses of each such Participating Entity or any property distributable therefrom, constituting all of its rights and interests in each such Participating Entity.

F. The parties acknowledge that the acquisition of the Holdings Interests by the Operating Partnership is in connection with the consummation of the Public Offering and the satisfaction of the conditions set forth herein.

G. Simultaneously herewith, STAG Investments IV, LLC, STAG GI Investments, LLC, Net Lease Aggregation Fund, LLC, BSB STAG III, LLC, STAG III Employees, LLC, Innovative Promotions, LLC, NED STAG III Residual LLC, Roseview Capital Partners LLC, Gregory W. Sullivan and Benjamin S. Butcher (collectively, together with any additional contributor approved by the foregoing, the “Other Contributors” and each, an “Other Contributor”) have entered into Contribution Agreements (collectively, the “Other Agreements” and each, an “Other Agreement”) pursuant to which such Other Contributors have agreed to contribute their respective assets to the Operating Partnership simultaneously with the Contributor’s contribution hereunder (the “Roll-Up”) in exchange for an aggregate number of Units as set forth in the Other Agreements, which aggregate number of Units shall be determined based on the initial offering price of the Common Stock and which, together with the number of Units received by the Contributor hereunder, shall total 7,590,000 Units (the “Total Units”) (and which number of Units received by each Contributor is subject to adjustment as expressly provided herein and in the Other Agreements).

H. The parties intend this Agreement to be a “Contribution Agreement” pursuant to the terms of the Operating Partnership’s Agreement of Limited Partnership (the “Operating Partnership Agreement”).

I. All references in this Agreement to sections, articles, exhibits, schedules, attachments and recitals shall refer to the corresponding sections, articles, exhibits, schedules, attachments and recitals of or to this Agreement. Capitalized terms used and not defined in the body of this Agreement shall have the meanings set forth in **Exhibit G** attached hereto and incorporated herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual undertakings set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the foregoing recitals are incorporated into, and made a part of this Agreement, and the parties hereto further agree as follows:

TERMS OF AGREEMENT

ARTICLE 1

CONTRIBUTION OF HOLDINGS INTERESTS IN EXCHANGE FOR UNITS

Section 1.1 Contribution Transactions .

(a) At the Closing and subject to and on the terms and conditions contained in this Agreement, the Contributor shall contribute, transfer, assign, convey and deliver to the Company, all of the Holdings Interests (also sometimes referred to as the “Contributed Assets”). The contribution of the Holdings Interests to the Operating Partnership shall be evidenced by the execution and delivery of a Contribution and Assumption Agreement in substantially the form of Exhibit C attached hereto and incorporated herein.

(b) The parties shall take such additional actions and execute such additional documentation as may be required by the Participating Entity Agreements or as requested in the reasonable judgment of counsel to the Company or the Operating Partnership in order to effect the transactions contemplated hereby.

Section 1.2 Consideration for Holdings Interests . In exchange for the Holdings Interests contributed to the Operating Partnership by the Contributor, the Operating Partnership shall issue a certain number of Units to the Contributor based on the initial public offering price of the Common Stock as set forth below, such number of Units being referred to herein as the Contributor’s “Consideration” relating to the Holdings Interests contributed hereunder. If the initial public offering price for the Common Stock is between \$15.00 per share and \$17.00 per share, then the Contributor’s Consideration shall be the number of Units set forth in the spreadsheet attached hereto and incorporated herein as Exhibit K in the row corresponding with the initial public offering price of the Common Stock and the column entitled “STAG III Units”. For example, if the initial public offering price for the Common Stock were \$16.50 per share, the Consideration would be 769,471 Units. If the initial public offering price for the Common Stock is less than \$15.00 per share or more than \$17.00 per share, then the Contributor’s Consideration shall be the number of Units determined by multiplying the Non-Venture Units (as hereinafter defined) by the Pro Rata Share. “Pro Rata Share” means (a) the number of Units the Contributor would receive if the initial offering price of the Common Stock was \$16.00 per share as set forth on Exhibit K divided by (b) the Non-Venture Units if the initial public offering price of the Common Stock was \$16.00 per share. The “Non-Venture Units” means (y) the Total Units minus (z) the Venture Contributor’s Consideration. “Venture Contributor’s Consideration” means the number of Units determined by dividing the Venture Contributor’s Value by the initial public offering price for the Common Stock. “Venture Contributors Value” means, if the initial public offering price for the Common Stock is less than \$15.00 per share, \$74,854,304, and if the initial public offering price for the Common Stock is greater than \$17.00 per share, the sum of (A) \$74,854,304 plus (B) 64.3% of the excess of (i) the product of the Total Units multiplied by the initial public offering price per share of the Common Stock in the Public Offering over (ii) \$121,440,000, consistent with the allocation of Units when the initial public offering price for the Common Stock is between \$16.01 per share and \$17.00 per share as set forth on Exhibit K attached hereto. In the event that, subsequent to the date of this Agreement but before the

closing of the Formation Transaction, the Common Stock or the units of limited partnership interest of the Operating Partnership issued and outstanding shall, through a reorganization, recapitalization, stock or unit dividend, stock or unit split or similar change in the capitalization of the Company or the Operating Partnership increase or decrease in number, then an appropriate and proportionate adjustment shall be made to the Consideration.

Section 1.3 Adjusted Consideration; Risk of Loss .

(a) At the Closing, (i) real estate taxes and assessments (including special assessments and, personal property taxes, if any), (ii) rental income (including base rents, additional rents, escalation charges, common area maintenance charges, imposition charges, heating and cooling charges, insurance charges, charges for utilities, percentage rent, and all other rents, charges and commissions paid by tenants to the Participating Entities), (iii) interest payable under loans secured by Permitted Liens, (iv) insurance premiums, (v) utilities serving the Properties, (vi) property management fees, (vii) prepaid charges, payment and accrued charges under any contracts entered into by Holdings or any Participating Entity with respect to the Properties and (viii) all other items of income and expense with respect to the Properties shall be prorated between the Contributor, on the one hand, and the Operating Partnership, on the other hand, with all such items attributable to the period prior to the Closing Date (as defined in Section 2.2) to be credited or charged to Contributor, and all such items attributable to the period commencing on the Closing Date to be credited or charged to the Operating Partnership. Except as otherwise provided in this Section 1.3, income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. In addition, at Closing, the Contributor shall receive a credit equal to the amount of any reserves (other than any cash reserves established with the lender with respect to the Allocated Debt (the “Lender Reserves.”)) established by Holdings or any Participating Entity with respect to the Properties (the “Reserves”). Notwithstanding the generality of the foregoing, to the extent that any tenant of a Property pays any of the expenses described in clauses (i), (iv), (v), (vi), (vii) or (viii) above directly to an applicable third party (and not as a reimbursement to a Participating Entity), such amounts shall not be prorated at Closing. The prorations to be performed hereunder shall be completed by the Company based on the parties’ estimates as of the Closing, shall be evidenced by a closing statement prepared by the Company, shall be reconciled based on actual amounts when available, but in all events within ninety (90) days of Closing (the “Reconciliation Period”), and shall be implemented through a cash payment from the Operating Partnership to the Contributor to the extent the prorations result in a net credit to the Contributor and a cash payment from the Contributor to the Operating Partnership to the extent the prorations result in a net charge to the Contributor. In addition, immediately prior to Closing, Holdings shall distribute to the Contributor any cash (other than Reserves and any security deposits then held by the Participating Entities under Leases for the Properties) then held by Holdings or any Participating Entity (to the extent not being transferred with the Contributed Assets as a proration in accordance with this Section 1.3(a)) and such cash shall not be contributed to the Operating Partnership with the Contributed Assets. On the Closing Date, in addition to the Consideration, the Operating Partnership shall pay to the Contributor by wire transfer of immediately available federal funds an amount equal to the Lender Reserves (but only to the extent the Lender Reserves and the obligation to maintain such Lender Reserves are not being released by the lender to the Contributor in connection with the Closing). The parties acknowledge that preparation of the closing statement will involve substantial time and effort because of the

number of Properties and hereby agree that the closing statement shall be prepared by the Company based on an assumption that the Closing takes place on the Estimated Closing Date. If the Closing actually takes place on a day other than the Estimated Closing Date, then, during the Reconciliation Period, the prorations shall be recalculated as of the actual Closing Date based on actual amounts and the Company shall prepare a revised closing statement, and to the extent such revised closing statement reveals that the Contributor received more or less cash than it should have received had the prorations included in the original closing statement not been based on estimated amounts and the Closing occurring on the Estimated Closing Date, then the Operating Partnership (if the Contributor received less cash than it should have received) or the Contributor (if the Contributor received more cash than it should have received), as applicable, shall make a cash payment to the other as necessary to make the cash received by the Contributor correct based on the revised closing statement. Finally, if the Allocated Debt is greater than or less than the Estimated Allocated Debt Amount, the difference (as well as any interest accruals or other charges or payments of the Allocated Debt for the period after Allocated Debt Determination Date and until the Closing Date) will be a proration item credited (to the extent the Allocated Debt is less than the Estimated Allocated Debt Amount) or charged (to the extent the Allocated Debt is greater than the Estimated Allocated Debt Amount) to the Contributor and adjusted in cash during the proration reconciliation process. The parties acknowledge that the Allocated Debt includes, *inter alia*, mezzanine debt secured in part by the Excluded Properties, which debt will be paid-off immediately upon Closing.

(b) The risk of loss relating to the Holdings Interests and the underlying Properties contributed hereunder prior to Closing shall be borne by the Contributor to the extent set forth in this Section 1.3(b). If, prior to the Closing, any Property is destroyed or materially damaged by fire or other casualty or taken by condemnation or similar proceeding, then the Company shall (a) cause the Operating Partnership to acquire the Holdings Interests (including, the Contributor's indirect interests in any such Participating Entity that directly or indirectly owns the affected Property), (b) direct the Contributor to cause the Participating Entity or Participating Entities, as applicable, to pay or cause to be paid to the Operating Partnership any sums collected under any policies of insurance relating to such casualty or condemnation proceeds, as applicable, and otherwise assign to the Operating Partnership all rights to collect such sums as may then be uncollected, and (c) adjust or settle any insurance claim or condemnation proceeding. Under such circumstances, the pro rata share of the amount of any deductibles under the applicable insurance policies or award (except to the extent such deductibles are the responsibility of tenants under leases), plus all reasonable costs of collection shall be a proration item charged to the Contributor and adjusted in cash after the Closing during the proration reconciliation process in accordance with Section 1.3(a).

Section 1.4 Allocation of Consideration . In connection with the Closing, the Consideration shall be allocated for tax and accounting purposes among the Participating Entities (and to the extent necessary, among the Properties owned by a Participating Entity) as reasonably determined by the Company (in consultation with its independent public accountants). Each of the Contributor, the Company and the Operating Partnership agree to (a) be bound by such allocations, (b) act in accordance with the allocation in the preparation of financial statements and filing of all tax returns and in the course of any tax audit, tax review or tax litigation relating thereto, and (c) take no position, and cause their Affiliates to take no position, inconsistent with such allocations for income tax purposes.

Section 1.5 Tax Treatment of Contribution. The contribution, transfer, conveyance and assignment of the Holdings Interests, Participating Equity Interests and/or Properties to the Operating Partnership from the Contributor is intended to be treated as a transaction qualifying under Section 721(a) of the Code.

Section 1.6 Section 704(c) Method . The Operating Partnership shall use the “traditional method” described in Treas. Reg. § 1.704-3(b) with respect to the contributed Holdings Interests and the related Participating Entity Interests and underlying Properties, with no “curative allocation” of income or gain to offset any “shortfall” in depreciation that results by reason of the use of the “traditional method,” following any “Book-Up Event” (i.e., a subsequent issuance of OP Units (as defined in the Operating Partnership Agreement), an in-kind contribution of property to the Operating Partnership in exchange for OP Units, or a redemption of OP Units).

ARTICLE 2

CLOSING

Section 2.1 Conditions Precedent . The effectiveness of the Company’s Registration Statement on Form S-11 relating to the Public Offering (as amended from time to time, the “Registration Statement”) and the consummation of the Public Offering are conditions precedent to the obligations of all parties to this Agreement to effect the transactions contemplated by this Agreement on the Closing Date. These conditions may not be waived by any party to this Agreement.

(a) The obligations of the Company and the Operating Partnership to effect the Formation Transaction shall be subject to the following additional conditions precedent:

(i) the representations and warranties of the Contributor contained in this Agreement shall have been true and correct in all material respects on the date such representations and warranties were made and shall be true and correct on the Closing Date as if made at and as of the Closing Date, subject to changes that would not reasonably be expected to have a Material Adverse Effect;

(ii) each obligation to be performed by the Contributor shall have been duly performed by the Contributor on or before the Closing Date, and the Contributor shall not have materially breached any of its covenants contained herein;

(iii) concurrently with the Closing, the Contributor shall have executed and delivered to the Company or the Operating Partnership, as applicable, the documents required to be delivered pursuant to Section 2.3;

(iv) all necessary consents or approvals of governmental authorities or third parties (including, without limitation, lenders to the Contributor, Holdings or any Participating Entity) to the consummation of the transactions contemplated herein shall have been obtained, other than the consents or approvals of lenders whose loans are to be repaid before or immediately after the Closing;

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(v) there shall not have occurred between the date hereof and the Closing Date any material adverse change in any of the assets, business, financial condition, results or prospects of operation of the Properties that has, or could reasonably be expected to have, a Material Adverse Effect;

(vi) no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental or regulatory authority or instrumentality that prohibits the consummation of the transactions contemplated herein, and no litigation or governmental proceeding seeking such an order shall be pending or threatened in writing;

(vii) subject to Section 4.2(c), no new matters with respect to any Property which the Company would be required to disclose in the Registration Statement shall have arisen or occurred;

(viii) the Exclusion Transaction shall have occurred and the owners of the Excluded Properties shall have obtained the Loan Release;

(ix) an amendment to that certain Loan Agreement dated as of August 11, 2006 between Anglo Irish Bank Corporation Limited, STAG III Albion, LLC and certain affiliates of STAG III Albion, LLC, as the same has been amended from time to time, to include the modifications set forth on Exhibit I attached hereto; and

(x) all of the Other Contributors (other than the Company and the Operating Partnership) shall have made the contributions under their respective Other Agreements.

Any of the foregoing conditions in this Section 2.1(a) may be waived by the Company in its sole and absolute discretion.

(b) The obligations of the Contributor to effect the Formation Transaction shall be subject to the following conditions precedent, either of which may be waived by Contributor in its sole discretion:

(i) All Other Contributors shall have made the contributions described in their respective Other Agreements; and

(ii) Each of Benjamin Butcher, Gregory Sullivan, Stephen C. Mecke, Kathryn Arnone and David King shall have entered into employment agreements with the Company or its subsidiary with respect to post-Closing employment on terms and conditions consistent with the descriptions contained in the Registration Statement.

Section 2.2 Date, Time and Place of Closing . The time, place and date of the Formation Transaction shall be at 10:00 a.m. in the office of DLA Piper LLP (US), 33 Arch Street, 26th Floor, Boston, Massachusetts on the day on which the Company receives the proceeds from the Public Offering from the underwriters thereof (the “Closing” or “Closing Date”); provided, however, that the Contributor shall deliver the Closing Documents into a

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closing escrow established by the Company and the Operating Partnership one (1) business day prior to the expected Closing Date.

Section 2.3 Closing Deliveries . At the Closing, each party shall make, execute, acknowledge and deliver the legal documents and other items (collectively, the “Closing Documents”) necessary to carry out the intention of this Agreement, which Closing Documents and other items shall include, without limitation, the following:

- (a) a Contribution and Assumption Agreement substantially in the form attached hereto as **Exhibit C**;
- (b) for the Contributor, a certificate from the Operating Partnership that effective at the Closing the books and records of the Operating Partnership will indicate that the Contributor is the holder of a number of Units equal to the Consideration;
- (c) an affidavit from the Contributor in the form of **Exhibit D**, stating, under penalty of perjury, the Contributor’s United States Taxpayer Identification Number and that the Contributor is not a foreign person pursuant to section 1445(b)(2) of the Code and a comparable affidavit satisfying Massachusetts’ and any other state’s withholding requirements, if any;
- (d) all title insurance policies, leases, lease files, letters of credit, contracts, stock certificates, original promissory notes held by Holdings or a Participating Entity and other indicia of ownership with respect to Holdings and each Participating Entity that are in the Contributor’s possession or that can be obtained through reasonable efforts in the Contributor’s capacity as indirect owner of any Participating Entity shall be delivered or made available to the Company;
- (e) a certificate from the Contributor affirming that the representations and warranties made by the Contributor pursuant to this Agreement remain true and correct in all material respects as of the Closing Date;
- (f) the Operating Partnership Agreement;
- (g) a lockup agreement in the form attached hereto as **Exhibit L**;
- (h) a Registration Rights Agreement substantially in the form attached hereto as **Exhibit E**;
- (i) a Voting Agreement substantially in the form attached hereto as **Exhibit H**;
- (j) A Purchase Option with respect to the Excluded Properties substantially in the form attached hereto as **Exhibit J**; together with reasonable evidence of authority in connection with the execution and delivery of such Purchase Option;
- (k) if requested by the Company, certified copies of all organizational documents for the Contributor, together with certified copies of all appropriate limited liability

company actions authorizing the execution, delivery and performance by the Contributor of this Agreement, any related documents and the Closing Documents;

(l) evidence reasonably satisfactory to the Company that the lender of any borrowed money secured by a mortgage or deed of trust disclosed in the Title Reports, other than those lenders whose loans are being repaid before or immediately after the Closing, has consented to the transaction as required by any loan document, deed of trust, mortgage or other evidence of indebtedness related to any Property;

(m) any other documents reasonably requested by the Company or the Operating Partnership to assign, transfer, convey, contribute and deliver the Holdings Interests, free and clear of all Encumbrances, and effectuate the transactions contemplated hereby; and

(n) all state and local transfer tax returns and any filings to be made in any applicable governmental jurisdiction in which the Company or the Operating Partnership reasonably believes that it is required to file its organizational documentation or in which the recording of the Contribution and Assumption Agreement is required.

Section 2.4 Closing Costs. At Closing, the Company shall pay all costs associated with the Public Offering and the Roll-Up and the transactions in connection therewith (collectively, the “Transaction”), including, without limitation, the fees of the Company’s legal counsel in preparing documents related to the Transaction (including the legal fees of DLA Piper LLP (US) with respect to only the Transaction (*i.e.* , not the formation of the Contributor, Holdings or any Participating Entity, the acquisition of Properties by the Contributor, Holdings or any Participating Entity or any Allocated Debt (the “Excluded Work”)), the fees of the Company’s accountants, filing fees, underwriting fees, and transfer or documentary stamp taxes triggered by the Transaction, other than Allocated Debt Transfer Costs, Exclusion Costs and costs associated with the Excluded Work, all of which costs are collectively referred to herein as the “Transaction Costs” and the Company shall reimburse the Contributor for all Transaction Costs previously paid by the Contributor. For the avoidance of doubt, the Contributor hereby agrees to be solely responsible for all assumption costs, debt transfer costs, consent fees, prepayment fees or other charges payable with respect to the transfer of its Contributed Assets subject to the Allocated Debt (the “Allocated Debt Transfer Costs”) and any costs associated with the Exclusion Transaction or the Loan Release (collectively, the “Exclusion Costs”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES AND INDEMNITIES

Section 3.1 Representations and Warranties of the Company and the Operating Partnership . The Operating Partnership and the Company, jointly and severally, hereby represent and warrant to, and covenant with, the Contributor that:

(a) **Organization; Authority .** Each of the Company and the Operating Partnership has been duly formed and is validly existing under the laws of the jurisdiction of its incorporation or formation with requisite corporate or limited partnership power and authority, as applicable, to enter this Agreement and all agreements contemplated hereby. The persons and

entities executing this Agreement and all agreements contemplated hereby on behalf of the Company and the Operating Partnership have the power and authority to enter into this Agreement and such other contemplated agreements.

(b) **No Violation** . Assuming the truth and accuracy of the representations and warranties of the Contributor in Section 3.2, (i) the execution, delivery and performance by the Company and the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby will not contravene any provision of applicable law, the certificate of incorporation and bylaws of the Company or the certificate of limited partnership or Operating Partnership Agreement, or any material agreement or other material instrument binding upon the Company or the Operating Partnership, or any applicable law, judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or the Operating Partnership, and (ii) no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company or the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby, which, if not obtained, would cause a Material Adverse Effect.

(c) **No Brokers** . Except as set forth on Schedule 3.2(k), neither the Company nor the Operating Partnership has entered into, nor will either of them enter into, any agreement, arrangement or understanding with any person or firm that will result in the obligation of the Contributor or any of the Contributor's equity holders or beneficiaries (as such) to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

(d) **Valid Issuance of Units** . The Units, when issued and delivered in compliance with the provisions of the Agreement will be duly authorized, validly issued, fully paid and, except as provided in the Operating Partnership Agreement and except as affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, non-assessable. The Units will be free of any Encumbrances created by the Company or the Operating Partnership; provided, however, that the Units are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth in the Operating Partnership Agreement. The Units will not be issued in violation of any preemptive rights or rights of first refusal granted by the Company or the Operating Partnership.

(e) **Tax Status of the Operating Partnership**. The Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, and each subsidiary of the Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, other than STAG Industrial TRS, Inc., a wholly-owned subsidiary of the Operating Partnership that is taxable as a corporation for federal tax purposes as a taxable REIT subsidiary.

(f) **REIT Status** .

(i) The Company intends to qualify as a real estate investment trust ("REIT") under the Code, and the Company will be organized and operated in conformity with

the requirements for qualification and taxation as a REIT under the Code, and its proposed ownership and method of operation will enable it to continue to qualify as a REIT under the Code for the Company's taxable years ending December 31, 2011 and thereafter.

(ii) The Common Stock will be registered pursuant to Section 12(b) of the Securities Act of 1934, as amended, and will be listed on the New York Stock Exchange.

(g) **Litigation** . Except as set forth in the Registration Statement, there is no Action pending against the Company or the Operating Partnership and for which service has occurred or, to the Knowledge of the Company, threatened in writing that would, in the reasonable judgment of the Company, if determined adversely to the Company or the Operating Partnership, as applicable, have a Material Adverse Effect. Except as set forth in the Registration Statement, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Company or the Operating Partnership that in any such case would impair the Company's or the Operating Partnership's ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(h) **Investment Company Act of 1940**. Neither the Company nor the Operating Partnership is and, after giving effect to the Public Offering, neither the Company nor the Operating Partnership will be, an "investment company," as defined in the Investment Company Act of 1940, as amended.

(i) **Valid Issuance of Common Stock**. The outstanding shares of Common Stock are, and when issued and duly delivered against payment therefor as contemplated in the applicable underwriting agreement, the shares of Common Stock issued in the Public Offering will be, duly authorized, validly issued, fully paid and non-assessable.

Section 3.2 Representations and Warranties of the Contributor . The Contributor represents and warrants to the Company and the Operating Partnership as set forth below in this Section 3.2 with respect to Holdings, each Participating Entity and the Properties. Unless otherwise expressly provided in this Agreement, the Contributor makes no representation, warranty, covenant or agreement to indemnify any Indemnified Company Party (as defined in Section 3.3(b)).

(a) **Title** . (i) Each Participating Entity or Holdings owns (A) fee title to the Property or Properties identified as owned on Exhibit B , and (B) the leasehold estate in any Property or Properties identified as ground leased on Exhibit B ; and (ii) the fee ownership of, or ground leasehold interest in, such Properties, as applicable, are not subject to any liens other than (x) as specifically set forth in the title reports listed on Schedule 3.2(a) , (y) as disclosed in the Registration Statement or (z) liens created after the date of the title reports listed on Schedule 3.2(a) , which liens are specifically identified on Exhibit B and are Permitted Liens.

(b) **Organization; Authority** . The Contributor has the full right, authority, power and legal capacity to enter into this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby, including, without limitation, the

conveyance of the Holdings Interests free and clear of all Encumbrances. The Contributor, Holdings and each Participating Entity is duly formed, validly existing and in good standing (to the extent applicable) under the laws of the jurisdiction of its formation, and has all requisite power and authority to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable law, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

(c) **Due Authorization** . The execution, delivery and performance of this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement has been duly and validly authorized by all necessary action of the Contributor. Each of this Agreement and the agreements, documents and instruments executed and delivered by or on behalf of the Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally, as from time to time in effect, or the application of equitable principles.

(d) **Consents and Approvals** . No consent, waiver, approval or authorization of any third party, including, without limitation, any governmental authority or agency, is required to be obtained by the Contributor, Holdings or the Participating Entities in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except any of the foregoing that shall have been satisfied or obtained at or prior to the Closing Date and except for such consents, waivers, approvals and authorizations the failure of which to obtain would not have a Material Adverse Effect or materially and adversely effect the ability of the Contributor to execute and deliver this Agreement and perform its obligations thereunder.

(e) **Ownership of the Interests** . The Contributor is the sole record owner of the Holdings Interests to be transferred by the Contributor, free and clear of any Encumbrances and has good and valid title to such Holdings Interests. Holdings is the sole record owner of the Participating Entity Interests (or is the sole record owner of all of the ownership interests in any entity owning Participating Entity Interests), which are held free and clear of any Encumbrances, other than Encumbrances that will be released at or prior to Closing, and for which Holdings has good and valid title.

(f) **Interests** .

(i) The Holdings Interests to be contributed by the Contributor and the Participating Entity Interests constitute all of the issued and outstanding interests owned (directly or indirectly) by the Contributor in Holdings and the Participating Entities. The Contributor has no equity interest, either direct or indirect, in the Properties, except for the Holdings Interests and the Participating Entity Interests, which are the subject of this Agreement.

(ii) The Holdings Interests owned by the Contributor and the Participating Entity Interests owned by Holdings were validly issued and are duly authorized and

fully paid and were not issued in violation of any preemptive rights. The Holdings Interests and the Participating Entity Interests have been issued in compliance with applicable law and the Participating Entity Agreements. There are no rights, subscriptions, warrants, options, conversion rights, preemptive rights or agreements of any kind outstanding to purchase or to otherwise acquire any of the interests that comprise the Holdings Interests, the Participating Entity Interests or any securities or obligations of any kind convertible into any of the interests that comprise the Holdings Interests, the Participating Entity Interests or other equity interests or profit participation of any kind in Holdings or any Participating Entity. At the Closing, upon receipt of the consideration contemplated by this Agreement, the Contributor will have transferred the Holdings Interests to the Operating Partnership free and clear of all Encumbrances.

(g) **No Violation** . Subject to the consent requirements contained in the loan documents for each Property, copies of which have been previously made available to the Company, its agents and underwriters, none of the execution, delivery or performance of this Agreement, the documents required pursuant thereto and the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, (a) violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination or cancellation of (i) the organizational documents of the Contributor, (ii) any material agreement, document or instrument to which the Contributor, Holdings or any Participating Entity is a party or by which the Contributor, the Holdings Interests, the Participating Entity Interests or any of its direct or indirect assets or properties are bound or (iii) any applicable law, or term or provision of any judgment, order, writ, injunction, or decree of any governmental or regulatory authority, which is binding on the Contributor, Holdings or any Participating Entity or by which the Contributor or any of its direct or indirect assets or properties are bound or subject or (b) result in the creation of any Encumbrance upon the Holdings Interests, the Participating Entity Interests or any Lien on the Properties. Except as shall have been cured, consented to or waived prior to the Closing, none of the Contributor, Holdings or any Participating Entity is in violation of its organizational documents.

(h) **Non-Foreign Status** . The Contributor is not a “disregarded entity” within the meaning of Treas. Reg. Section 1.1445-2(b)(2)(iii) and is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Code), and is, therefore, not subject to the provisions of the Code relating to the withholding of sales proceeds to foreign persons.

(i) **Withholding** . The Contributor shall execute at Closing such certificates or affidavits reasonably necessary to document the inapplicability of any federal or state withholding provisions, including, without limitation, those referred to in Section 3.2(h) above and any similar provisions under Massachusetts law. Notwithstanding anything herein to the contrary, the Company or the Operating Partnership shall be entitled to withhold a portion of any payments otherwise to be made to the Contributor as required by the Code or any applicable state law, including (without limitation) Massachusetts law.

(j) **Investment Purposes** . The Contributor acknowledges its understanding that the Units to be acquired pursuant to this Agreement and any shares of Common Stock for which the Units may be redeemed are not being registered under the Securities Act of 1933, as

amended, and the rules and regulations in effect thereunder (the “Act”) and may not be transferred except as provided for in the Registration Rights Agreement executed and delivered by the Operating Partnership or pursuant to the Act or any applicable state blue sky laws pursuant to a specific exemption or exemptions therefrom, and the Operating Partnership’s reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor, including the following:

(i) **Investment** . The Contributor is acquiring the Units solely for its own account for the purpose of investment and not as a nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution of any thereof. The Contributor agrees and acknowledges that it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (hereinafter, “Transfer”) any of the Units (or shares of Common Stock for which the Units may be redeemed) unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, (ii) if required by the Company, counsel for the Contributor (which counsel shall be reasonably acceptable to the Company and may be DLA Piper LLP (US)) shall have furnished the Company with an opinion, reasonably satisfactory in form and substance to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Act and qualification or other compliance under applicable blue sky or state securities laws, or (iii) the Transfer is a redemption of the Units in accordance with the Operating Partnership Agreement.

(ii) **Knowledge** . The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement. The Contributor is able to bear the economic risk of holding the Units for an indefinite period and is able to afford the complete loss of the Contributor’s investment in the Units. The Contributor has received and reviewed all information and documents about or pertaining to the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership, and the issuance of the Units and the Common Stock as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions of the proposed management of the Company and the Operating Partnership and receive answers about such information and documents, the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership and the Common Stock that the Contributor deems necessary or desirable to evaluate the merits and risks related to the Contributor’s investment in the Units and to conduct its own independent valuation of the purchase of the Units. The Contributor acknowledges that any such questions posed were answered to the Contributor’s satisfaction. The Contributor understands and has taken cognizance of all risk factors related to the purchase of the Units, including, without limitation, the risk factors set forth in the Registration Statement. The Contributor is a sophisticated real estate investor. The Contributor is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of the Contributor’s advisors (including tax advisors), and not upon that of the Company and Operating Partnership, for purposes of evaluating, entering into, and consummating the transactions contemplated by this Agreement.

(iii) **Holding Period** . The Contributor acknowledges that it has been advised that (i) unless the Units and shares of Common Stock that may be issued upon

redemption of the Units are subsequently registered under the Act or an exemption from such registration is available, the Units and the shares, as applicable, must be held (and the Contributor must continue to bear the economic risk of the investment in the Units and the shares of Common Stock) indefinitely, (ii) a restrictive legend in the form hereafter set forth shall be placed on any certificates representing the Units or, if applicable, shares of Common Stock and (iii) stop transfer and other notations shall be made in the appropriate records of the Operating Partnership and the Company and the Company's transfer agent indicating that the Units and the shares of Common Stock are subject to restrictions on transfer.

(iv) **Accredited Investor** . The Contributor is an "accredited investor" (as such term is defined in Rule 501 (a) of Regulation D under the Act).

(v) **Legend** . Each certificate representing the Units or shares of Common Stock for which the Units may be redeemed, may, to the extent applicable, bear the following legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS, IF REQUIRED BY THE COMPANY, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

In addition, each certificate representing shares of Common Stock will bear a legend regarding restriction on ownership and transfer related to the Company's status as a real estate investment trust.

(k) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Contributor nor any of the Contributor's respective managers, trustees, members or beneficiaries, as applicable, has employed or made any agreement with any broker, finder or similar agent or any Person that will result in the obligation of the Company or any of its Affiliates to pay any finder's fee, brokerage fees or commissions or similar payment in connection with the transactions contemplated by this Agreement.

(l) **Taxes** . The Contributor makes the following representations with respect to Holdings and each Participating Entity (the "Contributed Entities"), and with respect to itself as to Section 3.2(l)(viii) below:

(i) (A) All Tax Returns required to be filed by, on behalf of, or with respect to, the Contributed Entities have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on

behalf of, or with respect to the Contributed Entities, either directly or otherwise, have been fully and timely paid, except (1) to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of such Contributed Entity (or other applicable entity), and adequate reserves or accruals for Taxes have been provided in the balance sheet of such Contributed Entity (or other applicable entity) with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing, (2) with respect to real estate taxes and assessments for the Properties that are paid directly by the tenants under the Leases and pursuant to such Leases, as to which the Contributor has no knowledge of any tenant's material failure to pay such Taxes and Contributor covenants to use commercially reasonable efforts to enforce the provisions of such Leases with respect to the payment of such Taxes and (3) with respect to unpaid real estate taxes and assessments for the Properties which are less than \$200,000 in the aggregate and which will be paid in full in connection with the Closing; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Contributed Entities, and (D) each Contributed Entity is, and at all times during its existence has been, a limited liability company that is taxable as a partnership or "disregarded entity" (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation).

(ii) Each Contributed Entity has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees' salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

(iii) Each Contributed Entity has made available to the Company, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three years relating to any material Taxes due from or with respect to such Contributed Entity with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Contributed Entities for all periods for which the applicable statute of limitations has yet to lapse and (C) all Company, and Tax rulings, requests for rulings, or closing agreements specifically relating to the Contributed Entities.

(iv) No claim has been made by a taxing authority in a jurisdiction where a Contributed Entity does not file an income or franchise Tax Return that such Contributed Entity is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction.

(v) (A) There are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including any Contributed Entity, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has such Contributed Entity received any notice from any taxing authority that it intends to conduct such an audit or investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, such Contributed Entity; and (C) no issue has been raised in writing by any taxing authority in any current or prior examination which, by application of the

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same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to such Contributed Entity for any subsequent taxable period that could be material.

(vi) Neither any Contributed Entity nor any other person on behalf of such Contributed Entity has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to such Contributed Entity. No amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to any Contributed Entity as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date; or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to any Contributed Entity from any period ending on or before the Closing Date to any period ending after the Closing Date.

(vii) There are no Liens as a result of any unpaid taxes (other than statutory liens for taxes not yet delinquent) upon any of the assets of any Contributed Entity, other than Permitted Liens.

(viii) The Contributor is a United States person within the meaning of Section 7701(a)(30) of the Code.

(ix) No Contributed Entity (or portion thereof) has ever constituted or been taxable as a "corporation" or an "association" (within the meaning of the Code).

(x) No Contributed Entity has engaged in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(xi) The transactions contemplated hereby will not result in any income Tax liability to the Company, the Operating Partnership or any Contributed Entity.

(xii) For purposes of this Agreement,

(A) "Taxes" shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, assessment or governmental charge of any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a

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result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

(B) “**Tax Return**” shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

(m) **Litigation** . Except as set forth on **Schedule 3.2(m)** or in the Registration Statement, there is no Action pending against the Contributor, Holdings, any Participating Entity or any of their Properties or their other assets, and for which service has occurred or, to the Knowledge of the Contributor, threatened in writing that would, in the reasonable judgment of the Contributor, if determined adversely to the Contributor, Holdings or any Participating Entity, as applicable, have a Material Adverse Effect. Except as set forth on **Schedule 3.2(m)**, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Contributor, Holdings or any Participating Entity, all or any portion of the Holdings Interests, the Participating Entity Interests or any Property that in any such case would impair the Contributor’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(n) **Leases** . True, correct and complete copies of all leases, subleases and rights of occupancy which are (i) in effect with respect to the Properties as of the date of this Agreement or (ii) fully executed as of the date hereof (the “**Leases**”), together with all amendments and supplements thereto, and a true, complete and correct rent roll for the Properties have been delivered or made available to the Company, its agents and underwriters.

(o) **Other Contracts** . The Contributor has delivered or made available to the Company, its agents and underwriters true, correct and complete in all material respects, copies of each agreement, undertaking or contract (other than the Leases) that materially affects the ownership, use and operation of any Property.

(p) **Liabilities; Indebtedness** . Except as disclosed in the Registration Statement, no Participating Entity has incurred any indebtedness related to any of the Properties owned by such Participating Entity except in each instance for the Allocated Debt, debt secured by Permitted Liens, trade payables which are no more than sixty (60) days past due and other customary and ordinary expenses in the ordinary course of business.

(q) **Insurance** . Each Participating Entity, directly or through its tenants, currently maintains or causes to be maintained customary public liability, casualty and other insurance coverage in commercially reasonable amounts with reputable insurance companies (excluding in all cases, earthquake, flood and terrorism insurance coverage) with respect to the Property or Properties owned by such Participating Entity. Participating Entities shall use diligent efforts to require that the tenants maintain all such insurance coverage in full force and effect through the Closing Date and pay all premiums when due.

(r) **Personal Property** . All equipment, fixtures and personal property that is owned by any Participating Entity and that is located at or on any Property shall remain and not

be removed by the Contributor or any Participating Entity prior to the Closing Date, except for such equipment, fixtures and personal property that becomes obsolete or unusable, which may be disposed of or replaced in the ordinary course of business.

(s) **No Other Agreements to Sell** . Except as set forth in the Registration Statement or on **Schedule 3.2(s)** , the Contributor has not entered into any agreement with, and has no obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any of the Holdings Interests or to not sell the Holdings Interests, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to the Holdings Interests that has not been waived or terminated. Except as otherwise set forth in the Registration Statement or on **Schedule 3.2(s)** , none of the Contributor, Holdings or any Participating Entity has made any outstanding agreement with, and has any outstanding obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any Property owned by such Participating Entity or to not sell any Property, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to any Property owned by such Participating Entity.

(t) **Environmental Reports** . The Contributor has delivered or made available to the Company, its agents and underwriters copies that are true, correct and complete in all material respects of any third-party environmental reports prepared for the Contributor, Holdings, or any Participating Entity during the Participating Entities' period of ownership of their respective properties or in the Contributor's possession or control relating to the Properties.

(u) **Compliance With Laws**. As of the date of this Agreement, except as set forth in **Schedule 3.2(u)** or in the Registration Statement, neither the Contributor nor Holdings nor any Participating Entity has received any written notice from any governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal laws, ordinances, rules, regulations, codes, orders and statutes (including, without limitation, those currently relating to fire and safety, conservation, parking, Americans with Disabilities Act, zoning and building laws) except where the failure to be in compliance with such laws would not reasonably be expected to have a Material Adverse Effect.

(v) **Condemnation** . Except as disclosed on **Schedule 3.2(m)** or **Schedule 3.2(v)** or in the Registration Statement, there are no pending or threatened in writing or to the Knowledge of the Contributor, proposed, condemnation, eminent domain or similar proceedings, or negotiations for purchase in lieu of condemnation with respect to any Properties that would reasonably be expected to have a Material Adverse Effect.

(w) **ERISA** . No Participating Entity has any employees.

(x) **Bankruptcy**. (i) There has not been filed any petition or application with respect to, or any proceeding commenced by or against, any of the assets of Holdings or any Participating Entity under any bankruptcy law, and neither Holdings nor any Participating Entity has made any assignment for the benefit of creditors, (ii) none of the Contributor, Holdings or any Participating Entity is "insolvent" within the meaning of any bankruptcy law and (iii) neither

the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall render the Contributor insolvent.

(y) **FINRA Disclosures** . No relationship, direct or indirect, exists between or among the Contributor, Holdings or any Participating Entity, on the one hand, and the directors, managers, officers, or to the Contributor's Knowledge, equity interest holders of the Contributor, Holding or any Participating Entity, on the other hand, which is required by the rules of the Financial Industry Regulatory Authority, Inc. (the "FINRA") to be described in the Registration Statement, which is not so described.

(z) **Disclosure Schedules** . The Disclosure Schedules are, and except as disclosed to the Company in writing, shall remain as of the Closing Date, true, correct and complete in all material respects.

Section 3.3 Indemnification .

(a) **Survival of Representations and Warranties; Remedy for Breach .**

(i) All representations and warranties contained in this Agreement or in any Schedule or certificate delivered pursuant hereto shall survive the Closing for the period specified in Section 3.3(e).

(ii) Notwithstanding anything to the contrary in this Agreement, none of the Contributor, the Company or the Operating Partnership shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of their respective representations, warranties and covenants contained in Section 3.1 or Section 3.2, as applicable, or this Agreement, or in any Schedule, certificate or affidavit delivered by it pursuant thereto, other than pursuant to the succeeding provisions of this Section 3.3.

(iii) Notwithstanding anything to the contrary in this Agreement, any party may bring suit or pursue any other legal right available to such party as a result of willful misconduct or fraud by any other party to this Agreement.

(b) **General Indemnification .**

(i) The Company and the Operating Partnership shall indemnify and hold harmless the Contributor and its directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an "Indemnified Contributor Party") from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, amounts paid in settlement, reasonable attorneys' fees, costs of investigation and remediation, costs of investigative, judicial or administrative proceedings or appeals therefrom, and costs of attachment or similar bonds (collectively, "Losses") arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Contributor Party in connection with (A) any breach of a representation, warranty or covenant of the Company or the Operating Partnership contained in this Agreement, or (B) any Action brought by a third party in the Public Offering against the Contributor relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact

contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except in each case in this clause (B) insofar as such Losses arise out of, or are based upon, (1) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein, (2) the Contributor’s breach of a representation, warranty or covenant of this Agreement, or (3) the Contributor’s fraud, willful misconduct or gross negligence.

(ii) The Contributor shall indemnify and hold harmless the Company, the Operating Partnership and their Affiliates and each of their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Company Party”) from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by such Indemnified Company Party in connection with or as a result of (A) any breach of a representation, warranty or covenant of the Contributor contained in this Agreement or in any schedule of certificate delivered pursuant thereto, or (B) any Action brought by a third party in the Public Offering against the Company or the Operating Partnership relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case in this clause (B) only with respect to Losses that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein.

(c) **Notice and Defense of Claims** . As soon as reasonably practicable after receipt by the Indemnified Company Party or the Indemnified Contributor Party, as applicable (as applicable, an “Indemnified Party”) of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification by the Contributor or the Company or the Operating Partnership, as applicable, under this Section 3.3 (as applicable, the “Indemnifying Party”), the Indemnified Party shall give notice thereof to the Indemnifying Party, including, without limitation, liabilities or claims to be applied against the indemnification basket established pursuant to Section 3.3(d)(i) . The Indemnified Party may at its option demand indemnity under this Section 3.3 from the Indemnifying Party as soon as a claim has been threatened in writing by a third party, regardless of whether an actual Loss has been suffered, so

long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof and shall give notice of such determination to the Indemnifying Party. The Indemnified Party shall permit the Indemnifying Party, at its option and expense, to assume the defense of any such claim by counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, that the Indemnified Party may at all times participate (but not control) in such defense at its expense; provided further, that the Indemnifying Party shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party, in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to the Indemnified Party and its Affiliates of a release of all liabilities in respect of such claims, or that does not result only in the payment of money damages; and provided further that in the event of a conflict, the Indemnified Party may choose separate counsel at the Indemnifying Party's reasonable cost and expense. Notwithstanding the foregoing, if the Company or the Operating Partnership is required to retain counsel, any such counsel shall be selected by the Company (and may include DLA Piper LLP (US)). If the Indemnifying Party shall fail to undertake such defense within 30 days after such notice, or within such shorter time as may be reasonable under the circumstances, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of the Indemnifying Party.

(d) **Limitations on and Threshold for Indemnification .**

(i) Threshold for Contributor. Notwithstanding anything contained herein to the contrary, the Contributor shall not be liable under Section 3.3(b) or this Agreement unless and until the aggregate amount of all Losses recoverable by the Indemnified Company Parties under Section 3.3(b) and this Agreement for which the Contributor would, but for this provision, be liable exceeds on an aggregate basis one percent (1%) of the Consideration (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering) and then only to the extent of such excess.

(ii) Indemnification Limitation. Notwithstanding anything contained herein to the contrary, the Indemnified Company Parties shall look exclusively to the Contributor's Units for indemnification under this Section 3.3 (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) and, with respect to any indemnification (other than those claims made with respect to a breach of Sections 3.2(a)(ii)(z), 3.2(b), (c), (e), (f) and (j) (the "Full Value Representations")), the aggregate recovery that may be sought or obtained under this Agreement or under applicable law for all breaches or claims for indemnification hereunder shall not exceed twenty-five percent (25%) of the Consideration (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) (the "Maximum Liability"). Without limiting the generality of the foregoing, the Contributor acknowledges that its indemnification liability for any breach of the Full Value Representations shall be up to the value of its Units (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering). Notwithstanding anything contained herein to the contrary, no Indemnified Party shall have the right to receive or recover incidental, special, consequential or punitive damages against the Indemnifying Party by reason of any breach under or in connection with this Agreement or any schedule, exhibit, certificate or

affidavit or any other document delivered by the Contributor or the Company or the Operating Partnership, as applicable, pursuant to this Agreement (unless such incidental, special or consequential (but not punitive) damages are incurred by an Indemnified Party as a result of a third party claim for Losses), and each Indemnified Party hereby waives any and all rights to receive such damages.

(e) **Limitation Period .**

(i) Notwithstanding the foregoing, any claim for indemnification under Section 3.3(b) must be asserted in writing by the Indemnified Company Party, stating the nature of the Losses and the basis for indemnification therefor. Any claim for indemnification against the Company or the Operating Partnership and any claim against the Contributor with respect to any representations or warranties contained in this Agreement or in any schedule or certificate delivered pursuant hereto must be brought within one (1) year after the Closing. Any such claim for indemnification not so asserted in writing within one year after the Closing shall not thereafter be asserted and shall forever be waived.

(ii) If so asserted in writing within one year after the Closing (or the expiration of such later applicable period described in Section 3.3(e) (i)), such claims for indemnification shall survive until resolved by mutual agreement between the Contributor and the Indemnified Company Party or by judicial determination.

(f) **Reservation of Contributor Rights .** Notwithstanding anything else in this Section 3.3 or this Agreement to the contrary, the Contributor reserves unto itself all rights and remedies (including, without limitation, rights to seek contribution) against any third party indemnitors and prior property owners or occupants for liabilities with respect to which the Company or the Operating Partnership has been indemnified by the Contributor hereunder.

(g) **No Effect on Insurance .** Nothing contained in this Section 3.3 or this Agreement shall be construed to release or otherwise relieve any insurer of the Contributor, Indemnified Company Party or any Affiliate thereof from paying any of its claims or otherwise performing any of its duties and obligations pursuant to the terms and provisions of any policy of insurance which insures the Contributor, Indemnified Company Party or the Property. If any claims as to which an Indemnified Company Party would be entitled to indemnification under Section 3.3(b) are covered by the insurance, the indemnification obligations shall be reduced by, but only by, the amount paid by the insurance company and not by any deductible or other amount reimbursed to the insurance company by an Indemnified Company Party.

Section 3.4 No Reliance, Properties As Is . Each of the Company and the Operating Partnership acknowledge that, except for the Contributor's representations set forth in Section 3.2, it has not relied upon any statements, representations or warranties by the Contributor or any agent of the Contributor. Without limiting the generality of the foregoing, each of the Company and the Operating Partnership acknowledge and agree that any environmental, physical condition or other reports provided or made available to it by the Contributor or the Contributor's agents are provided or made available without any representation or warranty of any kind, express or implied, as to the completeness or accuracy of the facts, presumptions, conclusions or other matters contained therein. Except for the

Contributor's representations set forth in Section 3.2, each of the Company and the Operating Partnership agree that (i) the Properties shall be contributed to the Operating Partnership (through the contribution of the Holdings Interests) and that the Company and the Operating Partnership shall accept possession of the Properties on the Closing Date strictly on an "AS IS, WHERE IS" and "WITH ALL FAULTS, LIABILITIES, AND DEFECTS, LATENT OR OTHERWISE, KNOWN OR UNKNOWN" basis, with no right of set-off or reduction in the Consideration, and (ii) such contribution shall be without representation or warranty of any kind, express or implied, including any warranty of income potential, operating expenses, conformance of financial information to generally accepted accounting principles, uses, merchantability or fitness for a particular purpose and that the Contributor has, by executing this Agreement, disclaimed and renounced any such representation or warranty.

ARTICLE 4

COVENANTS OF CONTRIBUTOR

Section 4.1 Negative Covenants .

(a) **Interests.** From the date hereof through the Closing, except as described in the Registration Statement, the Contributor shall not, without the prior written consent of the Company:

(i) sell, transfer or otherwise dispose (or agree to sell, transfer or otherwise dispose) of, or cause or allow the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of the Holdings Interests, or

(ii) encumber or pledge (or permit to become encumbered or pledged) all or any portion of its Holdings Interests.

(b) **Participating Entity Operations.** From the date hereof through the Closing, the Contributor agrees that it shall cause Holdings and each Participating Entity to conduct its business in the ordinary course, consistent with past practices. It is specifically agreed by the parties that Holdings and the Participating Entities may exercise options to purchase, rights under pending purchase and sale agreements and rights of first refusal with respect to properties described in the Registration Statement prior to Closing without the consent of the Company or the Operating Partnership. Except as described or as will be described in the Registration Statement or the Disclosure Schedules, the Contributor shall not permit Holdings or any Participating Entity without the prior written consent of the Company to:

(i) enter into a transaction not in the ordinary course of business;

(ii) sell, transfer or dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) any assets of Holdings or such Participating Entity, except for distributions that are not prohibited by clause (viii) below;

(iii) mortgage, pledge or encumber (or permit to become encumbered) any assets of Holdings or such Participating Entity, except for Permitted Liens;

- (iv) amend, modify or terminate any Lease with annual rental payments in excess of \$500,000, except for such amendments or modifications which do not decrease the aggregate rent paid thereunder or reduce the current term thereof;
 - (v) terminate or amend any existing property insurance policies affecting the Properties carried by Holdings or such Participating Entity that results in a material reduction in insurance coverage for one or more Properties;
 - (vi) knowingly cause or permit Holdings or such Participating Entity to violate any applicable laws;
 - (vii) materially alter the manner of keeping Holdings' or such Participating Entity's books, accounts or records or the accounting practices therein reflected; or
 - (viii) make any distribution to its beneficiaries or equity interest holders, except as contemplated in Section 1.3;
 - (ix) make or change any tax election, settle or compromise any Tax liability or claim any refund for Taxes, file any amended Tax Return or any other similar action relating to the filing of any Tax Return or the payment or refund of any Tax, in each case, with respect to Holdings or any Participating Entity;
 - (x) incur any new indebtedness (other than trade payables in the ordinary course of business or indebtedness that will be repaid in full at or prior to Closing) or guaranty the indebtedness of any other entity, except for amounts payable with respect to Permitted Liens that are not delinquent or that are being contested in good faith by appropriate proceedings diligently pursued, and provided further that the principal amounts of the Allocated Debt shall not increase above the Estimated Allocated Debt Amount; or
 - (xi) make any payments which reduce the outstanding principal balance of the Allocated Debt other than regular amortization payments or payments upon maturity, in each case, in accordance with the documents governing the Allocated Debt as of the date hereof.
- (c) **Exclusion Transaction** . The Contributor shall complete the Exclusion Transaction at or before Closing, subject to obtaining the Loan Release.

Section 4.2 Affirmative Covenants .

- (a) From the date hereof through the Closing, the Contributor, Company and Operating Partnership shall each use its diligent efforts to obtain any approvals, waivers or other consents of third parties, governmental authorities and agencies required to effect the Formation Transaction. Nothing herein shall obligate the Company or the Operating Partnership to pursue or complete the Public Offering, which decision shall be made by the Company in its sole discretion.
- (b) Without limiting the obligations of the Contributor set forth in this Agreement, from the date hereof through the Closing, the Contributor shall use its diligent efforts

(i) to prevent the breach of any representation or warranty of the Contributor hereunder, (ii) to satisfy all covenants of the Contributor hereunder, provided, however, that subsequent to the Closing the Contributor shall use its diligent efforts to satisfy all covenants of the Contributor hereunder that survive the Closing and (iii) to promptly cure any breach of a representation, warranty or covenant of the Contributor hereunder upon its learning of same. Compliance with this covenant shall not limit the Contributor's liability for a breach of, or failure to perform, any other representation, warranty or covenant herein unless the Company knows of such breach of representation prior to Closing and completes the Closing.

(c) Each party hereto will give written notice to the other parties of any material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. In addition, five business days before each amendment to the Registration Statement filed with the Securities and Exchange Commission (other than any amendment filed solely for the purpose of filing exhibits) (each such date, a " Permitted Supplement Date"), the Contributor may supplement in writing any existing Disclosure Schedule or create a new Disclosure Schedule, to any representation or warranty in Section 3.2 and further agrees, on each Permitted Supplement Date, to give the Company written notice if it has any Knowledge that any representation or warranty made by the Contributor in this Agreement was untrue in any material respect when made or that would be untrue in any material respect if made as of such date (other than representations and warranties relating to a specified date). Any such disclosure by the Contributor pursuant to this Section 4.2(c) made before the filing with the Securities and Exchange Commission of the last amendment to the Registration Statement before the commencement of the road show relating to the Public Offering, shall be deemed to amend and supplement each applicable Schedule or shall be deemed to constitute a new Schedule, and cure any misrepresentation or breach of warranty or covenant to the extent such information would cure the misrepresentation or breach of warranty or covenant.

(d) From the date hereof and subsequent to the Closing, the Contributor agrees to provide the Company with such tax information relating to the Holdings Interests, the Participating Entity Interests and the Properties that is in the Contributor's possession or control and that is reasonably requested by the Company and not otherwise in the Company's or the Operating Partnership's possession or control and to cooperate with the Company and the Operating Partnership with respect to the filing of their respective tax returns, including, without limitation, the depreciation and amortization schedules for Properties, as kept for both book and tax purposes, showing original basis and accumulated depreciation or amortization as of the Closing Date and basis information as of the Closing Date (computed for both book and tax purposes, if different) for all non-depreciable, non-amortizable assets held by any of the Contributed Entities. The Contributor further agrees to notify the Company and the Operating Partnership, in writing, of any audits that could affect the amounts shown on the returns of the Company or the Operating Partnership for any taxable period. The provisions of this Section 4.2(d) shall survive the Closing.

ARTICLE 5

RELEASES AND WAIVERS

Each of the releases and waivers enumerated in this Article 5 shall become effective only upon the Closing.

Section 5.1 General Release of Company . As of the Closing, the Contributor irrevocably waives, releases and forever discharges the Company, the Operating Partnership, Holdings, the Participating Entities and each of their respective directors, managers, officers, employees, agents, equity interest holders, attorneys, affiliates, successors and assigns of and from, any and all losses of any nature whatsoever existing as of the closing (collectively, " Contributor Claims"), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities or the Properties, except for Contributor Claims arising from the breach of any express representation, warranty, covenant or obligation of the Company or the Operating Partnership under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership, subject to the obligations of the Company and the Operating Partnership under this Agreement.

Section 5.2 General Release of Contributor . As of the Closing, the Company and the Operating Partnership irrevocably waives, releases and forever discharges the Contributor and each of the Contributor's directors, managers, officers, employees, agents, equity interest holders, attorneys, Affiliates, successors and assigns of and from, any and all Losses of any nature whatsoever existing as of the Closing (collectively, " Company Claims"), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities, the Properties or any other matter which exists at the Closing, except for Company Claims arising from the breach of any express representation, warranty, covenant or obligation of the Contributor under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership for which the Contributor has an indemnification obligation under this Agreement.

Section 5.3 Attorney-in-Fact . Contributor hereby irrevocably appoints the Company (or its designee) and any successor thereof from time to time (the Company or such designee or any such successor of any of them acting in the Contributor's capacity as attorney-in-fact pursuant hereto, the " Attorney-in-Fact ") as the true and lawful attorney-in-fact and agent of Contributor, to act in the name, place and stead of Contributor to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, consents, letters and other writings relating to the transactions contemplated by this Agreement (including, without limitation, the execution of any Closing Documents or other documents) relating to the acquisition by the Company of the Contributor's Holdings Interests, all in accordance with the terms and conditions of this Agreement, as well as the organizational documents of the Company and the Operating Partnership, as they may be amended or revised, any registration rights agreements and any lock-up agreements, and to provide information to the Securities and Exchange Commission and others about the transactions contemplated hereby, as fully as could the Contributor if personally present and acting (the " Power of Attorney "). The

Contributor agrees, at the request of the Company, to execute a separate power of attorney and proxy on the same terms as set forth in this Section 5.3, with such execution to be witnessed and notarized.

The Power of Attorney entered into by the Contributor and all authority granted hereby shall be coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of Contributor, by operation of law or by the occurrence of any other event or events, and if any other such act or event shall occur before the completion of the transactions contemplated by this Agreement, the Attorney-in-Fact shall nevertheless be authorized and directed to complete all such transactions as if such other act or event had not occurred and regardless of notice thereof. Contributor hereby authorizes the reliance of third parties on each of the Power of Attorney. Contributor hereby ratifies and confirms all that the Attorney-in-Fact shall lawfully do or cause to be done by virtue of the exercise of the powers granted to it by Contributor hereunder.

Contributor acknowledges that the Company has, and any designee or successor thereof acting as Attorney-in-Fact may have, an economic interest in the transactions contemplated by this Agreement.

The Power of Attorney contained in this Section 5.3 shall expire on the earlier of the first anniversary of the Closing or the termination of this Agreement. Notwithstanding anything to the contrary, the Attorney-in-Fact may not expand the Contributor's covenants, representations or covenants beyond those contemplated by this Agreement and the other documents and agreements contemplated hereby or modify the provisions of this Agreement pursuant to such Power of Attorney.

Section 5.4 Limitation on Liability . It is understood that the Attorney-in-Fact (but solely in its role as Attorney-in-Fact) assumes no responsibility or liability to any person or entity by virtue of the Power of Attorney granted by Contributor hereby. Other than as specifically set forth in this Agreement, the Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Formation Transactions or the Public Offering or the acquisition of the Holdings Interests by the Company or the Operating Partnership and shall not be liable for any error or judgment or for any act done or omitted or for any mistake of fact or law except for actions by the Attorney-in-Fact that constitute gross negligence or bad faith. Contributor agrees that the Attorney-in-Fact may consult with counsel of its own choice (who may be counsel for the Company, the Operating Partnership, the Contributors or any of their successors or Affiliates), and it shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. It is understood that the Attorney-in-Fact may, without breaching any express or implied obligation to the Contributor hereunder, release, amend or modify any other power of attorney or proxy granted by any other person or entity under any related agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Further Assurances . Each of the Contributor, Company and Operating Partnership agrees to take such other actions and execute and deliver such additional documents following the Closing as the Contributor, Company or the Operating Partnership may reasonably request in order to effect the transactions contemplated hereby.

Section 6.2 Counterparts . This Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.3 Governing Law, Venue . This Agreement shall be governed by the internal laws of The Commonwealth of Massachusetts, without regard to the choice of laws provisions thereof. Any action to enforce, which arises out of or in any way relates to, any of the provisions of this Agreement or the instruments, agreements and other documents contemplated hereby shall be brought and prosecuted in the state or federal courts located in The Commonwealth of Massachusetts, Suffolk County. Each party irrevocably: (a) submits to the exclusive jurisdiction of the aforesaid courts, and (b) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding (“Proceedings”) brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 6.14 . Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 6.4 Amendment; Waiver . Any amendment hereto shall be in writing and signed by all parties hereto. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

Section 6.5 Entire Agreement . This Agreement, all related agreements referred to herein and that certain Master Roll-Up Agreement among Contributor, the Other Contributors, the Company and the Operating Partnership dated as of July 21, 2010 (as the same was amended as of December 21, 2010 and as of the date hereof and as the same may be further modified or amended from time to time) constitute the entire agreement and supersede conflicting provisions set forth in all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. In the event of a conflict between the provisions of this Agreement and any other agreement referred to herein, the provisions of this Agreement shall control.

Section 6.6 Assignability . This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void and of no effect, except that the Company may assign this Agreement, the Closing Documents, and its rights and obligations

hereunder and thereunder to a direct or indirect subsidiary of the Company without the consent of the Contributor.

Section 6.7 Titles . The titles and captions of the Articles, Sections and paragraphs of this Agreement are included for convenience of reference only and shall have no effect on the construction or meaning of this Agreement.

Section 6.8 Third Party Beneficiary . Other than the indemnification provisions in favor of the parties' owners, directors, officers, employees, agents, attorneys and Affiliates, no provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any customer, Affiliate, stockholder, partner, member, director, officer or employee of any party hereto or any other person or entity.

Section 6.9 Severability . If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons, entities or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision and to execute any amendment, consent or agreement deemed necessary or desirable by the parties to effect such replacement.

Section 6.10 Equitable Remedies . Each party hereby agrees that irreparable damage would occur to the other parties in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that any of them shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any others of them and to enforce specifically the terms and provisions hereof in any federal or state court located in Massachusetts (as to which the parties agree to submit to jurisdiction for the purposes of such action), this being in addition to any other remedy to which the non-breaching party is entitled under this Agreement or otherwise at law or in equity.

Section 6.11 Time of the Essence . Time is of the essence with respect to all obligations under this Agreement.

Section 6.12 Reliance . Each party to this Agreement acknowledges and agrees that it is not relying on tax advice or other advice from the other party to this Agreement and that it has or will consult with its own tax advisors for purposes of determining the tax implications of entering into this Agreement and the transactions contemplated herein, and understands the consequences thereof. Notwithstanding anything to the contrary herein, each party agrees that it shall bear any tax liability associated with or attributable to the terms of this Agreement, and nothing in this Agreement shall be construed as a guarantee by the Company or any party of the tax consequences to any other party of entering into this Agreement.

Section 6.13 Survival . It is the express intention and agreement of the parties hereto that certain of the representations, warranties and covenants of the Contributor and of the Company and the Operating Partnership set forth in this Agreement shall survive the

consummation of the transactions contemplated hereby; provided, that the representations and warranties of the Contributor shall survive only for the period specified in Section 3.3. The provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

Section 6.14 Notice . Any notice to be given hereunder by any party to the other parties shall be given in writing by personal delivery, by registered or certified mail, postage prepaid, return receipt requested or by any nationally-recognized overnight carrier, and shall be deemed communicated as of the date of personal delivery (including delivery by overnight courier). Mailed notices shall be addressed as set forth below, but any party may change the address set forth below by written notice to other parties in accordance with this paragraph.

To Contributor:	STAG Investments III, LLC c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

With a copy to:	New England Development Company One Wells Avenue Newton, MA 02459 Attn: Steven S. Fischman

To the Company or the Operating Partnership:	STAG Industrial, Inc. 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

Section 6.15 Termination . This Agreement shall terminate if the Closing shall not have occurred on or prior to May 3, 2011. In addition, this Agreement may be terminated before Closing by a document signed by the Company, Operating Partnership and the Contributor. Upon such termination, this Agreement shall become void and have no effect, and no party hereto shall have any liability to the other parties hereto.

Section 6.16 Confidentiality . All press releases or other public communications of any kind relating to the Public Offering or the transactions contemplated herein, and the method and timing of release for publication there, will be subject to the prior approval of the Company.

Section 6.17 Joint Preparation. The parties acknowledge that this Agreement was jointly prepared by them, by and through their legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the parties, but otherwise according to the application of the rules on interpretation of contracts.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

STAG Industrial, Inc., a Maryland corporation

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

OPERATING PARTNERSHIP:

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

CONTRIBUTOR:

STAG Investments III, LLC, a Delaware limited liability company

By: STAG Manager III, LLC, its manager

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

(Signature Page to STAG Investments III Contribution Agreement)

**EXHIBIT A
TO
CONTRIBUTION AGREEMENT
PARTICIPATING ENTITIES**

Entity Name	State of Formation
STAG III Albion, LLC	Delaware
STAG III Amesbury, LLC	Delaware
STAG III Appleton, LLC	Delaware
STAG III Arlington, L.P.	Delaware
STAG III Boardman, LLC	Delaware
STAG III Canton, LLC	Delaware
STAG III Chesterfield, LLC	Delaware
STAG III Cincinnati, LLC	Delaware
STAG III Dayton, LLC	Delaware
STAG III Daytona Beach, LLC	Delaware
STAG III Elkhart, LLC	Delaware
STAG III Fairfield, LLC	Delaware
STAG III Farmington, LLC	Delaware
STAG III Great Bend, LLC	Delaware
STAG III Holland 2, LLC	Delaware
STAG III Holland, LLC	Delaware
STAG III Jackson, LLC	Delaware
STAG III Jefferson, LLC	Delaware
STAG III Lewiston, LLC	Delaware
STAG III Malden, LLC	Delaware
STAG III Mason, LLC	Delaware
STAG III Mayville, LLC	Delaware
STAG III Milwaukee 2, LLC	Delaware
STAG III Milwaukee, LLC	Delaware
STAG III Newark, LLC	Delaware
STAG III Pensacola, LLC	Delaware
STAG III Pocatello, LLC	Delaware
STAG III Rapid City, LLC	Delaware
STAG III Round Rock, L.P.	Delaware
STAG III Sergeant Bluff, LLC	Delaware
STAG III Sparks, LLC (f/k/a ECOLAIR LLC)	Maryland
STAG III St. Louis, LLC	Delaware
STAG III Tavares, LLC	Delaware
STAG III Twinsburg, LLC	Delaware
STAG III Youngstown, LLC	Delaware

**EXHIBIT B
TO
CONTRIBUTION AGREEMENT**

LIST OF PROPERTIES

OWNED PROPERTIES

Entity Name	Property Address
STAG III Albion, LLC	907 Weber Road, Albion, Indiana
	1105 Weber Road, Albion, Indiana
	1515 East State Road 8, Albion, Indiana
	1563 East State Road 8, Albion, Indiana
	1545 East State Road 8, Albion, Indiana
	600 South 7th Street, Albion, Indiana
	1514 Progress Drive, Albion, Indiana
	811 Commerce Drive, Kendallville, Indiana
STAG III Amesbury, LLC	37 Hunt Road, Amesbury, Massachusetts
STAG III Appleton, LLC	2111 North Sandra Street, Appleton, Wisconsin
STAG III Arlington, L.P.	3311 Pinewood Drive, Arlington, Texas
STAG III Boardman, LLC	365 McClurg Road, Boardman, Ohio
	801 Southern Boulevard, Boardman, Ohio
STAG III Canton, LLC	818 Mulberry Street, Canton, Ohio
STAG III Chesterfield, LLC	50900 Russell Schmidt Boulevard, Chesterfield, Michigan
	50271 Russell Schmidt Boulevard, Chesterfield, Michigan
	50501 Russell Schmidt Boulevard, Chesterfield, Michigan
	50371 Russell Schmidt Boulevard, Chesterfield, Michigan
STAG III Cincinnati, LLC	1011 Glendale Milford Road, Cincinnati, Ohio
STAG III Dayton, LLC	4646 Needmore Road, Dayton, Ohio
STAG III Daytona Beach, LLC	530 Fentress Boulevard, Daytona Beach, Florida
STAG III Elkhart, LLC	23590 County Road 6, Elkhart, Indiana
	53057 Marina Drive, Elkhart, Indiana
STAG III Fairfield, LLC	6051 North Lee Highway, Fairfield, Virginia
	2311 North Lee Highway, Lexington, Virginia
STAG III Great Bend, LLC	One Fuller Way, Great Bend, Kansas
STAG III Holland 2, LLC	900 Brooks Avenue, Holland, Michigan
	471 40th Street, Holland, Michigan
STAG III Holland, LLC	414 East 40th Street, Holland, Michigan
STAG III Jackson, LLC	I-55 and Chastain Drive, Jackson, Mississippi
STAG III Jefferson, LLC	165 American Way, Jefferson, North Carolina
STAG III Lewiston, LLC	17 Mollison Way, Lewiston, Maine

STAG III Malden, LLC	219 Medford Street, Malden, Massachusetts 243 Medford Street, Malden, Massachusetts
STAG III Mason, LLC	800 Pennsylvania Avenue, Salem, Ohio
STAG III Mayville, LLC	605 Fourth Street, Mayville, Wisconsin
STAG III Milwaukee 2, LLC	8900-8970 Fourth 55th Street, Brown Deer, Wisconsin
STAG III Milwaukee, LLC	4077 North First Street, Milwaukee, Wisconsin
STAG III Newark, LLC	111 and 113 Pencader Drive, Newark, Delaware
STAG III Pensacola, LLC	1301 North Palafox Street, Pensacola, Florida 3100 West Fairfield Drive, Pensacola, Florida
STAG III Pocatello, LLC	805 North Main Street, Pocatello, Idaho
STAG III Rapid City, LLC	1400 Turbine Drive, Rapid City, South Dakota
STAG III Round Rock, L.P.	2550 Tellabs Drive, Round Rock, Texas
STAG III Sergeant Bluff, LLC	102 Sergeant Square Drive, Sergeant Bluff, Iowa
STAG III Sparks, LLC (f/k/a ECOLAIR LLC)	15 Loveton Circle, Sparks, Maryland
STAG III St. Louis, LLC	8950 and 8970 Pershall Road, Hazelwood, Missouri
STAG III Tavares, LLC	476 Southridge Industrial Drive, Tavares, Florida
STAG III Twinsburg, LLC	7990 Bavaria Road, Twinsburg, Ohio
STAG III Youngstown, LLC	1100 Performance Place, Youngstown, Ohio 300 Spencer Mattingly Road, Bardstown, Kentucky

GROUND LEASED PROPERTIES

Entity Name	Property Address
STAG III Farmington, LLC	5786 Collett Road, Farmington, New York

NEW LIENS

Entity Name	New Lien
STAG III Cincinnati, LLC	Twenty-five foot (25") utility easement as set forth on survey dated April 11, 1989 by Thomas Graham Associates, Inc., RLS #4911.
STAG III Daytona Beach, LLC	Notice of Commencement dated January 28, 2008 and recorded March 3, 2008 in Book 6199, Page 4953 with the Volusia County Clerk Records.
STAG III Farmington, LLC	Easement for the Construction and Maintenance of a Storm Drainage Ditch made by Harold F. Herendeen and Carolyn W. Herendeen to The Town of Farmington dated May 12, 1087 and recorded September 17, 1987 in Liber 866, of Deeds, page 463.

STAG III Holland 2, LLC	Easement Agreement dated August 24, 2007, and recorded September 20, 2007, in Liber 3161, Page 131, Allegan County Records.
STAG III Round Rock, LLC	Temporary Construction Easement for North Mays Road Improvements, dated August 13, 2009 and recorded as Instrument No. 9691-08-1176 with the Williamson County Records.

EXHIBIT C
TO
CONTRIBUTION AGREEMENT

CONTRIBUTION AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby assigns, transfers, contributes and conveys to STAG Industrial Operating Partnership, LP, a Delaware limited partnership (the “Company”), its entire legal and beneficial right, title and interest in and to STAG Investments Holdings III, LLC, a Delaware limited liability company (“Holdings”), which owns 100% of the ownership interests in the entities listed on **Attachment 1** hereto (each, a “Participating Entity” and collectively, the “Participating Entities”), including, without limitation, (a) all right, title and interest, if any, of the undersigned in and to the assets and liabilities of Holdings and the Participating Entities, (b) the right to receive distributions of money, profits and other assets from Holdings and the Participating Entities from and after Closing, and (c) the obligations of Holdings and the Participating Entities, in each case whether arising before or after the Closing, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the “Participating Entity Interests”), TO HAVE AND TO HOLD the same unto the Company, its successors and assigns, forever.

Upon the execution and delivery hereof, the Company assumes all obligations in respect of the Participating Entity Interests.

This Contribution and Assumption Agreement is in respect of the real property described in **Attachment 1** attached hereto.

Executed:	, 2011	STAG Investments III, LLC, a Delaware limited liability company
		By: STAG Manager III, LLC, its manager
		By: _____
		Name: _____
		Title: _____
		STAG Industrial Operating Partnership, L.P., a Delaware limited partnership
		By: STAG Industrial GP, LLC, its general partner
		By: _____
		Name: _____
		Title: _____

**Attachment 1
To
Contribution and Assumption Agreement**

OWNED PROPERTIES

Entity Name	Property Address
STAG III Albion, LLC	907 Weber Road, Albion, Indiana
	1105 Weber Road, Albion, Indiana
	1515 East State Road 8, Albion, Indiana
	1563 East State Road 8, Albion, Indiana
	1545 East State Road 8, Albion, Indiana
	600 South 7th Street, Albion, Indiana
	1514 Progress Drive, Albion, Indiana
	811 Commerce Drive, Kendallville, Indiana
STAG III Amesbury, LLC	37 Hunt Road, Amesbury, Massachusetts
STAG III Appleton, LLC	2111 North Sandra Street, Appleton, Wisconsin
STAG III Arlington, L.P.	3311 Pinewood Drive, Arlington, Texas
STAG III Boardman, LLC	365 McClurg Road, Boardman, Ohio
	801 Southern Boulevard, Boardman, Ohio
STAG III Canton, LLC	818 Mulberry Street, Canton, Ohio
STAG III Chesterfield, LLC	50900 Russell Schmidt Boulevard, Chesterfield, Michigan
	50271 Russell Schmidt Boulevard, Chesterfield, Michigan
	50501 Russell Schmidt Boulevard, Chesterfield, Michigan
	50371 Russell Schmidt Boulevard, Chesterfield, Michigan
STAG III Cincinnati, LLC	1011 Glendale Milford Road, Cincinnati, Ohio
STAG III Dayton, LLC	4646 Needmore Road, Dayton, Ohio
STAG III Daytona Beach, LLC	530 Fentress Boulevard, Daytona Beach, Florida
STAG III Elkhart, LLC	23590 County Road 6, Elkhart, Indiana
	53057 Marina Drive, Elkhart, Indiana
STAG III Fairfield, LLC	6051 North Lee Highway, Fairfield, Virginia
	2311 North Lee Highway, Lexington, Virginia
STAG III Great Bend, LLC	One Fuller Way, Great Bend, Kansas
STAG III Holland 2, LLC	900 Brooks Avenue, Holland, Michigan
	471 40th Street, Holland, Michigan
STAG III Holland, LLC	414 East 40th Street, Holland, Michigan
STAG III Jackson, LLC	I-55 and Chastain Drive, Jackson, Mississippi
STAG III Jefferson, LLC	165 American Way, Jefferson, North Carolina
STAG III Lewiston, LLC	17 Mollison Way, Lewiston, Maine
STAG III Malden, LLC	219 Medford Street, Malden, Massachusetts
	243 Medford Street, Malden, Massachusetts

STAG III Mason, LLC	800 Pennsylvania Avenue, Salem, Ohio
STAG III Mayville, LLC	605 Fourth Street, Mayville, Wisconsin
STAG III Milwaukee 2, LLC	8900-8970 Fourth 55th Street, Brown Deer, Wisconsin
STAG III Milwaukee, LLC	4077 North First Street, Milwaukee, Wisconsin
STAG III Newark, LLC	111 and 113 Pencader Drive, Newark, Delaware
STAG III Pensacola, LLC	1301 North Palafox Street, Pensacola, Florida 3100 West Fairfield Drive, Pensacola, Florida
STAG III Pocatello, LLC	805 North Main Street, Pocatello, Idaho
STAG III Rapid City, LLC	1400 Turbine Drive, Rapid City, South Dakota
STAG III Round Rock, L.P.	2550 Tellabs Drive, Round Rock, Texas
STAG III Sergeant Bluff, LLC	102 Sergeant Square Drive, Sergeant Bluff, Iowa
STAG III Sparks, LLC (f/k/a ECOLAIR LLC)	15 Loveton Circle, Sparks, Maryland
STAG III St. Louis, LLC	8950 and 8970 Pershall Road, Hazelwood, Missouri
STAG III Tavares, LLC	476 Southridge Industrial Drive, Tavares, Florida
STAG III Twinsburg, LLC	7990 Bavaria Road, Twinsburg, Ohio
STAG III Youngstown, LLC	1100 Performance Place, Youngstown, Ohio 300 Spencer Mattingly Road, Bardstown, Kentucky

GROUND LEASED PROPERTIES

Entity Name	Property Address
STAG III Farmington, LLC	5786 Collett Road, Farmington, New York

**EXHIBIT D
TO
CONTRIBUTION AGREEMENT**

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”), that the withholding of tax is not required upon the contribution of Interests by STAG Investments III, LLC, a Delaware limited liability company (the “Contributor”) to the Operating Partnership in exchange for common units of limited partnership in the Operating Partnership, which transfer occurred on _____, 2011, the undersigned hereby certifies the following on behalf of Contributor:

1. Contributor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);
2. Contributor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Contributor’s employer identification number (Contributor’s social security number, if Contributor is an individual) is _____; and
4. Contributor’s address is:

c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the Operating Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Contributor.

By: STAG Investments III, LLC

By: STAG Manager III, LLC, its manager

By: _____
Name: _____
Title: _____
Date: _____, 2011

**EXHIBIT E
TO
CONTRIBUTION AGREEMENT
REGISTRATION RIGHTS AGREEMENT**

See Attached

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**REGISTRATION RIGHTS AGREEMENT
BY AND AMONG
STAG INDUSTRIAL, INC.,
STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.
AND THE CONTRIBUTORS**

DATED AS OF , 2011

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (including all exhibits and schedules, this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), and the contributors whose names are set forth on the signature pages hereto (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. In connection with the initial public offering of shares of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), the Company, the Operating Partnership and the Contributors will engage in certain formation transactions (the “**Formation Transactions**”) whereby:

- (i) the Contributors will contribute to the Operating Partnership their interests in entities owning certain real estate properties and other assets (the “**Properties**”); and
- (ii) the Contributors will receive common units of limited partnership in the Operating Partnership (“**OP Units**”) in exchange for their respective indirect interests in the Properties, and a subsidiary of the Company will be the general partner of the Operating Partnership.

B. Pursuant to the Partnership Agreement (as defined below), the OP Units will be redeemable for cash or, at the sole and absolute discretion of the Company, exchangeable for shares of Common Stock upon the terms and subject to the conditions contained in the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions . In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

“**Affiliate**” of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Business Day**” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York or Boston, Massachusetts are authorized or required by law, regulation or executive order to close.

“ **Charter** ” means the amended and restated charter of the Company as filed with the State Department of Assessments and Taxation of Maryland on _____, 2011, as the same may be amended, modified or restated from time to time.

“ **Commission** ” means the Securities and Exchange Commission.

“ **Confidential Information** ” means Confidential Information as defined in Section 2.13(a).

“ **Demand Registration** ” means a Demand Registration as defined in Section 2.2.

“ **Demand Registration Statement** ” means a Demand Registration Statement as defined in Section 2.2.

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

“ **Family Member** ” of any individual means such individual’s spouse, ex-spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters and inter vivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters are beneficiaries.

“ **GI Entities** ” means GI STAG Investco, LLC, STAG GI Investments, LLC, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

“ **Holder** ” means any Initial Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) to the extent (x) permitted under the Partnership Agreement, the Charter or a separate written agreement between the Holder and the Company, as applicable, and (y) (1) the Company is furnished with written notice of the name and address of such assignee or transferee and the securities with respect to which such registration rights are being assigned and (2) such assignee or transferee agrees in writing to be bound by all the provisions hereof, unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

“ **Indemnified Party** ” means an Indemnified Party as defined in Section 2.9.

“ **Indemnifying Party** ” means an Indemnifying Party as defined in Section 2.9.

“ **Indemnatee** ” means Indemnatee as defined in Section 2.7.

“ **Initial Holder** ” means (i) any Contributor, (ii) any partner, member or stockholder of any Contributor and any of their respective partners, members or stockholders (and continuing to any and all other partners, members or stockholders that receive a permitted distribution of OP Units or Registrable Securities), (iii) any Affiliate of any such partner, member or stockholder, and (iv) any Family Member of any of the foregoing.

“ **Initial Public Offering** ” means the offering of Common Stock pursuant to the Form S-11 Registration Statement (No. 333-) filed by the Company with the Commission under the Securities Act.

“ **Inspectors** ” means Inspectors as defined in Section 2.5(g).

“ **Losses** ” means Losses as defined in Section 2.7.

“ **Market Value** ” means, with respect to the Common Stock, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date of a written request for registration pursuant to Section 2.2. The market price for each such trading day shall be:

(i) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the Common Stock is not listed or admitted to trading on any securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Company, or

(iii) if the Common Stock is not listed or admitted to trading on any securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than (10) days prior to the date in question) for which prices have been so reported;

provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the Common Stock shall be determined by the Board of Directors of the Company acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

“ **Notice Period** ” means the Notice Period as defined in Section 2.2(a).

“ **Partnership Agreement** ” means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of , 2011, as the same may be amended, modified or restated from time to time.

“ **Person** ” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“ **Piggy-Back Registration** ” means a Piggy-Back Registration as defined in Section 2.3.

“ **Records** ” means Records as defined in Section 2.5(g).

“ **Registrable Securities** ” means shares of Common Stock at any time owned, either of record or beneficially, by any Holder and issued in the Formation Transactions or upon exchange of OP Units received in the Formation Transactions and any additional Common Stock issued as a dividend, distribution or exchange for, or in respect of such shares until:

- (i) a registration statement covering such shares has been declared effective by the Commission and such shares have been disposed of pursuant to such effective registration statement;
- (ii) such shares shall have ceased to be outstanding;
- (iii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met;
- (iv) such shares held may be sold pursuant to Rule 144 under the Securities Act (or any similar rule or regulation then in effect) without limitation as to volume or manner of sale; or
- (v) such shares have been sold or otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act;

provided, however, that “Registrable Securities” for purposes of the indemnification obligations contained in Section 2.7 and Section 2.8 shall mean all shares that are registered on the applicable Shelf Registration, Demand Registration or Piggy-Back Registration, notwithstanding that such shares may not otherwise be “Registrable Securities” by operation of clause (iv) above.

“ **Registration Expenses** ” means Registration Expenses as defined in Section 2.6.

“ **Securities Act** ” means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“ **Selling Holder** ” means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

“ **Shelf Registration Statement** ” means a Shelf Registration statement as defined in Section 2.1.

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“ **STAG Parties** ” means STAG Investments III, LLC and STAG Investments IV, LLC.

“ **Suspension** ” means a Suspension as defined in Section 2.14.

“ **Suspension Notice** ” means a Suspension Notice as defined in Section 2.14.

“ **Underwriter** ” means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer’s market-making activities.

ARTICLE 2

REGISTRATION RIGHTS

Section 2.1 Shelf Registration . Within two weeks after the anniversary of the consummation date of the Initial Public Offering, subject to Section 2.13 and Section 2.14, the Company shall prepare and file a “shelf” registration statement with respect to the resale (except as provided in the next sentence) of the Registrable Securities on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (together with any amendments or supplements thereto, the “ **Shelf Registration Statement** ”) and shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective on or as soon as practicable thereafter, and to keep such Shelf Registration Statement continuously effective for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities. With respect to Holders other than Affiliates of the Company (including as an Affiliate of the Company, for purposes of this Section 2.1, the GI Entities), the Company may, at its option, satisfy its obligation in this Section 2.1 to register on a Shelf Registration Statement the resale of the Registrable Securities by instead registering on a Shelf Registration Statement the issuance of the Registrable Securities by the Company to such Holders, provided such issuance Shelf Registration Statement is initially filed within the time period required by the staff of the Commission. In the event that the Company fails to file, or if filed fails to maintain the effectiveness of, a Shelf Registration Statement, the Holders may participate in a Piggy-Back Registration (as defined below) pursuant to Section 2.3 herein; provided, further, that if and so long as a Shelf Registration Statement is on file and effective, then the Company shall have no obligation to allow participation in a Piggy-Back Registration. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to file a Shelf Registration Statement unless the Company is eligible to file a registration Statement on Form S-3 or any successor form.

Section 2.2 Demand Registration

(a) **Request for Registration** . Commencing on or after the date which is one year after the consummation date of the Initial Public Offering, Holders (which may include the GI Entities and the STAG Entities), the GI Entities (so long as they are Holders) or the STAG Entities (so long as they are Holders) may, subject to Section 2.13 and Section 2.14, deliver to the Company a written request that the Company prepare and file with the Commission a registration statement on an appropriate form under the Securities Act (together with any amendments or supplements thereto, a “ **Demand Registration Statement** ”), registering under the Securities Act all or part of its or their Registrable Securities (a “ **Demand Registration** ”).

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For purposes of this Agreement, a Demand Registration requested by the Holders is referred to as a “ **Holder Demand Registration** ,” a Demand Registration requested by the GI Entities is referred to as a “ **GI Demand Registration**, ” and a Demand Registration requested by the STAG Entities is referred to as a “ **STAG Demand Registration** .” Notwithstanding the foregoing, (i) the Company shall not be obligated to effect more than six Demand Registrations in total, one GI Demand Registration in total or one STAG Demand Registration in total or more than one Demand Registration in any twelve month period, except that a GI Demand Registration may occur six months before or after a Holder Demand Registration or a STAG Demand Registration, and (ii) in the case of a Holder Demand Registration, the number of shares of Registrable Securities proposed to be sold by the Holders making such written request shall have a Market Value of at least \$20,000,000. Any request for a Demand Registration will specify the number of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Within five (5) Business Days after receipt of such request, the Company will give written notice of such registration request to all other Holders and include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the mailing of the Company’s notice to the applicable Holder (the “ **Notice Period** ”). Each such request will also specify the number of shares of Registrable Securities to be registered and the intended method of disposition thereof (which may include an underwritten offering).

(b) Effective Registration . A registration will not count as a Demand Registration until it has become effective. For purposes of this Agreement, an offering on a Demand Registration Statement is deemed to be effected on the effective date thereof and has remained effective and available for at least 180 days.

(c) Selling Holders Become Party to Agreement . Each Holder acknowledges that by asserting or participating in its registration rights pursuant to this Article II, he or she may become a Selling Holder and thereby will be deemed a party to this Agreement and will be bound by each of its terms.

(d) Underwritten Demand Registrations . If the Holders of a majority of shares of the Registrable Securities to be registered in a Demand Registration so elect by written notice to the Company, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with any such Demand Registration; provided that such managing Underwriter must be reasonably satisfactory to (i) in the case of a Holder Demand Registration, the Holders of a majority of the shares of the Registrable Securities to be registered on such Demand Registration and, as long as the GI Entities register on such Demand Registration Registrable Securities with a Market Value of at least \$5,000,000, the GI Entities, (ii) in the case of a GI Demand Registration, the GI Entities and (iii) in the case of a STAG Demand Registration, the STAG Entities. The Company may select any additional investment banks and managers to be used in connection with the offering; provided that such additional investment bankers and managers must be reasonably satisfactory to a majority of the Holders of the Registrable Securities initiating such Demand Registration.

Section 2.3 Piggy-Back Registration .

(a) Subject to Section 2.1 hereof, if the Company proposes to file a registration statement under the Securities Act (or a prospectus supplement to effect a takedown from an effective shelf registration statement) with respect to an underwritten equity offering by the Company for its own account or for the account of any of its respective security holders of any class of security (other than (i) any registration statement filed by the Company under the Securities Act relating to an offering of Common Stock for its own account as a result of the exercise of the exchange rights set forth in the Partnership Agreement, (ii) any registration statement filed in connection with a demand registration other than a Demand Registration under this Agreement or (iii) a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders), then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date), and such notice shall offer such Holders the opportunity to register such number of shares of Registrable Securities as each such Holder may request (a " **Piggy-Back Registration** "). The Company shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

(b) The Company shall select the lead underwriter or underwriters and any co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggy-Back Registration. In the event the Company gives the Holders notice of its intention to effect an offering pursuant to a Piggy-Back Registration and subsequently declines to proceed with such offering, the Holders shall have no rights in connection with such offering; provided, however, that, subject to Section 2.13 and Section 2.14, at the request of the Holders, the Company shall proceed with such offering with respect to the Registrable Securities included therein, which offering shall be deemed a Demand Registration for all purposes hereunder. The Holders shall participate in any offering of Registrable Securities pursuant to a Piggy-Back Registration (or deemed Demand Registration, if applicable) in accordance with the same plan of distribution for such Piggy-Back Registration as the Company or the holder or holders of Common Stock that proposed such Piggy-Back Registration, as the case may be.

Section 2.4 Reduction of Offering . Notwithstanding anything contained herein, if the managing Underwriter or Underwriters of an offering described in Section 2.2 or Section 2.3 hereof advise the Company and the Holders of the Registrable Securities included in such offering that, in their judgment, (i) the size of the offering that the Holders, the Company and such other Persons intend to make or (ii) in the case of a Piggy-Back Registration only, the kind of securities that the Holders, the Company and/or any other Persons intend to include in such offering are such that the marketability of the offering would be adversely affected by inclusion of the Registrable Securities requested to be included, then

(A) if the size of the offering is the basis of such Underwriter's advice, the amount of securities to be offered for the accounts of Holders shall be reduced pro rata (according to the number of Registrable Securities proposed for registration) to the extent necessary to reduce the

total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided, that, in the case of a Demand Registration, the number of Registrable Securities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a GI Demand Registration, the number of Registrable Securities of the GI Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a STAG Demand Registration, the number of Registrable Securities of the STAG Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a Piggy-Back Registration, if securities are being offered for the account of other Persons as well as the Company, then the Company shall include in such offering:

- (1) first, securities that the Company proposes to offer;
- (2) second, securities requested to be included therein by the Holders, pro rata;
- (3) third, securities that any other Person proposes to offer pursuant to contractual rights of such holder or holders, pro rata; and
- (4) fourth, any other securities; and

(B) if the combination of securities to be offered is the basis of such Underwriter's advice, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the provisos in clause (A)) or (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter or Underwriters, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering; provided that no Registrable Securities will be excluded from an offering pursuant to this clause (B) in the case of a Demand Registration.

Section 2.5 Registration Procedures; Filings; Information . In connection with any Shelf Registration Statement under Section 2.1 or whenever Holders request that any Registrable Securities be registered pursuant to Section 2.2 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof (which in the case of a Demand Registration but not in the case of a Shelf Registration Statement may include an underwritten offering) as quickly as practicable, and in connection with any such request:

(a) Subject to Section 2.13, the Company will as expeditiously as possible within the time periods set forth in Sections 2.1 and 2.2 but in any event no later than 30 days after the Notice Period for a Demand Registration, prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration

statement to become and remain effective: (i) in the case of a Shelf Registration Statement filed pursuant to Section 2.1 hereof, for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities; and (ii) in the case of a Demand Registration Statement filed pursuant to Section 2.2 hereof, for at least 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities in such jurisdictions; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Holder, at any time when a preliminary prospectus, prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as the Selling Holders reasonably request in order to expedite or facilitate the disposition of such Registrable

Securities, including, in the case of a GI Demand Registration or a STAG Demand Registration and to the extent reasonably requested by the lead or managing Underwriters, sending appropriate officers of the Company to attend “roadshows” scheduled in reasonable number and at reasonable times.

(g) The Company will make available for inspection by any Selling Holder, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the “**Inspectors**”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “**Records**”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Selling Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) if eligible under applicable accounting standards, a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefore reasonably requests.

(i) The Company will otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) So long as Common Stock is listed or quoted on any United States securities exchange or quotation system, the Company will use its commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Section 2.6 Registration Expenses . In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the “**Registration Expenses**”): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any legal opinions or comfort letters or costs associated with the delivery by counsel or independent certified public accountants, as applicable, of an opinion or opinions or comfort letter or comfort letters requested pursuant to Section 2.5(h), hereof), and (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; provided, that the Company shall not be required to pay any expenses of any registration proceeding begun pursuant to Section 2.2 if the registration request is subsequently withdrawn (other than if such withdrawal (i) is the result of any change, or development that would reasonably be expected to have a change, in the financial markets in the United States or in national financial or economic conditions that would adversely affect the marketability of the offering or (ii) is the result of any change, or development that would reasonably be expected to have a change, in the financial condition or results of operations of the Company that would adversely affect the marketability of the offering, and, in either case, such withdrawal is made with reasonable promptness following such change or development) at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration). If such Holders shall fail to reimburse the Company for such expenses, the Company shall not be obligated to file another Demand Registration Statement for a period of 12 months from the date such registration statement was withdrawn. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, any fees and expenses of counsel to the Underwriters attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

Section 2.7 Indemnification by the Company . The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an “**Indemnitee**”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (collectively, “**Losses**”) caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement contemplated by this Agreement or any related

preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission included or omitted in conformity with information furnished in writing to the Company by such Indemnitee or on such Indemnitee's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.7. The indemnity provided for in this Section 2.7 shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder.

Section 2.8 Indemnification by Selling Holders . Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to Losses caused by any untrue statement or omission included or omitted in conformity with information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto). In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.7. Each Selling Holder also agrees to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 2.8. The liability of any Selling Holder pursuant to this Section 2.8 may not, in any event, exceed the net proceeds received by such Selling Holder from sales of Registrable Securities giving rise to the indemnification obligations of such Selling Holder.

Section 2.9 Conduct of Indemnification Proceedings . In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 2.7 or Section 2.8, such person (an “**Indemnified Party**”) shall promptly notify the person against whom such indemnity may be sought (an “**Indemnifying Party**”) in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the

Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them and, in all such cases, the Indemnifying Party shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties not having actual or potential differing interests among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.7 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.8, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any Loss (to the extent stated above) resulting from such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

Section 2.10 Contribution . If the indemnification provided for in Section 2.7 or Section 2.8 hereof is unavailable to an Indemnified Party or insufficient in respect of any Losses referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the

Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnifying Party shall not be required to contribute pursuant to this Section 2.10 if there has been a settlement of any proceeding effected without its written consent.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total commissions and discounts received by such Underwriter in connection with the sale of the securities underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.10 are several in proportion to the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.11 Participation in Underwritten Registrations . No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

Section 2.12 Rule 144 . Until such date as no Holder owns any Registrable Securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable

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Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 2.13 Holdback Agreements .

(a) Temporary Suspension of Rights to Sell Based on Confidential Information or Material Transaction . If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 or a Demand Registration under Section 2.2 hereof or the use of any related preliminary prospectus, prospectus or prospectus supplement (i) would require the public disclosure of previously non-public material information that the Company has a bona fide business purpose for preserving as confidential that the Company is not otherwise required by applicable securities laws or regulations to disclose (the "**Confidential Information**") or (ii) would materially interfere with any good faith proposal or plan by the Company or any of its Affiliates to engage in any material acquisition, merger, consolidation, tender offer, securities offering or other material transaction, and upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended until the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.13(a) is no longer necessary; provided, however, in no event shall any such suspension be for more than an aggregate of 120 days in any rolling twelve month period or for more than 90 consecutive days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. Nothing in this Section 2.13(a) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(b) Temporary Suspension of Rights to Sell Based on Exchange Act Reports Not Yet Filed or Regulation S-X . (i) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, (ii) if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Act, or (iii) if the Company has acquired or proposes to acquire one or more properties which in the aggregate are significant for purposes of Rule 3-14 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended (to the extent required under the Securities Act or the Exchange Act) until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required. The Company agrees to use its commercially reasonable efforts to file such reports or obtain and file

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the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement as promptly as practicable. Nothing in this Section 2.13(b) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(c) **Restrictions on Public Sale by Holder of Registrable Securities.** With respect to underwritten offerings prior to the second anniversary of the date of this Agreement, for so long as the Holder beneficially owns one percent or more of the outstanding Common Stock (assuming conversion of such Holder's OP Units or other convertible securities but not any other OP Units or convertible securities), each Holder agrees not to sell, offer for sale or otherwise transfer any Registrable Securities during any of the following periods:

(i) unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated effective date of a registration statement for any underwritten public offering of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) and ending 90 days after such effectiveness; and

(ii) in the case of a Rule 415 registration statement, unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated date of the Company's notice of commencement of distribution in connection with such offering and ending 90 days after the commencement of such distribution.

(d) Notwithstanding the provisions of Section 2.13(c) :

(i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holders that the Company declines to proceed with any such offering set forth in Section 2.13(c) ;

(ii) all executive officers and directors of the Company then holding shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company shall enter into similar agreements for not less than the entire time period required of the Holders hereunder; and

(iii) the Holders shall be allowed any concession or proportionate release allowed to any executive officer or director that entered into similar agreements.

Section 2.14 Suspension Rights . In the event of:

(a) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of a registration statement contemplated by this Agreement for amendments or supplements to such registration statement or related preliminary prospectus, prospectus or prospectus supplement or for additional information;

(b) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of any registration statement contemplated by this Agreement or the initiation of any proceedings for that purpose;

(c) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or

(d) any event or circumstance that necessitate the making of any changes in a registration statement contemplated by this Agreement or related preliminary prospectus, prospectus or prospectus supplement, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a registration statement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that, in the case of a preliminary prospectus, prospectus or prospectus supplement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

then the Company shall deliver a written notice to the Holders with Registrable Securities covered by such registration statement or related preliminary prospectus, prospectus or prospectus supplement (the “**Suspension Notice**”) to the effect of the foregoing (which do not disclose the content of any material non-public information and will indicate the date of the beginning and end of the intended suspension, if known), and, upon receipt of such Suspension Notice, such Holders will refrain from selling any Registrable securities pursuant to such registration statement (a “**Suspension**”) until such Holder’s receipt of copies of a supplemented or amended preliminary prospectus, prospectus or prospectus supplement prepared and filed by the Company, or until it is advised in writing by the Company that the current preliminary prospectus, prospectus or prospectus supplement may be used, and has received copies of any additional or supplement filings that are incorporated or deemed incorporated by reference in any such preliminary prospectus, prospectus or prospectus supplement. In the event of any Suspension, the Company will use commercially reasonable efforts to cause the use of the preliminary prospectus, the prospectus or the prospectus supplement so suspended to be resumed as soon as reasonably practicable after delivery of a Suspension Notice to such Holders, subject to Section 2.13. The Suspension and Suspension Notice shall be held in confidence and not disclosed by such Holders, except as required by law.

Section 2.15 Other Registration Rights . Nothing herein shall prohibit the Company from granting to any Person the right to cause the Company to register any securities of the Company under the Securities Act; provided, that the Company shall not enter into any agreement (or amendment or waiver of the provisions of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are *pari passu* or senior to the registration rights provided in this Agreement to the Holders or any other rights that conflict with the rights of the Holders under this Agreement or otherwise limits or reduces such rights. The Company shall cause each other holder of Common Stock (or any security convertible or exchangeable into Common Stock) who obtains the right, after the date of this Agreement, to propose a registration giving rise to a Piggy-Back Registration, if any, to agree not to transfer any shares of Common Stock or securities convertible into or exchangeable for Common Stock, for the applicable periods set forth in Section 2.13(c).

Section 2.16 Survival . The obligations of the Company and the Holders under Section 2.7 , Section 2.8 , Section 2.9 and Section 2.10 hereof shall survive the completion of any offering of Registrable Securities and the termination or expiration of this Agreement.

ARTICLE 3
MISCELLANEOUS

Section 3.1 Remedies . In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2 Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, in each case without the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3 Notices . All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery to the address set forth on the signature page hereto, or to such other address and to such other Persons as any party hereto may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4 Successors and Assigns . Except as expressly provided in this Agreement, the rights and obligations of the Initial Holders under this Agreement shall not be assignable by any Initial Holder to any Person that is not an Initial Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

Section 3.5 Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6 Governing Law . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

Section 3.7 Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8 Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10 No Third Party Beneficiaries . Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG Industrial, Inc., a Maryland corporation

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

OPERATING PARTNERSHIP

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

NET LEASE AGGREGATION FUNDS, LLC

By: _____

Name:

Title:

Address:

INNOVATIVE PROMOTIONS LLC

By: _____
Name:
Title:

Address:

GREGORY W. SULLIVAN

Address:

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ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

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STAG III EMPLOYEES, LLC

By:

Name:

Title:

Address:

NED STAG III RESIDUAL LLC

By:

Name:

Title:

Address:

BENJAMIN S. BUTCHER

Address:

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**EXHIBIT F
TO
CONTRIBUTION AGREEMENT**

EXCLUDED ENTITIES AND EXCLUDED PROPERTIES

Excluded Entities	Excluded Properties
STAG III Pomfret, LLC	153 Searles Road, Pomfret, Connecticut
STAG III Streamwood, LLC	1109 E. Lake Street, Streamwood, Illinois
STAG III Mason 2, LLC	4219 US Route 42, Mason, Ohio

**EXHIBIT G
TO
CONTRIBUTION AGREEMENT**

DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below.

Actions : Means all actions, litigation, written claims, complaints, charges, written accusations, investigations, petitions, suits, arbitrations, mediations or other proceedings, whether civil or criminal, at law or in equity, judicial or administrative or before any arbitrator or governmental body or agency.

Affiliate : Means a Person who as to another Person controls, is controlled by, or is under common control with, such other Person.

Allocated Debt : Means the debt allocated or related to the Properties that is assumed by the Operating Partnership as of the Closing Date by virtue of its ownership of Holdings and the Participating Entities. The aggregate outstanding principal amount of the Allocated Debt as of Allocated Debt Determination Date is \$208,338,671.00 (the “ **Estimated Allocated Debt Amount** ”), which includes \$207,549,556 of debt as of December 31, 2010 and an additional \$789,115 borrowed as of March 16, 2011.

Allocated Debt Determination Date : Means (a) with respect to the Properties that were owed by Holdings and the Participating Entities, December 31, 2010 and (b) with respect to the \$789,115 borrowed by Holdings after December 31, 2010, March 16, 2011.

Claims : Means claims, disputes or Actions pending, threatened in writing or, to the Contributor’s Knowledge, otherwise threatened that directly or indirectly affect any of the Contributor, Holdings, one or more Participating Entities, the Holdings Interests, the Participating Entity Interests or the Properties.

Disclosure Schedules : Means the Disclosure Schedule dated of even date herewith and delivered by the Contributor to the Company and the Operating Partnership, which Disclosure Schedule is attached hereto and incorporated herein and contains **Schedule 3.2(a)** through **Schedule 3.2(v)** .

Encumbrances : Means, with respect to the subject personal property, each of the following: all pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, rights of others, licenses, or other similar arrangement or interest in personal property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the personal property in question; provided, however that Encumbrances shall not include the Permitted Pledge.

Estimated Closing Date : Means April 13, 2011.

Knowledge : Means, with respect to any representation or warranty so indicated, the actual knowledge of Benjamin S. Butcher, without any duty of inquiry or investigation.

Liens : Means, with respect to the subject real property, each of the following, other than any of the following that would constitute Permitted Liens: all mortgages, deeds of trust, pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, covenants, encroachments, assessments, rights of others, licenses, easements, or other similar arrangement or interest in real property of any kind or nature whatsoever, direct or indirect,

including, without limitation, interests in or claims to revenues generated by the real property in question and mortgages, deeds of trust and other instruments securing the Allocated Debt.

Material Adverse Effect : Means any material adverse effect on the assets, business, financial condition, prospects or results of operations of the Company, the Operating Partnership and the Participating Entities (including the Properties) taken as a whole.

Permitted Liens : Means

- (i) Liens, or deposits made to secure the release of such Liens, securing taxes, the payment of which is not delinquent or the payment of which is actively being contested in good faith by appropriate proceedings diligently pursued, but only to the extent such Liens have been disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (ii) zoning laws and ordinances generally applicable to the districts in which the Properties are located;
- (iii) Liens imposed by laws, such as carriers', warehousemen's, carriers' and mechanics' liens, and other similar liens arising in the ordinary course of business that are being contested in good faith by appropriate proceedings diligently pursued (provided that adequate reserves or accruals for payments of such contested liens have been provided in the balance sheet of the Participating Entity) or as disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (iv) easements for public utilities and other access and use easements that do not have a Material Adverse Effect upon the Properties;
- (v) leases and licenses (and purchase rights contained therein) that are identified in the Disclosure Schedules or the Registration Statement or that have otherwise been delivered or made available to Company, its agents and underwriters; and
- (vi) any exceptions contained in the Title Reports or otherwise set forth in **Schedule 3.2(a)**.

Permitted Pledge : Means the security interest granted to Anglo Irish Bank, plc (" Anglo "), in connection with the Existing Debt, which security interest is granted in that certain Pledge and Security Agreement of STAG Investments Holdings III, LLC to Anglo dated as of January 31, 2009 and perfected by one or more UCC Financing Statements filed with the Delaware Secretary of State.

Person : Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental entity.

Road Show Prospectus Filing Date : Means the date of filing with the Securities Exchange Commission of an amendment to the Company's S-11 that contains the definitive form of preliminary prospectus anticipated to be used for the "road show" of the Public Offering,

which preliminary prospectus includes the offering price range, the number of shares to be offered to the public and the value, based on the mid-point of the offering range, of the Units to be delivered to the Contributor and Other Contributors hereunder and under the Other Agreements.

Title Reports. Means those title insurance policies issued in the name of the Participating Entities with respect to the Properties, as described on **Schedule 3.2(a)**.

Valuation Date: Means as of the date of this Agreement.

**EXHIBIT H
TO
CONTRIBUTION AGREEMENT
VOTING AGREEMENT**

See Attached

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VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), GI STAG INVESTCO, LLC, a Delaware limited liability company (“**GISI**”) and the undersigned contributors (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. **WHEREAS**, on _____, 2011, the Company and the Operating Partnership entered into several contribution agreements (the “**Contribution Agreements**”) with the Contributors, which provide for the contribution of various portfolios of primarily single-tenant real estate assets (the “**Contributions**”) in connection with a proposed initial public offering (the “**Public Offering**”) and together with the Contributions, the “**Formation Transactions**”) of shares of common stock, par value \$0.01 per share, of the Company (the “**Common Stock**”);

B. **WHEREAS**, each Contributor is the record owner or beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of, and has the right to direct the voting or disposition of, the number of shares of Common Stock, or common units of limited partnership in the Operating Partnership (“**OP Units**”), indicated on the signature page of this Agreement (such shares of common stock and shares of Common Stock issuable upon redemption of the OP Units, the “**Shares**”); and

C. **WHEREAS**, as an inducement for (i) GISI to enter into the limited liability company agreement (the “**JV Agreement**”) of STAG GI INVESTMENTS, LLC, a Delaware limited liability company (“**STAG GI**”), and (ii) each of the Contributors to enter into such Contributor’s Contribution Agreement with the Company and the Operating Partnership, and as part of the conditions to the consummation of the Formation Transactions, the Company desires to agree to provide GISI the right to select up to two individuals to be nominated to serve on the Board of Directors of the Company (the “**Board**”), and each Contributor desires to agree to vote the Shares over which the Contributor has voting power as described below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Initial Board of Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then immediately following the Public Offering, the Board shall consist of seven directors, at least five of whom will be Independent Directors (as defined below), each of whom will serve a one-year term and two of whom shall have been selected by GISI. Of the two directors to be selected by GISI, both must be Qualified Nominees (as defined below) and at least one must qualify as an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson

of one of the aforesaid committees; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange. GISI agrees to notify the Company of its proposed appointments for the initial Board at least one week in advance of the expected filing of the first amendment to the registration statement for the Public Offering, together with any information regarding such appointees as the Company reasonably requests.

(b) “ **Independent Director** ” means an individual who qualifies as an “independent director” under the requirements of the New York Stock Exchange.

(c) “ **Qualified Nominee** ” means an individual (i) who is not a competitor of the Company or any of its subsidiaries or an affiliate of a competitor of the Company or any of its subsidiaries, as reasonably determined by the Board, (ii) who does not have a material conflict of interest in serving as a member of the Board or would be unable to comply with the Company’s code of business conduct and ethics and corporate governance guidelines, as reasonably determined by the Board, (iii) with respect to whom none of the events described in Item 401(f) of Regulation S-K under the Securities Act of 1933, as amended (or any successor regulation), has occurred in the prior 10 years and (iv) whose nomination and recommendation by the Board, in the good faith determination of the Board, would not be inconsistent with the Board’s duties to the Company and its stockholders. For purposes of this definition, a managing director or director of GI Partners shall not be deemed to be a competitor or an affiliate of a competitor of the Company or any of its subsidiaries or to have a material conflict of interest in serving as a member of the Board by reason of such position or any ownership interest in GI Partners or its subsidiaries.

2. Agreement to Nominate Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then from the date hereof until the Expiration Date (defined below) and subject to the terms and conditions in this Agreement, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, the Company shall cause two individuals selected by GISI (both of whom must be Qualified Nominees and at least one of whom must be an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees) to be nominated for election to the Board; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange.

(b) If at any time while the Company’s obligations under this Section 2 are in effect, the Board shall be classified with the result that directors serve for terms of greater than one year, the Company shall not be required to make any nominations otherwise required under this Section 2, except at an annual meeting at which the term of an individual nominated pursuant to this Section 2 and elected to the Board in connection with such nomination (a “ **GI Director** ”), is scheduled to expire; provided that if the Board shall be classified, the GI Directors shall be placed in different classes.

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(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the nomination of directors other than the limited rights set forth in this Section 2.

3. Agreement to Vote Shares.

(a) From the date hereof until the Expiration Date, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, each of GISI and the Contributors (in the capacity as a stockholder) shall appear at the meeting or otherwise cause the Shares, if any, to be present for purposes of establishing a quorum and shall vote the Shares, if any, in favor of the election of the nominee or nominees, as applicable, for the Board selected by GISI pursuant to, and in accordance with, this Agreement.

(b) If GISI or a Contributor is the beneficial owner, but not the record holder, of the Shares, GISI or such Contributor, as applicable, agrees to take all reasonable actions necessary to cause the record holder and any nominees to vote all of the Shares, if any, in the manner provided in Section 3(a).

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the voting of the Shares, if any, other than the limited rights set forth in this Section 3. None of GISI and the Contributors shall have any right to influence in any manner the voting of the Shares, if any, on any other matters that may come before the stockholders of the Company.

(d) This Agreement shall not, and shall not be construed to, restrict the ability of GISI or any Contributor to sell or dispose of any Shares or other securities of the Company or the Operating Partnership, in the open market or otherwise.

4. Action in Stockholder Capacity Only. None of GISI and the Contributors makes any agreement or understanding herein as director or officer of the Company or as a fiduciary of, or participant in, any compensation plan of the Company. Each of GISI and the Contributors has entered into this Agreement solely in an individual capacity as a record holder and/or beneficial owner of Shares and OP Units, and nothing herein shall limit or affect any actions taken in a capacity as an officer or director of the Company or as a fiduciary of, or participant in, any compensation plan of the Company.

5. Representations and Warranties of the Company and the Operating Partnership. The Company and the Operating Partnership represent and warrant as follows:

(a) The Company and the Operating Partnership have full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by the Company and the Operating Partnership and constitutes a valid and binding agreement of the Company and the Operating Partnership enforceable against them in accordance with its terms.

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(b) The execution and delivery of this Agreement and the performance by the Company and the Operating Partnership of their agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which the Company or the Operating Partnership is a party or by which they (or any of their assets) is bound.

6. Representations and Warranties of Contributor. Each Contributor severally and not jointly represents as follows:

(a) As of the date of this Agreement, Contributor is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and Contributor does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. Contributor has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by Contributor and constitutes a valid and binding agreement of Contributor enforceable against such Contributor in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, Contributor has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, Contributor has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting such Contributor's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by Contributor of such Contributor's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Contributor is a party or by which Contributor (or any of such Contributor's assets) is bound.

7. Representations and Warranties of GISI. GISI represents and warrants as follows:

(a) As of the date of this Agreement, GISI is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and GISI does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. GISI has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by GISI and constitutes a valid and binding agreement of GISI enforceable against GISI in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, GISI has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity (subject to the terms of the JV Agreement with respect to Shares owned through STAG GI). Without limiting the generality of the foregoing, GISI has not entered into any voting agreement (other than this Agreement and the JV Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting GISI's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by GISI of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which GISI is a party or by which GISI (or any of its assets) is bound.

(d) GISI is controlled by GI Partners.

8. Termination.

(a) This Agreement shall terminate if:

(i) at any time immediately following a transfer by GISI or any of the GI Controlled Affiliates of any interest in the Formation Securities, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis immediately following such transfer (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock), or

(ii) at any time on or after the third anniversary of the Public Offering, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock) (the earlier to occur of the events in clause (i) and (ii), the “**Expiration Date**”).

(b) Upon such termination, no party shall have any further obligations or liabilities hereunder; provided that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

(c) For purposes of this Agreement, (i) “ **transfer** ” means any transfer, sale, assignment, gift, exchange or redemption (other than an exchange or redemption of OP Units for shares of Common Stock), distribution or any other disposition by law or otherwise; (ii) “ **Formation Securities** ” means the OP Units issued to GISI (through STAG GI) in the Formation Transactions and shares of Common Stock issued upon redemption of any such OP Units (or any securities issued as a dividend or distribution on, or in exchange for such OP Units or shares of Common Stock); and (iii) “ **GI Controlled Affiliates** ” means, so long as they are controlled by GI Partners, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

9. Miscellaneous Provisions .

(a) Amendments, Modifications and Waivers . No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by the Company, the Operating Partnership, GISI and the Contributors.

(b) Entire Agreement . This Agreement constitutes the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

(d) Assignment and Successors . This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto. This Agreement and all the provisions hereof are personal to each of the parties hereto, shall not inure to a party’s respective successors and may not be assigned, other than to one of the GI Controlled Affiliates, by a party without the prior written consent of the other parties. Any assignment in violation of the foregoing shall be void and of no effect.

(e) No Third Party Rights . Nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the parties hereto) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(f) Cooperation . Each of the parties hereto agrees to cooperate fully with the other parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by another party to evidence or reflect the transactions contemplated by this Agreement and to carry out the intent and purpose of this Agreement. Each of the parties hereto agrees that the other parties may publish and disclose each party’s identity and ownership of Shares, OP Units and other securities of the Company or the Operating Partnership and the nature of each party’s commitments, arrangements and understandings under this Agreement as may be required by applicable law in any filing made by a party with the Securities and Exchange Commission.

(g) Severability . If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will

remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(h) Specific Performance; Injunctive Relief. Each party hereto acknowledges that the other parties may be irreparably harmed and that there may be no adequate remedy at law for a breach of any of the covenants or agreements of a party's set forth in this Agreement. Therefore, each party hereto hereby agree that, in addition to any other remedies that may be available upon any such breach, each party shall have the right to seek specific performance, injunctive relief or any other remedies available to such party at law or in equity without posting any bond or other undertaking in order to enforce such covenants and agreements.

(i) Notices. All notices, consents, requests, claims, demands and other communications under this Agreement shall be in writing (which shall include communications by e-mail) and shall be delivered (a) in person or by courier or overnight service, or (b) by e-mail with a copy delivered as provided in clause (a). If to a Contributor, to Contributor's address or e-mail address shown below Contributor's signature on the signature pages hereof, and

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110
Attn: John L. Sullivan, Esq.
Fax: 617-406-6100
E-mail: john.sullivan@dlapiper.com

If to the Company and the Operating Partnership:

STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

If to GSI:

GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Alexander Fraser
Fax: 650-233-3601
E-mail: alexander@gipartners.com

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, Seventeenth Floor Costa Mesa, CA 92626
Attn: John Simonis, Esq.
Fax: 714-668-6336
E-mail: johnsimonis@paulhastings.com

or to such other address or facsimile number as the parties hereto may designate in writing to the other in accordance with this Section 9(i). Any party may change the address or facsimile number to which notices are to be sent by giving written notice of such change of address or number to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by facsimile or e-mail transmission or mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart.

(k) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

[Signatures on the Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG INDUSTRIAL, INC., a Maryland corporation

By: _____
Name: _____
Title: _____

OPERATING PARTNERSHIP

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: STAG INDUSTRIAL GP, LLC, a Delaware limited liability company, its
general partner

By: _____
Name: _____
Title: _____

GISI

GI STAG INVESTCO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Shares Beneficially Owned (ownership is through STAG GI Investments, LLC and
duplicative of the “Shares Beneficially Owned” indicated for STAG GI
Investment, LLC below):

shares of Common Stock
OP Units

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units
owned through STAG GI Investments, LLC, STAG Investments III, LLC or
STAG Investment IV, LLC):

shares of Common Stock
OP Units

INNOVATIVE PROMOTIONS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

GREGORY W. SULLIVAN

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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STAG III EMPLOYEES, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

NED STAG III RESIDUAL LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BENJAMIN S. BUTCHER

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

**EXHIBIT I
TO
CONTRIBUTION AGREEMENT
LOAN MODIFICATION TERMS**

1. The modification of Section 9.6.3 (Permitted Transfers) of the Loan Agreement to permit public trading of the stock of STAG Industrial, Inc. ("STAG REIT") and to permit transfers of the privately-held limited partnership interests in STAG Industrial Operating Partnership, L.P. (the "Operating Partnership"). The following is our proposed addition to that Section to include the following as a Permitted Transfer: *"transfers of direct or indirect interests in the Borrowers as long as, following such transfer, at least 51% of the direct or indirect interests in the Borrowers are owned by STAG Industrial Operating Partnership, L.P. (the "Operating Partnership ") and the Operating Partnership is controlled, directly or indirectly, by STAG Industrial, Inc. (" STAG REIT "). Notwithstanding the generality of the foregoing, it is expressly agreed that (i) the issuance and transfers of interests in the Operating Partnership are expressly permitted and do not require any further consent of Lender so long as STAG REIT, directly or indirectly (through a subsidiary), continues to be the general partner of the Operating Partnership, and (ii) the issuance and transfers of stock in STAG REIT are expressly permitted and do not require any further consent of Lender."*
2. Approval for retaining STAG Industrial Management, LLC ("STAG Management") as the management company for the Properties.
4. All modifications that are necessary to evidence the satisfaction of the Bridge Loans and, as a result of such satisfaction, the release of the guaranty provided by Stephen Karp and Steven Fischman.
5. The modification of the lead-in to Section 8 of the Loan Agreement such that representations and warranties are made only at the original funding of the Loan, at each disbursement of the Loan and as of the date of delivery of the financial statements of the Borrower pursuant to Section 9.2. This modification will change the lead-in to Section 8 from: *"Borrower warrants and represents to Agent and each of the Lenders to Borrower's knowledge for the express purpose of inducing Lenders to enter into this Agreement, to make the Loan, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Agreement and upon the date each Loan is funded and at all times thereafter that Loan funds are outstanding from Lenders to Borrower until the Loans have been repaid and all obligations to each of the Lenders have been satisfied as follows (with each representation and warranty as to each Property becoming effective as of the date such Property becomes collateral for the Loans):"* to *"Borrower warrants and represents to Agent and each of the Lenders to Borrower's knowledge for the express purpose of inducing Lenders to enter into this Agreement, to make the Loan, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Agreement and upon the date each Loan is funded and as of the date of delivery of the financial statements of the Borrower pursuant to Section 9.2 until the Loans have been repaid and all obligations to each of the Lenders have been satisfied as follows (with each representation and warranty as to each Property becoming effective as of the date such Property becomes collateral for the Loans):"* .
6. The modification of Section 9.7.2 of the Loan Agreement to permit distributions to owners of the Borrowers at any time there is no Event of Default. This modification will change Section 9.7.2 from: *"The term "Permitted Distributions" shall mean so long as no Default or Event of Default has occurred (unless waived by the Majority Lenders as set forth in Section 11.4) any of the following payments: payments to owners and affiliates in the normal course of business."* to: *"The term "Permitted*

Distributions” shall mean so long as no Default or Event of Default has occurred (unless waived by the Majority Lenders as set forth in Section 11.4) any of the following payments: payments to owners and affiliates.”

7. The modification of Section 9.8 of the Loan Agreement to only restrict Borrowers’ ability to make Investments during the continuance of an Event of Default. This modification will change the lead-in to Section 9.8 from: *“A Borrower will not make or permit to exist or to remain outstanding any Investment out of proceeds of the Loans or the proceeds of a Property except an Investment in assets as to which Agent has a perfected first lien mortgage or security interest and which are in...”* to: *“ A Borrower will not make or permit to exist or to remain outstanding any Investment owned by such Borrower except an Investment in assets as to which Agent has a perfected first lien mortgage or security interest and which are in ...”*

8. The modification of the reporting requirements to comply with Securities and Exchange Commission reporting rules applicable to public companies. This modification will change the timing of delivery of the quarterly reports required under Section 9.2.2 to be due 45 days after the end of each quarter rather than 30 days after the end of each quarter. As of the date of delivery of each of the reports required by Section 9.2., Borrower shall provide, in form satisfactory to Agent, a certification which states: *“ As of the date hereof, (i) to the best of the undersigned’s knowledge, the information provided on the accompanying financial statements is true, accurate and complete and fairly presents the financial condition of the Borrower as of the date hereof; (ii) the Borrower is in compliance with the financial covenants set forth in the Loan Agreement to the extent set forth herein; (iii) to the best of the undersigned’s knowledge, the representations and warranties set forth in Section 8 of the Loan Agreement are true, accurate and complete as of the date hereof; and (iv) no Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents. ”*

9. The modification of the second sentence in Section 8.13 of the Loan Agreement from: *“ No Default exists under any of the Loan Documents or any Major Lease in excess of 10,000 square feet in any single instance, or in excess of 50,000 square feet in the aggregate”* to *“ No Default exists under any of the Loan Documents and no Landlord Default exists under any Major Lease in excess of 10,000 square feet in any single instance, or in excess of 50,000 square feet in the aggregate”*.

10. The addition of a Section 9.17.5 which shall provide: *“ Borrower shall promptly notify Agent of any defaults under any Major Lease in excess of 10,000 square feet in any single instance, or of leases in excess of 50,000 square feet in the aggregate .”*

**EXHIBIT J
TO
CONTRIBUTION AGREEMENT**

PURCHASE OPTION

See Attached

J-1

**EXHIBIT K
TO
CONTRIBUTION AGREEMENT
CONSIDERATION SPREADSHEET**

See Attached

K-1

Appendix A-1
Determination of Number of Units

OP Units to Contributing Entities
Differing Initial Share Price

Share Price	\$15	\$16	\$17
STAG III	689,793	772,549	766,574
STAG IV	1,860,311	2,083,497	2,067,383
Venture	4,990,287	4,678,394	4,700,913
SCP	15,875	17,779	17,642
SCP III	33,734	37,781	20,288
Total	7,871,250	7,871,250	7,854,049

Estimated Allocated Debt

STAG III	208,338,671
STAG IV	86,587,368
Venture	104,131,235
SCP	1,435,000
SCP III	2,983,000

Note: Contributors receive the number of Units set forth below based on the final IPO share price. As price increases above \$17.00/share, Venture receives 64.3% of the increased value over the value at \$16.00/share and STAG III, STAG IV, SCP and SCP III share the remainder pro rata. If the price decreases below \$15.00/share, Venture will receive the necessary number of OP Units to maintain a value of \$74,854,304 and STAG III, STAG IV, SCP and SCP III share the remainder pro rata.

	3	5	6	7A	7B	
	Units					
Share Price	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
\$ 15.00	4,990,287	689,793	1,860,311	15,875	33,734	7,871,250
15.01	4,986,962	690,675	1,862,690	15,895	33,777	7,871,250
15.02	4,983,642	691,556	1,865,066	15,915	33,820	7,871,250
15.03	4,980,326	692,436	1,867,439	15,935	33,863	7,871,250
15.04	4,977,015	693,315	1,869,809	15,956	33,906	7,871,250
15.05	4,973,708	694,192	1,872,175	15,976	33,949	7,871,250
15.06	4,970,405	695,069	1,874,538	15,996	33,992	7,871,250
15.07	4,967,107	695,944	1,876,899	16,016	34,034	7,871,250
15.08	4,963,813	696,818	1,879,256	16,036	34,077	7,871,250
15.09	4,960,524	697,691	1,881,609	16,056	34,120	7,871,250
15.10	4,957,239	698,562	1,883,960	16,076	34,162	7,871,250
15.11	4,953,958	699,433	1,886,308	16,096	34,205	7,871,250
15.12	4,950,681	700,302	1,888,652	16,117	34,248	7,871,250
15.13	4,947,409	701,170	1,890,994	16,136	34,290	7,871,250
15.14	4,944,142	702,037	1,893,332	16,156	34,332	7,871,250
15.15	4,940,878	702,903	1,895,668	16,176	34,375	7,871,250
15.16	4,937,619	703,768	1,898,000	16,196	34,417	7,871,250
15.17	4,934,364	704,632	1,900,329	16,216	34,459	7,871,250
15.18	4,931,114	705,494	1,902,655	16,236	34,501	7,871,250
15.19	4,927,867	706,355	1,904,978	16,256	34,544	7,871,250
15.20	4,924,625	707,216	1,907,298	16,276	34,586	7,871,250
15.21	4,921,388	708,075	1,909,615	16,295	34,628	7,871,250
15.22	4,918,154	708,933	1,911,929	16,315	34,670	7,871,250
15.23	4,914,925	709,789	1,914,239	16,335	34,712	7,871,250
15.24	4,911,700	710,645	1,916,547	16,355	34,753	7,871,250
15.25	4,908,479	711,500	1,918,852	16,374	34,795	7,871,250
15.26	4,905,262	712,353	1,921,154	16,394	34,837	7,871,250
15.27	4,902,050	713,206	1,923,452	16,413	34,879	7,871,250
15.28	4,898,842	714,057	1,925,748	16,433	34,920	7,871,250
15.29	4,895,638	714,907	1,928,041	16,453	34,962	7,871,250
15.30	4,892,438	715,756	1,930,330	16,472	35,003	7,871,250
15.31	4,889,243	716,604	1,932,617	16,492	35,045	7,871,250
15.32	4,886,051	717,451	1,934,901	16,511	35,086	7,871,250
15.33	4,882,864	718,296	1,937,182	16,531	35,128	7,871,250
15.34	4,879,681	719,141	1,939,459	16,550	35,169	7,871,250
15.35	4,876,502	719,984	1,941,734	16,569	35,210	7,871,250
15.36	4,873,327	720,827	1,944,006	16,589	35,251	7,871,250
15.37	4,870,156	721,668	1,946,275	16,608	35,292	7,871,250
15.38	4,866,990	722,508	1,948,541	16,628	35,334	7,871,250
15.39	4,863,827	723,347	1,950,804	16,647	35,375	7,871,250
15.40	4,860,669	724,185	1,953,064	16,666	35,416	7,871,250
15.41	4,857,515	725,022	1,955,321	16,685	35,456	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
15.42	4,854,365	725,858	1,957,575	16,705	35,497	7,871,250
15.43	4,851,219	726,693	1,959,826	16,724	35,538	7,871,250
15.44	4,848,077	727,527	1,962,075	16,743	35,579	7,871,250
15.45	4,844,939	728,359	1,964,320	16,762	35,620	7,871,250
15.46	4,841,805	729,191	1,966,563	16,781	35,660	7,871,250
15.47	4,838,675	730,021	1,968,802	16,800	35,701	7,871,250
15.48	4,835,549	730,851	1,971,039	16,820	35,742	7,871,250
15.49	4,832,428	731,679	1,973,273	16,839	35,782	7,871,250
15.50	4,829,310	732,506	1,975,504	16,858	35,822	7,871,250
15.51	4,826,196	733,332	1,977,732	16,877	35,863	7,871,250
15.52	4,823,087	734,157	1,979,957	16,896	35,903	7,871,250
15.53	4,819,981	734,981	1,982,180	16,915	35,944	7,871,250
15.54	4,816,879	735,804	1,984,399	16,934	35,984	7,871,250
15.55	4,813,782	736,626	1,986,616	16,952	36,024	7,871,250
15.56	4,810,688	737,447	1,988,830	16,971	36,064	7,871,250
15.57	4,807,598	738,267	1,991,040	16,990	36,104	7,871,250
15.58	4,804,512	739,086	1,993,249	17,009	36,144	7,871,250
15.59	4,801,431	739,903	1,995,454	17,028	36,184	7,871,250
15.60	4,798,353	740,720	1,997,656	17,047	36,224	7,871,250
15.61	4,795,279	741,536	1,999,856	17,065	36,264	7,871,250
15.62	4,792,209	742,350	2,002,053	17,084	36,304	7,871,250
15.63	4,789,143	743,164	2,004,247	17,103	36,344	7,871,250
15.64	4,786,081	743,976	2,006,438	17,122	36,383	7,871,250
15.65	4,783,023	744,788	2,008,626	17,140	36,423	7,871,250
15.66	4,779,968	745,598	2,010,812	17,159	36,463	7,871,250
15.67	4,776,918	746,407	2,012,995	17,178	36,502	7,871,250
15.68	4,773,871	747,216	2,015,175	17,196	36,542	7,871,250
15.69	4,770,829	748,023	2,017,352	17,215	36,581	7,871,250
15.70	4,767,790	748,829	2,019,527	17,233	36,621	7,871,250
15.71	4,764,755	749,635	2,021,698	17,252	36,660	7,871,250
15.72	4,761,724	750,439	2,023,867	17,270	36,699	7,871,250
15.73	4,758,697	751,242	2,026,033	17,289	36,739	7,871,250
15.74	4,755,674	752,044	2,028,197	17,307	36,778	7,871,250
15.75	4,752,654	752,845	2,030,357	17,326	36,817	7,871,250
15.76	4,749,639	753,646	2,032,515	17,344	36,856	7,871,250
15.77	4,746,627	754,445	2,034,671	17,363	36,895	7,871,250
15.78	4,743,619	755,243	2,036,823	17,381	36,934	7,871,250
15.79	4,740,615	756,040	2,038,973	17,399	36,973	7,871,250
15.80	4,737,614	756,836	2,041,120	17,418	37,012	7,871,250
15.81	4,734,618	757,631	2,043,264	17,436	37,051	7,871,250
15.82	4,731,625	758,425	2,045,406	17,454	37,090	7,871,250
15.83	4,728,636	759,218	2,047,545	17,472	37,129	7,871,250
15.84	4,725,651	760,010	2,049,681	17,491	37,168	7,871,250
15.85	4,722,669	760,802	2,051,814	17,509	37,206	7,871,250
15.86	4,719,691	761,592	2,053,945	17,527	37,245	7,871,250
15.87	4,716,717	762,381	2,056,073	17,545	37,283	7,871,250
15.88	4,713,747	763,169	2,058,199	17,563	37,322	7,871,250
15.89	4,710,781	763,956	2,060,322	17,581	37,360	7,871,250
15.90	4,707,818	764,742	2,062,442	17,600	37,399	7,871,250
15.91	4,704,859	765,527	2,064,559	17,618	37,437	7,871,250
15.92	4,701,904	766,311	2,066,674	17,636	37,476	7,871,250
15.93	4,698,952	767,095	2,068,786	17,654	37,514	7,871,250
15.94	4,696,004	767,877	2,070,895	17,672	37,552	7,871,250
15.95	4,693,060	768,658	2,073,002	17,690	37,590	7,871,250
15.96	4,690,119	769,438	2,075,106	17,708	37,629	7,871,250
15.97	4,687,182	770,217	2,077,208	17,726	37,667	7,871,250
15.98	4,684,249	770,996	2,079,307	17,743	37,705	7,871,250
15.99	4,681,320	771,773	2,081,403	17,761	37,743	7,871,250
16.00	4,678,394	772,549	2,083,497	17,779	37,781	7,871,250
16.01	4,678,633	772,486	2,083,326	17,778	37,778	7,871,250
16.02	4,678,872	772,422	2,083,155	17,776	37,775	7,871,250
16.03	4,679,110	772,359	2,082,984	17,775	37,771	7,871,250
16.04	4,679,349	772,296	2,082,814	17,773	37,768	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.05	4,679,587	772,233	2,082,643	17,772	37,765	7,871,250
16.06	4,679,824	772,170	2,082,473	17,770	37,762	7,871,250
16.07	4,680,062	772,107	2,082,304	17,769	37,759	7,871,250
16.08	4,680,299	772,044	2,082,134	17,768	37,756	7,871,250
16.09	4,680,535	771,981	2,081,965	17,766	37,753	7,871,250
16.10	4,680,772	771,918	2,081,795	17,765	37,750	7,871,250
16.11	4,681,008	771,856	2,081,626	17,763	37,747	7,871,250
16.12	4,681,244	771,793	2,081,458	17,762	37,744	7,871,250
16.13	4,681,479	771,731	2,081,289	17,760	37,741	7,871,250
16.14	4,681,715	771,668	2,081,121	17,759	37,738	7,871,250
16.15	4,681,950	771,606	2,080,953	17,757	37,735	7,871,250
16.16	4,682,184	771,544	2,080,785	17,756	37,732	7,871,250
16.17	4,682,419	771,481	2,080,617	17,755	37,729	7,871,250
16.18	4,682,653	771,419	2,080,449	17,753	37,725	7,871,250
16.19	4,682,887	771,357	2,080,282	17,752	37,722	7,871,250
16.20	4,683,120	771,295	2,080,115	17,750	37,719	7,871,250
16.21	4,683,353	771,233	2,079,948	17,749	37,716	7,871,250
16.22	4,683,586	771,172	2,079,781	17,747	37,713	7,871,250
16.23	4,683,819	771,110	2,079,615	17,746	37,710	7,871,250
16.24	4,684,051	771,048	2,079,448	17,745	37,707	7,871,250
16.25	4,684,284	770,987	2,079,282	17,743	37,704	7,871,250
16.26	4,684,515	770,925	2,079,117	17,742	37,701	7,871,250
16.27	4,684,747	770,864	2,078,951	17,740	37,698	7,871,250
16.28	4,684,978	770,802	2,078,785	17,739	37,695	7,871,250
16.29	4,685,209	770,741	2,078,620	17,738	37,692	7,871,250
16.30	4,685,440	770,680	2,078,455	17,736	37,689	7,871,250
16.31	4,685,670	770,619	2,078,290	17,735	37,686	7,871,250
16.32	4,685,900	770,558	2,078,125	17,733	37,683	7,871,250
16.33	4,686,130	770,497	2,077,961	17,732	37,680	7,871,250
16.34	4,686,360	770,436	2,077,797	17,731	37,677	7,871,250
16.35	4,686,589	770,375	2,077,633	17,729	37,674	7,871,250
16.36	4,686,818	770,314	2,077,469	17,728	37,671	7,871,250
16.37	4,687,047	770,253	2,077,305	17,726	37,668	7,871,250
16.38	4,687,275	770,193	2,077,142	17,725	37,666	7,871,250
16.39	4,687,503	770,132	2,076,978	17,724	37,663	7,871,250
16.40	4,687,731	770,072	2,076,815	17,722	37,660	7,871,250
16.41	4,687,959	770,011	2,076,653	17,721	37,657	7,871,250
16.42	4,688,186	769,951	2,076,490	17,719	37,654	7,871,250
16.43	4,688,413	769,891	2,076,327	17,718	37,651	7,871,250
16.44	4,688,640	769,831	2,076,165	17,717	37,648	7,871,250
16.45	4,688,866	769,771	2,076,003	17,715	37,645	7,871,250
16.46	4,689,092	769,711	2,075,841	17,714	37,642	7,871,250
16.47	4,689,318	769,651	2,075,680	17,712	37,639	7,871,250
16.48	4,689,544	769,591	2,075,518	17,711	37,636	7,871,250
16.49	4,689,769	769,531	2,075,357	17,710	37,633	7,871,250
16.50	4,689,995	769,471	2,075,196	17,708	37,630	7,871,250
16.51	4,690,219	769,412	2,075,035	17,707	37,627	7,871,250
16.52	4,690,444	769,352	2,074,874	17,706	37,624	7,871,250
16.53	4,690,668	769,292	2,074,714	17,704	37,621	7,871,250
16.54	4,690,892	769,233	2,074,553	17,703	37,619	7,871,250
16.55	4,691,116	769,174	2,074,393	17,701	37,616	7,871,250
16.56	4,691,340	769,114	2,074,233	17,700	37,613	7,871,250
16.57	4,691,563	769,055	2,074,073	17,699	37,610	7,871,250
16.58	4,691,786	768,996	2,073,914	17,697	37,607	7,871,250
16.59	4,692,008	768,937	2,073,755	17,696	37,604	7,871,250
16.60	4,692,231	768,878	2,073,595	17,695	37,601	7,871,250
16.61	4,692,453	768,819	2,073,436	17,693	37,598	7,871,250
16.62	4,692,675	768,760	2,073,278	17,692	37,595	7,871,250
16.63	4,692,896	768,701	2,073,119	17,691	37,593	7,871,250
16.64	4,693,118	768,643	2,072,961	17,689	37,590	7,871,250
16.65	4,693,339	768,584	2,072,803	17,688	37,587	7,871,250
16.66	4,693,560	768,525	2,072,644	17,687	37,584	7,871,250
16.67	4,693,780	768,467	2,072,487	17,685	37,581	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.68	4,694,001	768,408	2,072,329	17,684	37,578	7,871,250
16.69	4,694,221	768,350	2,072,172	17,683	37,575	7,871,250
16.70	4,694,440	768,292	2,072,014	17,681	37,573	7,871,250
16.71	4,694,660	768,233	2,071,857	17,680	37,570	7,871,250
16.72	4,694,879	768,175	2,071,700	17,679	37,567	7,871,250
16.73	4,695,098	768,117	2,071,544	17,677	37,564	7,871,250
16.74	4,695,317	768,059	2,071,387	17,676	37,561	7,871,250
16.75	4,695,535	768,001	2,071,231	17,675	37,558	7,871,250
16.76	4,695,753	767,943	2,071,075	17,673	37,555	7,871,250
16.77	4,695,971	767,885	2,070,919	17,672	37,553	7,871,250
16.78	4,696,189	767,828	2,070,763	17,671	37,550	7,871,250
16.79	4,696,406	767,770	2,070,607	17,669	37,547	7,871,250
16.80	4,696,624	767,712	2,070,452	17,668	37,544	7,871,250
16.81	4,696,840	767,655	2,070,297	17,667	37,541	7,871,250
16.82	4,697,057	767,597	2,070,142	17,665	37,539	7,871,250
16.83	4,697,273	767,540	2,069,987	17,664	37,536	7,871,250
16.84	4,697,490	767,483	2,069,832	17,663	37,533	7,871,250
16.85	4,697,705	767,425	2,069,678	17,661	37,530	7,871,250
16.86	4,697,921	767,368	2,069,524	17,660	37,527	7,871,250
16.87	4,698,136	767,311	2,069,370	17,659	37,525	7,871,250
16.88	4,698,351	767,254	2,069,216	17,657	37,522	7,871,250
16.89	4,698,566	767,197	2,069,062	17,656	37,519	7,871,250
16.90	4,698,781	767,140	2,068,908	17,655	37,516	7,871,250
16.91	4,698,995	767,083	2,068,755	17,653	37,513	7,871,250
16.92	4,699,209	767,026	2,068,602	17,652	37,511	7,871,250
16.93	4,699,423	766,970	2,068,449	17,651	37,508	7,871,250
16.94	4,699,637	766,913	2,068,296	17,649	37,505	7,871,250
16.95	4,699,850	766,856	2,068,143	17,648	37,502	7,871,250
16.96	4,700,063	766,800	2,067,991	17,647	37,500	7,871,250
16.97	4,700,276	766,743	2,067,839	17,646	37,497	7,871,250
16.98	4,700,488	766,687	2,067,686	17,644	37,494	7,871,250
16.99	4,700,701	766,630	2,067,535	17,643	37,491	7,871,250
17.00	4,700,913	766,574	2,067,383	17,642	37,489	7,871,250

**EXHIBIT L
TO
CONTRIBUTION AGREEMENT
FORM OF LOCK-UP AGREEMENT**

●, 2011

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,

J.P. Morgan Securities LLC
UBS Securities LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

One Bryant Park
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Re: Proposed Public Offering by STAG Industrial, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of STAG Industrial, Inc., a Maryland corporation (the “Company”), and/or holder of units (“OP Units”) in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership and the Company’s operating partnership (the “Operating Partnership”), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), J.P. Morgan Securities LLC (“J.P. Morgan”) and UBS Securities LLC (“UBS” and together with Merrill Lynch and J.P. Morgan, the “Representatives”) propose to enter into an Underwriting Agreement (the “Underwriting Agreement”) with the Company and the Operating Partnership providing for the initial public offering (the “Offering”) of shares (the “Securities”) of the Company’s common stock, par value \$.01 per share (the “Common Stock”). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company and/or holder of OP Units, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named

in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 12 months from the date of the Underwriting Agreement (subject to extensions as discussed below), the undersigned will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock (including, without limitation, OP Units), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities as follows without the prior written consent of the Representatives, provided that (1) the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

- i. as a *bona fide* gift or gifts; or
- ii. to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or
- iii. as a distribution to limited partners, members or stockholders of the undersigned; or
- iv. to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned.

[FOR LOCK-UP TO BE EXECUTED BY STAG INVESTMENTS III, LLC ONLY: Notwithstanding the foregoing, the undersigned STAG Investments III, LLC may pledge any OP Units that it holds that are Lock-Up Securities without the prior written consent of the Representatives pursuant to that certain Pledge Agreement entered into by STAG Investments III, LLC in favor of Bank of America, N.A., as Administrative Agent for the benefit of the Secured Parties thereunder, under that certain Credit Agreement among STAG III Streamwood, LLC, STAG III Mason 2, LLC, STAG III Pomfret, LLC, STAG Investments III, LLC, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent.]

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned on the open market following the Offering if and only if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding the foregoing, if:

(1) during the last 17 days of the 12-month lock-up period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 12-month lock-up period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 12-month lock-up period,

the restrictions imposed by this lock-up agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial 12-month lock-up period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the 12-month lock-up period (as may have been extended pursuant to the previous paragraph) has expired.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's (or any other applicable) transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

For Natural Persons :

(Name)

(Signature)

For Entities :

(Name)

By: _____
Name:
Title:



CONTRIBUTION AGREEMENT

BY AND AMONG

STAG INVESTMENTS IV, LLC

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

AND

STAG INDUSTRIAL, INC.

DATED AS OF APRIL 4, 2011

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (including all exhibits and schedules, this “Agreement”) is made and entered into as of April 4, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and a subsidiary of the Company (the “Operating Partnership”), and STAG INVESTMENTS IV, LLC, a Delaware limited liability company (the “Contributor”).

RECITALS

A. The Company, which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “General Partner”), which in turn is the sole general partner of the Operating Partnership, desires to consolidate the ownership of a portfolio of primarily single tenant real estate assets, all of which assets are owned or ground leased by those certain limited liability companies and limited partnerships set forth on **Exhibit A** attached hereto and incorporated herein (each, a “Participating Entity” and, collectively, the “Participating Entities”), through the transaction contemplated by this Agreement (the “Formation Transaction”).

B. The Formation Transaction relates to the proposed initial public offering (the “Public Offering”) of the common stock, par value \$0.01, of the Company (the “Common Stock”).

C. The Contributor owns 100% of the membership interests in STAG Investments Holdings IV, LLC, a Delaware limited liability company (“Holdings”), Holdings owns 100% of the membership interests or limited partnership interests, as applicable, in each of the Participating Entities, and Holdings or the Participating Entities own or ground lease the properties set forth on **Exhibit B** attached hereto and incorporated herein (each, a “Property” and together, the “Properties”). As used herein, “Participating Entity Agreements” means the articles of organization, certificates of formation, limited liability company agreements, limited partnership agreements, charters and bylaws and other similar organizational documents under which Holdings and each Participating Entity was formed or incorporated (including all amendments and restatements thereto).

D. The Contributor desires to, and the Operating Partnership desires that the Contributor, contribute to the Operating Partnership all of the Contributor’s right, title and interest, free and clear of all Encumbrances, as a member of Holdings, including, without limitation, all of its voting rights and interests in the capital, profits and losses of Holdings or any property distributable therefrom, constituting all of its rights and interests in Holdings (such right, title and interest, the “Holdings Interests”), in exchange for common units of limited partnership interests in the Operating Partnership (the “Units”) in a transaction intended by the parties to qualify as a tax-free contribution to the Operating Partnership pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the “Code”). As used herein, “Participating Equity Interests” means all of Holdings’ direct or indirect right, title and interest, free and clear of all Encumbrances, as the owner of each Participating Entity, including, without limitation, all of its voting rights and

interests in the capital, profits and losses of each such Participating Entity or any property distributable therefrom, constituting all of its rights and interests in each such Participating Entity.

E. The parties acknowledge that the acquisition of the Holdings Interests by the Operating Partnership is in connection with the consummation of the Public Offering and the satisfaction of the conditions set forth herein.

F. Simultaneously herewith, STAG Investments III, LLC, STAG GI Investments, LLC, Net Lease Aggregation Fund, LLC, BSB STAG III, LLC, STAG III Employees, LLC, Innovative Promotions, LLC, NED STAG III Residual LLC, Roseview Capital Partners LLC, Gregory W. Sullivan and Benjamin S. Butcher (collectively, together with any additional contributor approved by the foregoing, the “Other Contributors” and each, an “Other Contributor”) have entered into Contribution Agreements (collectively, the “Other Agreements” and each, an “Other Agreement”) pursuant to which such Other Contributors have agreed to contribute their respective assets to the Operating Partnership simultaneously with the Contributor’s contribution hereunder (the “Roll-Up”) in exchange for an aggregate number of Units as set forth in the Other Agreements, which aggregate number of Units shall be determined based on the initial offering price of the Common Stock and which, together with the number of Units received by the Contributor hereunder, shall total 7,590,000 Units (the “Total Units”) (and which number of Units received by each Contributor is subject to adjustment as expressly provided herein and in the Other Agreements).

G. The parties intend this Agreement to be a “Contribution Agreement” pursuant to the terms of the Operating Partnership’s Agreement of Limited Partnership (the “Operating Partnership Agreement”).

H. All references in this Agreement to sections, articles, exhibits, schedules, attachments and recitals shall refer to the corresponding sections, articles, exhibits, schedules, attachments and recitals of or to this Agreement. Capitalized terms used and not defined in the body of this Agreement shall have the meanings set forth in **Exhibit F** attached hereto and incorporated herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual undertakings set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the foregoing recitals are incorporated into, and made a part of this Agreement, and the parties hereto further agree as follows:

TERMS OF AGREEMENT

ARTICLE 1

CONTRIBUTION OF HOLDINGS INTERESTS IN EXCHANGE FOR UNITS

Section 1.1 Contribution Transactions .

(a) At the Closing and subject to and on the terms and conditions contained in this Agreement, the Contributor shall contribute, transfer, assign, convey and deliver to the

Company, all of the Holdings Interests (also sometimes referred to as the “Contributed Assets”). The contribution of the Holdings Interests to the Operating Partnership shall be evidenced by the execution and delivery of a Contribution and Assumption Agreement in substantially the form of **Exhibit C** attached hereto and incorporated herein.

(b) The parties shall take such additional actions and execute such additional documentation as may be required by the Participating Entity Agreements or as requested in the reasonable judgment of counsel to the Company or the Operating Partnership in order to effect the transactions contemplated hereby.

Section 1.2 Consideration for Holdings Interests . In exchange for the Holdings Interests contributed to the Operating Partnership by the Contributor, the Operating Partnership shall issue a certain number of Units to the Contributor based on the initial public offering price of the Common Stock as set forth below, such number of Units being referred to herein as the Contributor’s “Consideration” relating to the Holdings Interests contributed hereunder. If the initial public offering price for the Common Stock is between \$15.00 per share and \$17.00 per share, then the Contributor’s Consideration shall be the number of Units set forth in the spreadsheet attached hereto and incorporated herein as **Exhibit J** in the row corresponding with the initial public offering price of the Common Stock and the column entitled “STAG IV Units”. For example, if the initial public offering price for the Common Stock were \$16.50 per share, the Consideration would be 2,075,196 Units. If the initial public offering price for the Common Stock is less than \$15.00 per share or more than \$17.00 per share, then the Contributor’s Consideration shall be the number of Units determined by multiplying the Non-Venture Units (as hereinafter defined) by the Pro Rata Share. “Pro Rata Share” means (a) the number of Units the Contributor would receive if the initial offering price of the Common Stock was \$16.00 per share as set forth on **Exhibit J** divided by (b) the Non-Venture Units if the initial public offering price of the Common Stock was \$16.00 per share. The “Non-Venture Units” means (y) the Total Units minus (z) the Venture Contributor’s Consideration. “Venture Contributor’s Consideration” means the number of Units determined by dividing the Venture Contributor’s Value by the initial public offering price for the Common Stock. “Venture Contributors Value” means, if the initial public offering price for the Common Stock is less than \$15.00 per share, \$74,854,304, and if the initial public offering price for the Common Stock is greater than \$17.00 per share, the sum of (A) \$74,854,304 plus (B) 64.3% of the excess of (i) the product of the Total Units multiplied by the initial public offering price per share of the Common Stock in the Public Offering over (ii) \$121,440,000, consistent with the allocation of Units when the initial public offering price for the Common Stock is between \$16.01 per share and \$17.00 per share as set forth on **Exhibit J** attached hereto. In the event that, subsequent to the date of this Agreement but before the closing of the Formation Transaction, the Common Stock or the units of limited partnership interest of the Operating Partnership issued and outstanding shall, through a reorganization, recapitalization, stock or unit dividend, stock or unit split or similar change in the capitalization of the Company or the Operating Partnership increase or decrease in number, then an appropriate and proportionate adjustment shall be made to the Consideration.

Section 1.3 Adjusted Consideration; Risk of Loss .

(a) At the Closing, (i) real estate taxes and assessments (including special assessments and, personal property taxes, if any), (ii) rental income (including base rents,

additional rents, escalation charges, common area maintenance charges, imposition charges, heating and cooling charges, insurance charges, charges for utilities, percentage rent, and all other rents, charges and commissions paid by tenants to the Participating Entities), (iii) interest payable under loans secured by Permitted Liens, (iv) insurance premiums, (v) utilities serving the Properties, (vi) property management fees, (vii) prepaid charges, payment and accrued charges under any contracts entered into by Holdings or any Participating Entity with respect to the Properties and (viii) all other items of income and expense with respect to the Properties shall be prorated between the Contributor, on the one hand, and the Operating Partnership, on the other hand, with all such items attributable to the period prior to the Closing Date (as defined in Section 2.2) to be credited or charged to Contributor, and all such items attributable to the period commencing on the Closing Date to be credited or charged to the Operating Partnership. Except as otherwise provided in this Section 1.3, income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. In addition, at Closing, the Contributor shall receive a credit equal to the amount of any reserves (other than any cash reserves established with the lender with respect to the Allocated Debt (the "Lender Reserves")) established by Holdings or any Participating Entity with respect to the Properties (the "Reserves"). Notwithstanding the generality of the foregoing, to the extent that any tenant of a Property pays any of the expenses described in clauses (i), (iv), (v), (vi), (vii) or (viii) above directly to an applicable third party (and not as a reimbursement to a Participating Entity), such amounts shall not be prorated at Closing. The prorations to be performed hereunder shall be completed by the Company based on the parties' estimates as of the Closing, shall be evidenced by a closing statement prepared by the Company, shall be reconciled based on actual amounts when available, but in all events within ninety (90) days of Closing (the "Reconciliation Period"), and shall be implemented through a cash payment from the Operating Partnership to the Contributor to the extent the prorations result in a net credit to the Contributor and a cash payment from the Contributor to the Operating Partnership to the extent the prorations result in a net charge to the Contributor. In addition, immediately prior to Closing, Holdings shall distribute to the Contributor any cash (other than Reserves and any security deposits then held by the Participating Entities under Leases for the Properties) then held by Holdings or any Participating Entity (to the extent not being transferred with the Contributed Assets as a proration in accordance with this Section 1.3(a)) and such cash shall not be contributed to the Operating Partnership with the Contributed Assets. On the Closing Date, in addition to the Consideration, the Operating Partnership shall pay to the Contributor by wire transfer of immediately available federal funds an amount equal to the Lender Reserves (but only to the extent the Lender Reserves and the obligation to maintain such Lender Reserves are not being released by the lender to the Contributor in connection with the Closing). The parties acknowledge that preparation of the closing statement will involve substantial time and effort because of the number of Properties and hereby agree that the closing statement shall be prepared by the Company based on an assumption that the Closing takes place on the Estimated Closing Date. If the Closing actually takes place on a day other than the Estimated Closing Date, then, during the Reconciliation Period, the prorations shall be recalculated as of the actual Closing Date based on actual amounts and the Company shall prepare a revised closing statement, and to the extent such revised closing statement reveals that the Contributor received more or less cash than it should have received had the prorations included in the original closing statement not been based on estimated amounts and the Closing occurring on the Estimated Closing Date, then the Operating Partnership (if the Contributor received less cash than it should have received) or the Contributor

(if the Contributor received more cash than it should have received), as applicable, shall make a cash payment to the other as necessary to make the cash received by the Contributor correct based on the revised closing statement. Finally, if the Allocated Debt is greater than or less than the Estimated Allocated Debt Amount, the difference (as well as any interest accruals or other charges or payments of the Allocated Debt for the period after December 31, 2010 and until the Closing Date) will be a proration item credited (to the extent the Allocated Debt is less than the Estimated Allocated Debt Amount) or charged (to the extent the Allocated Debt is greater than the Estimated Allocated Debt Amount) to the Contributor and adjusted in cash during the proration reconciliation process.

(b) The risk of loss relating to the Holdings Interests and the underlying Properties contributed hereunder prior to Closing shall be borne by the Contributor to the extent set forth in this Section 1.3(b). If, prior to the Closing, any Property is destroyed or materially damaged by fire or other casualty or taken by condemnation or similar proceeding, then the Company shall (a) cause the Operating Partnership to acquire the Holdings Interests (including, the Contributor's indirect interests in any such Participating Entity that directly or indirectly owns the affected Property), (b) direct the Contributor to cause the Participating Entity or Participating Entities, as applicable, to pay or cause to be paid to the Operating Partnership any sums collected under any policies of insurance relating to such casualty or condemnation proceeds, as applicable, and otherwise assign to the Operating Partnership all rights to collect such sums as may then be uncollected, and (c) adjust or settle any insurance claim or condemnation proceeding. Under such circumstances, the pro rata share of the amount of any deductibles under the applicable insurance policies or award (except to the extent such deductibles are the responsibility of tenants under leases), plus all reasonable costs of collection shall be a proration item charged to the Contributor and adjusted in cash after the Closing during the proration reconciliation process in accordance with Section 1.3(a).

Section 1.4 Allocation of Consideration . In connection with the Closing, the Consideration shall be allocated for tax and accounting purposes among the Participating Entities (and to the extent necessary, among the Properties owned by a Participating Entity) as reasonably determined by the Company (in consultation with its independent public accountants). Each of the Contributor, the Company and the Operating Partnership agree to (a) be bound by such allocations, (b) act in accordance with the allocation in the preparation of financial statements and filing of all tax returns and in the course of any tax audit, tax review or tax litigation relating thereto, and (c) take no position, and cause their Affiliates to take no position, inconsistent with such allocations for income tax purposes.

Section 1.5 Tax Treatment of Contribution . The contribution, transfer, conveyance and assignment of the Holdings Interests, Participating Equity Interests and/or Properties to the Operating Partnership from the Contributor is intended to be treated as a transaction qualifying under Section 721(a) of the Code.

Section 1.6 Section 704(c) Method . The Operating Partnership shall use the "traditional method" described in Treas. Reg. § 1.704-3(b) with respect to the contributed Holdings Interests and the related Participating Entity Interests and underlying Properties, with no "curative allocation" of income or gain to offset any "shortfall" in depreciation that results by reason of the use of the "traditional method," following any Book-Up Event i.e., a subsequent

issuance of OP Units (as defined in the Operating Partnership Agreement), an in-kind contribution of property to the Operating Partnership in exchange for OP Units, or a redemption of OP Units).

ARTICLE 2

CLOSING

Section 2.1 Conditions Precedent . The effectiveness of the Company's Registration Statement on Form S-11 relating to the Public Offering (as amended from time to time, the "Registration Statement") and the consummation of the Public Offering are conditions precedent to the obligations of all parties to this Agreement to effect the transactions contemplated by this Agreement on the Closing Date. These conditions may not be waived by any party to this Agreement.

(a) The obligations of the Company and the Operating Partnership to effect the Formation Transaction shall be subject to the following additional conditions precedent:

(i) the representations and warranties of the Contributor contained in this Agreement shall have been true and correct in all material respects on the date such representations and warranties were made and shall be true and correct on the Closing Date as if made at and as of the Closing Date, subject to changes that would not reasonably be expected to have a Material Adverse Effect;

(ii) each obligation to be performed by the Contributor shall have been duly performed by the Contributor on or before the Closing Date, and the Contributor shall not have materially breached any of its covenants contained herein;

(iii) concurrently with the Closing, the Contributor shall have executed and delivered to the Company or the Operating Partnership, as applicable, the documents required to be delivered pursuant to Section 2.3;

(iv) all necessary consents or approvals of governmental authorities or third parties (including, without limitation, lenders to the Contributor, Holdings or any Participating Entity) to the consummation of the transactions contemplated herein shall have been obtained, other than the consents or approvals of lenders whose loans are to be repaid before or immediately after the Closing;

(v) there shall not have occurred between the date hereof and the Closing Date any material adverse change in any of the assets, business, financial condition, results or prospects of operation of the Properties that has, or could reasonably be expected to have, a Material Adverse Effect;

(vi) no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental or regulatory authority or instrumentality that prohibits the consummation of the transactions contemplated herein, and no litigation or governmental proceeding seeking such an order shall be pending or threatened in writing;

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(vii) subject to Section 4.2(c), no new matters with respect to any Property which the Company would be required to disclose in the Registration Statement shall have arisen or occurred;

(viii) intentionally omitted; and

(ix) all of the Other Contributors (other than the Company and the Operating Partnership) shall have made the contributions under their respective Other Agreements.

Any of the foregoing conditions in this Section 2.1(a) may be waived by the Company in its sole and absolute discretion.

(b) The obligations of the Contributor to effect the Formation Transaction shall be subject to the following conditions precedent, either of which may be waived by Contributor in its sole discretion:

(i) All Other Contributors shall have made the contributions described in their respective Other Agreements; and

(ii) Each of Benjamin Butcher, Gregory Sullivan, Stephen C. Mecke, Kathryn Arnone and David King shall have entered into employment agreements with the Company or its subsidiary with respect to post-Closing employment on terms and conditions consistent with the descriptions contained in the Registration Statement.

Section 2.2 Date, Time and Place of Closing . The time, place and date of the Formation Transaction shall be at 10:00 a.m. in the office of DLA Piper LLP (US), 33 Arch Street, 26th Floor, Boston, Massachusetts on the day on which the Company receives the proceeds from the Public Offering from the underwriters thereof (the "Closing" or "Closing Date"); provided, however, that the Contributor shall deliver the Closing Documents into a closing escrow established by the Company and the Operating Partnership one (1) business day prior to the expected Closing Date.

Section 2.3 Closing Deliveries . At the Closing, each party shall make, execute, acknowledge and deliver the legal documents and other items (collectively, the "Closing Documents") necessary to carry out the intention of this Agreement, which Closing Documents and other items shall include, without limitation, the following:

(a) a Contribution and Assumption Agreement substantially in the form attached hereto as Exhibit C;

(b) for the Contributor, a certificate from the Operating Partnership that effective at the Closing the books and records of the Operating Partnership will indicate that the Contributor is the holder of a number of Units equal to the Consideration;

(c) an affidavit from the Contributor in the form of Exhibit D, stating, under penalty of perjury, the Contributor's United States Taxpayer Identification Number and that the

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Contributor is not a foreign person pursuant to section 1445(b)(2) of the Code and a comparable affidavit satisfying Massachusetts' and any other state's withholding requirements, if any;

(d) all title insurance policies, leases, lease files, letters of credit, contracts, stock certificates, original promissory notes held by Holdings or a Participating Entity and other indicia of ownership with respect to Holdings and each Participating Entity that are in the Contributor's possession or that can be obtained through reasonable efforts in the Contributor's capacity as indirect owner of any Participating Entity shall be delivered or made available to the Company;

(e) a certificate from the Contributor affirming that the representations and warranties made by the Contributor pursuant to this Agreement remain true and correct in all material respects as of the Closing Date;

(f) the Operating Partnership Agreement;

(g) a lockup agreement in the form attached hereto as **Exhibit K**;

(h) a Registration Rights Agreement substantially in the form attached hereto as **Exhibit E**;

(i) a Voting Agreement substantially in the form attached hereto as **Exhibit G**;

(j) if requested by the Company, certified copies of all organizational documents for the Contributor, together with certified copies of all appropriate limited liability company actions authorizing the execution, delivery and performance by the Contributor of this Agreement, any related documents and the Closing Documents;

(k) evidence reasonably satisfactory to the Company that the lender of any borrowed money secured by a mortgage or deed of trust disclosed in the Title Reports, other than those lenders whose loans are being repaid before or immediately after the Closing, has consented to the transaction as required by any loan document, deed of trust, mortgage or other evidence of indebtedness related to any Property;

(l) any other documents reasonably requested by the Company or the Operating Partnership to assign, transfer, convey, contribute and deliver the Holdings Interests, free and clear of all Encumbrances, and effectuate the transactions contemplated hereby; and

(m) all state and local transfer tax returns and any filings to be made in any applicable governmental jurisdiction in which the Company or the Operating Partnership reasonably believes that it is required to file its organizational documentation or in which the recording of the Contribution and Assumption Agreement is required.

Section 2.4 Closing Costs. At Closing, the Company shall pay all costs associated with the Public Offering and the Roll-Up and the transactions in connection therewith (collectively, the "Transaction"), including, without limitation, the fees of the Company's legal counsel in preparing documents related to the Transaction (including the legal fees of DLA Piper

LLP (US) with respect to only the Transaction (*i.e.* , not the formation of the Contributor, Holdings or any Participating Entity, the acquisition of Properties by the Contributor, Holdings or any Participating Entity or any Allocated Debt (the “ Excluded Work ”)), the fees of the Company’s accountants, filing fees, underwriting fees, and transfer or documentary stamp taxes triggered by the Transaction, other than Allocated Debt Transfer Costs and costs associated with the Excluded Work, all of which costs are collectively referred to herein as the “ Transaction Costs ” and the Company shall reimburse the Contributor for all Transaction Costs previously paid by the Contributor. For the avoidance of doubt, the Contributor hereby agrees to be solely responsible for all assumption costs, debt transfer costs, consent fees, prepayment fees or other charges payable with respect to the transfer of its Contributed Assets subject to the Allocated Debt (the “ Allocated Debt Transfer Costs ”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES AND INDEMNITIES

Section 3.1 Representations and Warranties of the Company and the Operating Partnership . The Operating Partnership and the Company, jointly and severally, hereby represent and warrant to, and covenant with, the Contributor that:

(a) **Organization; Authority .** Each of the Company and the Operating Partnership has been duly formed and is validly existing under the laws of the jurisdiction of its incorporation or formation with requisite corporate or limited partnership power and authority, as applicable, to enter this Agreement and all agreements contemplated hereby. The persons and entities executing this Agreement and all agreements contemplated hereby on behalf of the Company and the Operating Partnership have the power and authority to enter into this Agreement and such other contemplated agreements.

(b) **No Violation .** Assuming the truth and accuracy of the representations and warranties of the Contributor in Section 3.2, (i) the execution, delivery and performance by the Company and the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby will not contravene any provision of applicable law, the certificate of incorporation and bylaws of the Company or the certificate of limited partnership or Operating Partnership Agreement, or any material agreement or other material instrument binding upon the Company or the Operating Partnership, or any applicable law, judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or the Operating Partnership, and (ii) no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company or the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby, which, if not obtained, would cause a Material Adverse Effect.

(c) **No Brokers .** Except as set forth on Schedule 3.2(k), neither the Company nor the Operating Partnership has entered into, nor will either of them enter into, any agreement, arrangement or understanding with any person or firm that will result in the obligation of the Contributor or any of the Contributor’s equity holders or beneficiaries (as such) to pay any finder’s fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

(d) **Valid Issuance of Units .** The Units, when issued and delivered in compliance with the provisions of the Agreement will be duly authorized, validly issued, fully paid and, except as provided in the Operating Partnership Agreement and except as affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, non-assessable. The Units will be free of any Encumbrances created by the Company or the Operating Partnership; provided, however, that the Units are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth in the Operating Partnership Agreement. The Units will not be issued in violation of any preemptive rights or rights of first refusal granted by the Company or the Operating Partnership.

(e) **Tax Status of the Operating Partnership.** The Operating Partnership has at all times during its existence been properly treated as either a “disregarded entity” or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, and each subsidiary of the Operating Partnership has at all times during its existence been properly treated as either a “disregarded entity” or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, other than STAG Industrial TRS, Inc., a wholly-owned subsidiary of the Operating Partnership that is taxable as a corporation for federal tax purposes as a taxable REIT subsidiary.

(f) **REIT Status .**

(i) The Company intends to qualify as a real estate investment trust (“REIT”) under the Code, and the Company will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its proposed ownership and method of operation will enable it to continue to qualify as a REIT under the Code for the Company’s taxable years ending December 31, 2011 and thereafter.

(ii) The Common Stock will be registered pursuant to Section 12(b) of the Securities Act of 1934, as amended, and will be listed on the New York Stock Exchange.

(g) **Litigation .** Except as set forth in the Registration Statement, there is no Action pending against the Company or the Operating Partnership and for which service has occurred or, to the Knowledge of the Company, threatened in writing that would, in the reasonable judgment of the Company, if determined adversely to the Company or the Operating Partnership, as applicable, have a Material Adverse Effect. Except as set forth in the Registration Statement, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Company or the Operating Partnership that in any such case would impair the Company’s or the Operating Partnership’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(h) **Investment Company Act of 1940.** Neither the Company nor the Operating Partnership is and, after giving effect to the Public Offering, neither the Company nor the Operating Partnership will be, an “investment company,” as defined in the Investment Company Act of 1940, as amended.

(i) **Valid Issuance of Common Stock.** The outstanding shares of Common Stock are, and when issued and duly delivered against payment therefor as contemplated in the applicable underwriting agreement, the shares of Common Stock issued in the Public Offering will be, duly authorized, validly issued, fully paid and non-assessable.

Section 3.2 Representations and Warranties of the Contributor . The Contributor represents and warrants to the Company and the Operating Partnership as set forth below in this Section 3.2 with respect to Holdings, each Participating Entity and the Properties. Unless otherwise expressly provided in this Agreement, the Contributor makes no representation, warranty, covenant or agreement to indemnify any Indemnified Company Party (as defined in Section 3.3(b)).

(a) **Title .** (i) Each Participating Entity or Holdings owns (A) fee title to the Property or Properties identified as owned on **Exhibit B** , and (B) the leasehold estate in any Property or Properties identified as ground leased on **Exhibit B** and (ii) the fee ownership of, or ground leasehold interest in, such Properties, as applicable, are not subject to any liens other than (x) as specifically set forth in the title reports listed on **Schedule 3.2(a)** , (y) as disclosed in the Registration Statement or (z) liens created after the date of the title reports listed on **Schedule 3.2(a)** , which liens are specifically identified on **Exhibit B** and are Permitted Liens.

(b) **Organization; Authority .** The Contributor has the full right, authority, power and legal capacity to enter into this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby, including, without limitation, the conveyance of the Holdings Interests free and clear of all Encumbrances. The Contributor, Holdings and each Participating Entity is duly formed, validly existing and in good standing (to the extent applicable) under the laws of the jurisdiction of its formation, and has all requisite power and authority to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable law, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

(c) **Due Authorization .** The execution, delivery and performance of this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement has been duly and validly authorized by all necessary action of the Contributor. Each of this Agreement and the agreements, documents and instruments executed and delivered by or on behalf of the Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally, as from time to time in effect, or the application of equitable principles.

(d) **Consents and Approvals .** No consent, waiver, approval or authorization of any third party, including, without limitation, any governmental authority or agency, is required to be obtained by the Contributor, Holdings or the Participating Entities in connection with the execution, delivery and performance of this Agreement and the transactions

contemplated hereby, except any of the foregoing that shall have been satisfied or obtained at or prior to the Closing Date and except for such consents, waivers, approvals and authorizations the failure of which to obtain would not have a Material Adverse Effect or materially and adversely effect the ability of the Contributor to execute and deliver this Agreement and perform its obligations thereunder.

(e) **Ownership of the Interests** . The Contributor is the sole record owner of the Holdings Interests to be transferred by the Contributor, free and clear of any Encumbrances and has good and valid title to such Holdings Interests. Holdings is the sole record owner of the Participating Entity Interests (or is the sole record owner of all of the ownership interests in any entity owning Participating Entity Interests), which are held free and clear of any Encumbrances and for which Holdings has good and valid title.

(f) **Interests** .

(i) The Holdings Interests to be contributed by the Contributor and the Participating Entity Interests constitute all of the issued and outstanding interests owned (directly or indirectly) by the Contributor in Holdings and the Participating Entities. The Contributor has no equity interest, either direct or indirect, in the Properties, except for the Holdings Interests and the Participating Entity Interests, which are the subject of this Agreement.

(ii) The Holdings Interests owned by the Contributor and the Participating Entity Interests owned by Holdings were validly issued and are duly authorized and fully paid and were not issued in violation of any preemptive rights. The Holdings Interests and the Participating Entity Interests have been issued in compliance with applicable law and the Participating Entity Agreements. There are no rights, subscriptions, warrants, options, conversion rights, preemptive rights or agreements of any kind outstanding to purchase or to otherwise acquire any of the interests that comprise the Holdings Interests, the Participating Entity Interests or any securities or obligations of any kind convertible into any of the interests that comprise the Holdings Interests, the Participating Entity Interests or other equity interests or profit participation of any kind in Holdings or any Participating Entity. At the Closing, upon receipt of the consideration contemplated by this Agreement, the Contributor will have transferred the Holdings Interests to the Operating Partnership free and clear of all Encumbrances.

(g) **No Violation** . Subject to the consent requirements contained in the loan documents for each Property, copies of which have been previously made available to the Company, its agents and underwriters, none of the execution, delivery or performance of this Agreement, the documents required pursuant thereto and the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, (a) violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination or cancellation of (i) the organizational documents of the Contributor, (ii) any material agreement, document or instrument to which the Contributor, Holdings or any Participating Entity is a party or by which the Contributor, the Holdings Interests, the Participating Entity Interests or any of its direct or indirect assets or properties are bound or (iii) any applicable law, or term or provision of any judgment, order, writ, injunction, or decree of any governmental or regulatory authority, which is binding on the Contributor, Holdings or

any Participating Entity or by which the Contributor or any of its direct or indirect assets or properties are bound or subject or (b) result in the creation of any Encumbrance upon the Holdings Interests, the Participating Entity Interests or any Lien on the Properties. Except as shall have been cured, consented to or waived prior to the Closing, none of the Contributor, Holdings or any Participating Entity is in violation of its organizational documents.

(h) **Non-Foreign Status** . The Contributor is not a “disregarded entity” within the meaning of Treas. Reg. Section 1.1445-2(b)(2)(iii) and is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Code), and is, therefore, not subject to the provisions of the Code relating to the withholding of sales proceeds to foreign persons.

(i) **Withholding** . The Contributor shall execute at Closing such certificates or affidavits reasonably necessary to document the inapplicability of any federal or state withholding provisions, including, without limitation, those referred to in Section 3.2(h) above and any similar provisions under Massachusetts law. Notwithstanding anything herein to the contrary, the Company or the Operating Partnership shall be entitled to withhold a portion of any payments otherwise to be made to the Contributor as required by the Code or any applicable state law, including (without limitation) Massachusetts law.

(j) **Investment Purposes** . The Contributor acknowledges its understanding that the Units to be acquired pursuant to this Agreement and any shares of Common Stock for which the Units may be redeemed are not being registered under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the “Act”) and may not be transferred except as provided for in the Registration Rights Agreement executed and delivered by the Operating Partnership or pursuant to the Act or any applicable state blue sky laws pursuant to a specific exemption or exemptions therefrom, and the Operating Partnership’s reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor, including the following:

(i) **Investment** . The Contributor is acquiring the Units solely for its own account for the purpose of investment and not as a nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution of any thereof. The Contributor agrees and acknowledges that it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (hereinafter, “Transfer”) any of the Units (or shares of Common Stock for which the Units may be redeemed) unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, (ii) if required by the Company, counsel for the Contributor (which counsel shall be reasonably acceptable to the Company and may be DLA Piper LLP (US)) shall have furnished the Company with an opinion, reasonably satisfactory in form and substance to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Act and qualification or other compliance under applicable blue sky or state securities laws, or (iii) the Transfer is a redemption of the Units in accordance with the Operating Partnership Agreement.

(ii) **Knowledge** . The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer

imposed by the federal securities laws and as described in this Agreement. The Contributor is able to bear the economic risk of holding the Units for an indefinite period and is able to afford the complete loss of the Contributor's investment in the Units. The Contributor has received and reviewed all information and documents about or pertaining to the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership, and the issuance of the Units and the Common Stock as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions of the proposed management of the Company and the Operating Partnership and receive answers about such information and documents, the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership and the Common Stock that the Contributor deems necessary or desirable to evaluate the merits and risks related to the Contributor's investment in the Units and to conduct its own independent valuation of the purchase of the Units. The Contributor acknowledges that any such questions posed were answered to the Contributor's satisfaction. The Contributor understands and has taken cognizance of all risk factors related to the purchase of the Units, including, without limitation, the risk factors set forth in the Registration Statement. The Contributor is a sophisticated real estate investor. The Contributor is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of the Contributor's advisors (including tax advisors), and not upon that of the Company and Operating Partnership, for purposes of evaluating, entering into, and consummating the transactions contemplated by this Agreement.

(iii) **Holding Period** . The Contributor acknowledges that it has been advised that (i) unless the Units and shares of Common Stock that may be issued upon redemption of the Units are subsequently registered under the Act or an exemption from such registration is available, the Units and the shares, as applicable, must be held (and the Contributor must continue to bear the economic risk of the investment in the Units and the shares of Common Stock) indefinitely, (ii) a restrictive legend in the form hereafter set forth shall be placed on any certificates representing the Units or, if applicable, shares of Common Stock and (iii) stop transfer and other notations shall be made in the appropriate records of the Operating Partnership and the Company and the Company's transfer agent indicating that the Units and the shares of Common Stock are subject to restrictions on transfer.

(iv) **Accredited Investor** . The Contributor is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Act).

(v) **Legend** . Each certificate representing the Units or shares of Common Stock for which the Units may be redeemed, may, to the extent applicable, bear the following legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS, IF REQUIRED BY THE COMPANY, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE

In addition, each certificate representing shares of Common Stock will bear a legend regarding restriction on ownership and transfer related to the Company’s status as a real estate investment trust.

(k) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Contributor nor any of the Contributor’s respective managers, trustees, members or beneficiaries, as applicable, has employed or made any agreement with any broker, finder or similar agent or any Person that will result in the obligation of the Company or any of its Affiliates to pay any finder’s fee, brokerage fees or commissions or similar payment in connection with the transactions contemplated by this Agreement.

(l) **Taxes** . The Contributor makes the following representations with respect to Holdings and each Participating Entity (the “Contributed Entities”), and with respect to itself as to Section 3.2(l)(viii) below:

(i) (A) All Tax Returns required to be filed by, on behalf of, or with respect to, the Contributed Entities have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on behalf of, or with respect to the Contributed Entities, either directly or otherwise, have been fully and timely paid, except (1) to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of such Contributed Entity (or other applicable entity), and adequate reserves or accruals for Taxes have been provided in the balance sheet of such Contributed Entity (or other applicable entity) with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing and (2) with respect to real estate taxes and assessments for the Properties that are paid directly by the tenants under the Leases and pursuant to such Leases, as to which the Contributor has no knowledge of any tenant’s material failure to pay such Taxes and Contributor covenants to use commercially reasonable efforts to enforce the provisions of such Leases with respect to the payment of such Taxes; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Contributed Entities, and (D) each Contributed Entity is, and at all times during its existence has been, a limited liability company that is taxable as a partnership or “disregarded entity” (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation).

(ii) Each Contributed Entity has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees’ salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

(iii) Each Contributed Entity has made available to the Company, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three years relating to any material Taxes due from or with respect to such Contributed Entity with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Contributed Entities for all periods for which the applicable statute of limitations has yet to lapse and (C) all Company, and Tax rulings, requests for rulings, or closing agreements specifically relating to the Contributed Entities.

(iv) No claim has been made by a taxing authority in a jurisdiction where a Contributed Entity does not file an income or franchise Tax Return that such Contributed Entity is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction.

(v) (A) There are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including any Contributed Entity, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has such Contributed Entity received any notice from any taxing authority that it intends to conduct such an audit or investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, such Contributed Entity; and (C) no issue has been raised in writing by any taxing authority in any current or prior examination which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to such Contributed Entity for any subsequent taxable period that could be material.

(vi) Neither any Contributed Entity nor any other person on behalf of such Contributed Entity has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to such Contributed Entity. No amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to any Contributed Entity as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date; or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to any Contributed Entity from any period ending on or before the Closing Date to any period ending after the Closing Date.

(vii) There are no Liens as a result of any unpaid taxes (other than statutory liens for taxes not yet delinquent) upon any of the assets of any Contributed Entity, other than Permitted Liens.

(viii) The Contributor is a United States person within the meaning of Section 7701(a)(30) of the Code.

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(ix) No Contributed Entity (or portion thereof) has ever constituted or been taxable as a "corporation" or an "association" (within the meaning of the Code).

(x) No Contributed Entity has engaged in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(xi) The transactions contemplated hereby will not result in any income Tax liability to the Company, the Operating Partnership or any Contributed Entity.

(xii) For purposes of this Agreement,

(A) "Taxes" shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, assessment or governmental charge of any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

(B) "Tax Return" shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

(m) **Litigation** . Except as set forth on **Schedule 3.2(m)** or in the Registration Statement, there is no Action pending against the Contributor, Holdings, any Participating Entity or any of their Properties or their other assets, and for which service has occurred or, to the Knowledge of the Contributor, threatened in writing that would, in the reasonable judgment of the Contributor, if determined adversely to the Contributor, Holdings or any Participating Entity, as applicable, have a Material Adverse Effect. Except as set forth on **Schedule 3.2(m)**, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Contributor, Holdings or any Participating Entity, all or any portion of the Holdings Interests, the Participating Entity Interests or any Property that in any such case would impair the Contributor's ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(n) **Leases** . True, correct and complete copies of all leases, subleases and rights of occupancy which are (i) in effect with respect to the Properties as of the date of this Agreement or (ii) fully executed as of the date hereof (the "Leases"), together with all amendments and supplements thereto, and a true, complete and correct rent roll for the Properties have been delivered or made available to the Company, its agents and underwriters.

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(o) **Other Contracts** . The Contributor has delivered or made available to the Company, its agents and underwriters true, correct and complete in all material respects, copies of each agreement, undertaking or contract (other than the Leases) that materially affects the ownership, use and operation of any Property.

(p) **Liabilities; Indebtedness** . Except as disclosed in the Registration Statement, no Participating Entity has incurred any indebtedness related to any of the Properties owned by such Participating Entity except in each instance for the Allocated Debt, debt secured by Permitted Liens, trade payables which are no more than sixty (60) days past due and other customary and ordinary expenses in the ordinary course of business.

(q) **Insurance** . Each Participating Entity, directly or through its tenants, currently maintains or causes to be maintained customary public liability, casualty and other insurance coverage in commercially reasonable amounts with reputable insurance companies (excluding in all cases, earthquake, flood and terrorism insurance coverage) with respect to the Property or Properties owned by such Participating Entity. Participating Entities shall use diligent efforts to require that the tenants maintain all such insurance coverage in full force and effect through the Closing Date and pay all premiums when due.

(r) **Personal Property** . All equipment, fixtures and personal property that is owned by any Participating Entity and that is located at or on any Property shall remain and not be removed by the Contributor or any Participating Entity prior to the Closing Date, except for such equipment, fixtures and personal property that becomes obsolete or unusable, which may be disposed of or replaced in the ordinary course of business.

(s) **No Other Agreements to Sell** . Except as set forth in the Registration Statement or on **Schedule 3.2(s)**, the Contributor has not entered into any agreement with, and has no obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any of the Holdings Interests or to not sell the Holdings Interests, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to the Holdings Interests that has not been waived or terminated. Except as otherwise set forth in the Registration Statement or on **Schedule 3.2(s)**, none of the Contributor, Holdings or any Participating Entity has made any outstanding agreement with, and has any outstanding obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any Property owned by such Participating Entity or to not sell any Property, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to any Property owned by such Participating Entity.

(t) **Environmental Reports** . The Contributor has delivered or made available to the Company, its agents and underwriters copies that are true, correct and complete in all material respects of any third-party environmental reports prepared for the Contributor, Holdings, or any Participating Entity during the Participating Entities' period of ownership of their respective properties or in the Contributor's possession or control relating to the Properties.

(u) **Compliance With Laws** . As of the date of this Agreement, except as set forth in **Schedule 3.2(u)** or in the Registration Statement, neither the Contributor nor Holdings

nor any Participating Entity has received any written notice from any governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal laws, ordinances, rules, regulations, codes, orders and statutes (including, without limitation, those currently relating to fire and safety, conservation, parking, Americans with Disabilities Act, zoning and building laws) except where the failure to be in compliance with such laws would not reasonably be expected to have a Material Adverse Effect.

(v) **Condemnation** . Except as disclosed on Schedule 3.2(m) or Schedule 3.2(v) or in the Registration Statement, there are no pending or threatened in writing or to the Knowledge of the Contributor, proposed, condemnation, eminent domain or similar proceedings, or negotiations for purchase in lieu of condemnation with respect to any Properties that would reasonably be expected to have a Material Adverse Effect.

(w) **ERISA** . No Participating Entity has any employees.

(x) **Bankruptcy** . (i) There has not been filed any petition or application with respect to, or any proceeding commenced by or against, any of the assets of Holdings or any Participating Entity under any bankruptcy law, and neither Holdings nor any Participating Entity has made any assignment for the benefit of creditors, (ii) none of the Contributor, Holdings or any Participating Entity is “insolvent” within the meaning of any bankruptcy law and (iii) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall render the Contributor insolvent.

(y) **FINRA Disclosures** . No relationship, direct or indirect, exists between or among the Contributor, Holdings or any Participating Entity, on the one hand, and the directors, managers, officers, or to the Contributor’s Knowledge, equity interest holders of the Contributor, Holding or any Participating Entity, on the other hand, which is required by the rules of the Financial Industry Regulatory Authority, Inc. (the “FINRA”) to be described in the Registration Statement, which is not so described.

(z) **Disclosure Schedules** . The Disclosure Schedules are, and except as disclosed to the Company in writing, shall remain as of the Closing Date, true, correct and complete in all material respects.

Section 3.3 Indemnification .

(a) **Survival of Representations and Warranties; Remedy for Breach** .

(i) All representations and warranties contained in this Agreement or in any Schedule or certificate delivered pursuant hereto shall survive the Closing for the period specified in Section 3.3(e).

(ii) Notwithstanding anything to the contrary in this Agreement, none of the Contributor, the Company or the Operating Partnership shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of their respective representations, warranties and covenants contained in Section 3.1 or Section 3.2, as applicable,

or this Agreement, or in any Schedule, certificate or affidavit delivered by it pursuant thereto, other than pursuant to the succeeding provisions of this Section 3.3.

(iii) Notwithstanding anything to the contrary in this Agreement, any party may bring suit or pursue any other legal right available to such party as a result of willful misconduct or fraud by any other party to this Agreement.

(b) **General Indemnification .**

(i) The Company and the Operating Partnership shall indemnify and hold harmless the Contributor and its directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Contributor Party”) from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, amounts paid in settlement, reasonable attorneys’ fees, costs of investigation and remediation, costs of investigative, judicial or administrative proceedings or appeals therefrom, and costs of attachment or similar bonds (collectively, “Losses”) arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Contributor Party in connection with (A) any breach of a representation, warranty or covenant of the Company or the Operating Partnership contained in this Agreement, or (B) any Action brought by a third party in the Public Offering against the Contributor relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except in each case in this clause (B) insofar as such Losses arise out of, or are based upon, (1) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein, (2) the Contributor’s breach of a representation, warranty or covenant of this Agreement, or (3) the Contributor’s fraud, willful misconduct or gross negligence.

(ii) The Contributor shall indemnify and hold harmless the Company, the Operating Partnership and their Affiliates and each of their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Company Party”) from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by such Indemnified Company Party in connection with or as a result of (A) any breach of a representation, warranty or covenant of the Contributor contained in this Agreement or in any schedule of certificate delivered pursuant thereto, or (B) any Action brought by a third party in the Public Offering against the Company or the Operating Partnership relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration

Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case in this clause (B) only with respect to Losses that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein.

(c) **Notice and Defense of Claims** . As soon as reasonably practicable after receipt by the Indemnified Company Party or the Indemnified Contributor Party, as applicable (as applicable, an “Indemnified Party”) of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification by the Contributor or the Company or the Operating Partnership, as applicable, under this Section 3.3 (as applicable, the “Indemnifying Party”), the Indemnified Party shall give notice thereof to the Indemnifying Party, including, without limitation, liabilities or claims to be applied against the indemnification basket established pursuant to Section 3.3(d)(i). The Indemnified Party may at its option demand indemnity under this Section 3.3 from the Indemnifying Party as soon as a claim has been threatened in writing by a third party, regardless of whether an actual Loss has been suffered, so long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof and shall give notice of such determination to the Indemnifying Party. The Indemnified Party shall permit the Indemnifying Party, at its option and expense, to assume the defense of any such claim by counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, that the Indemnified Party may at all times participate (but not control) in such defense at its expense; provided further, that the Indemnifying Party shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party, in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to the Indemnified Party and its Affiliates of a release of all liabilities in respect of such claims, or that does not result only in the payment of money damages; and provided further that in the event of a conflict, the Indemnified Party may choose separate counsel at the Indemnifying Party’s reasonable cost and expense. Notwithstanding the foregoing, if the Company or the Operating Partnership is required to retain counsel, any such counsel shall be selected by the Company (and may include DLA Piper LLP (US)). If the Indemnifying Party shall fail to undertake such defense within 30 days after such notice, or within such shorter time as may be reasonable under the circumstances, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of the Indemnifying Party.

(d) **Limitations on and Threshold for Indemnification** .

(i) Threshold for Contributor . Notwithstanding anything contained herein to the contrary, the Contributor shall not be liable under Section 3.3(b) or this Agreement

unless and until the aggregate amount of all Losses recoverable by the Indemnified Company Parties under Section 3.3(b) and this Agreement for which the Contributor would, but for this provision, be liable exceeds on an aggregate basis one percent (1%) of the Consideration (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering) and then only to the extent of such excess.

(ii) **Indemnification Limitation** . Notwithstanding anything contained herein to the contrary, the Indemnified Company Parties shall look exclusively to the Contributor's Units for indemnification under this Section 3.3 (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) and, with respect to any indemnification (other than those claims made with respect to a breach of Sections 3.2(a)(ii)(z), 3.2(b), (c), (e), (f) and (j) (the "Full Value Representations")), the aggregate recovery that may be sought or obtained under this Agreement or under applicable law for all breaches or claims for indemnification hereunder shall not exceed twenty-five percent (25%) of the Consideration (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) (the "Maximum Liability"). Without limiting the generality of the foregoing, the Contributor acknowledges that its indemnification liability for any breach of the Full Value Representations shall be up to the value of its Units (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering). Notwithstanding anything contained herein to the contrary, no Indemnified Party shall have the right to receive or recover incidental, special, consequential or punitive damages against the Indemnifying Party by reason of any breach under or in connection with this Agreement or any schedule, exhibit, certificate or affidavit or any other document delivered by the Contributor or the Company or the Operating Partnership, as applicable, pursuant to this Agreement (unless such incidental, special or consequential (but not punitive) damages are incurred by an Indemnified Party as a result of a third party claim for Losses), and each Indemnified Party hereby waives any and all rights to receive such damages.

(e) **Limitation Period** .

(i) Notwithstanding the foregoing, any claim for indemnification under Section 3.3(b) must be asserted in writing by the Indemnified Company Party, stating the nature of the Losses and the basis for indemnification therefor. Any claim for indemnification against the Company or the Operating Partnership and any claim against the Contributor with respect to any representations or warranties contained in this Agreement or in any schedule or certificate delivered pursuant hereto must be brought within one (1) year after the Closing. Any such claim for indemnification not so asserted in writing within one year after the Closing shall not thereafter be asserted and shall forever be waived.

(ii) If so asserted in writing within one year after the Closing (or the expiration of such later applicable period described in Section 3.3(e) (i)), such claims for indemnification shall survive until resolved by mutual agreement between the Contributor and the Indemnified Company Party or by judicial determination.

(f) **Reservation of Contributor Rights** . Notwithstanding anything else in this Section 3.3 or this Agreement to the contrary, the Contributor reserves unto itself all rights and remedies (including, without limitation, rights to seek contribution) against any third party

indemnitors and prior property owners or occupants for liabilities with respect to which the Company or the Operating Partnership has been indemnified by the Contributor hereunder.

(g) **No Effect on Insurance** . Nothing contained in this Section 3.3 or this Agreement shall be construed to release or otherwise relieve any insurer of the Contributor, Indemnified Company Party or any Affiliate thereof from paying any of its claims or otherwise performing any of its duties and obligations pursuant to the terms and provisions of any policy of insurance which insures the Contributor, Indemnified Company Party or the Property. If any claims as to which an Indemnified Company Party would be entitled to indemnification under Section 3.3(b) are covered by the insurance, the indemnification obligations shall be reduced by, but only by, the amount paid by the insurance company and not by any deductible or other amount reimbursed to the insurance company by an Indemnified Company Party.

Section 3.4 No Reliance, Properties As Is . Each of the Company and the Operating Partnership acknowledge that, except for the Contributor's representations set forth in Section 3.2, it has not relied upon any statements, representations or warranties by the Contributor or any agent of the Contributor. Without limiting the generality of the foregoing, each of the Company and the Operating Partnership acknowledge and agree that any environmental, physical condition or other reports provided or made available to it by the Contributor or the Contributor's agents are provided or made available without any representation or warranty of any kind, express or implied, as to the completeness or accuracy of the facts, presumptions, conclusions or other matters contained therein. Except for the Contributor's representations set forth in Section 3.2, each of the Company and the Operating Partnership agree that (i) the Properties shall be contributed to the Operating Partnership (through the contribution of the Holdings Interests) and that the Company and the Operating Partnership shall accept possession of the Properties on the Closing Date strictly on an "AS IS, WHERE IS" and "WITH ALL FAULTS, LIABILITIES, AND DEFECTS, LATENT OR OTHERWISE, KNOWN OR UNKNOWN" basis, with no right of set-off or reduction in the Consideration, and (ii) such contribution shall be without representation or warranty of any kind, express or implied, including any warranty of income potential, operating expenses, conformance of financial information to generally accepted accounting principles, uses, merchantability or fitness for a particular purpose and that the Contributor has, by executing this Agreement, disclaimed and renounced any such representation or warranty.

ARTICLE 4

COVENANTS OF CONTRIBUTOR

Section 4.1 Negative Covenants .

(a) **Interests** . From the date hereof through the Closing, except as described in the Registration Statement, the Contributor shall not, without the prior written consent of the Company:

(i) sell, transfer or otherwise dispose (or agree to sell, transfer or otherwise dispose) of, or cause or allow the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of the Holdings Interests, or

- (ii) encumber or pledge (or permit to become encumbered or pledged) all or any portion of its Holdings Interests.

(b) **Participating Entity Operations** . From the date hereof through the Closing, the Contributor agrees that it shall cause Holdings and each Participating Entity to conduct its business in the ordinary course, consistent with past practices. It is specifically agreed by the parties that Holdings and the Participating Entities may exercise options to purchase, rights under pending purchase and sale agreements and rights of first refusal with respect to properties described in the Registration Statement prior to Closing without the consent of the Company or the Operating Partnership. Except as described or as will be described in the Registration Statement or the Disclosure Schedules, the Contributor shall not permit Holdings or any Participating Entity without the prior written consent of the Company to:

- (i) enter into a transaction not in the ordinary course of business;
- (ii) sell, transfer or dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) any assets of Holdings or such Participating Entity, except for distributions that are not prohibited by clause (viii) below;
- (iii) mortgage, pledge or encumber (or permit to become encumbered) any assets of Holdings or such Participating Entity, except for Permitted Liens;
- (iv) amend, modify or terminate any Lease with annual rental payments in excess of \$500,000, except for such amendments or modifications which do not decrease the aggregate rent paid thereunder or reduce the current term thereof;
- (v) terminate or amend any existing property insurance policies affecting the Properties carried by Holdings or such Participating Entity that results in a material reduction in insurance coverage for one or more Properties;
- (vi) knowingly cause or permit Holdings or such Participating Entity to violate any applicable laws;
- (vii) materially alter the manner of keeping Holdings' or such Participating Entity's books, accounts or records or the accounting practices therein reflected; or
- (viii) make any distribution to its beneficiaries or equity interest holders, except as contemplated in Section 1.3;
- (ix) make or change any tax election, settle or compromise any Tax liability or claim any refund for Taxes, file any amended Tax Return or any other similar action relating to the filing of any Tax Return or the payment or refund of any Tax, in each case, with respect to Holdings or any Participating Entity;
- (x) incur any new indebtedness (other than trade payables in the ordinary course of business or indebtedness that will be repaid in full at or prior to Closing) or guaranty the indebtedness of any other entity, except for amounts payable with respect to Permitted Liens that are not delinquent or that are being contested in good faith by appropriate

proceedings diligently pursued, and provided further that the principal amounts of the Allocated Debt shall not increase above the Estimated Allocated Debt Amount; or

(xi) make any payments which reduce the outstanding principal balance of the Allocated Debt other than regular amortization payments or payments upon maturity, in each case, in accordance with the documents governing the Allocated Debt as of the date hereof.

Section 4.2 Affirmative Covenants .

(a) From the date hereof through the Closing, the Contributor, Company and Operating Partnership shall each use its diligent efforts to obtain any approvals, waivers or other consents of third parties, governmental authorities and agencies required to effect the Formation Transaction. Nothing herein shall obligate the Company or the Operating Partnership to pursue or complete the Public Offering, which decision shall be made by the Company in its sole discretion.

(b) Without limiting the obligations of the Contributor set forth in this Agreement, from the date hereof through the Closing, the Contributor shall use its diligent efforts (i) to prevent the breach of any representation or warranty of the Contributor hereunder, (ii) to satisfy all covenants of the Contributor hereunder, provided, however, that subsequent to the Closing the Contributor shall use its diligent efforts to satisfy all covenants of the Contributor hereunder that survive the Closing and (iii) to promptly cure any breach of a representation, warranty or covenant of the Contributor hereunder upon its learning of same. Compliance with this covenant shall not limit the Contributor's liability for a breach of, or failure to perform, any other representation, warranty or covenant herein unless the Company knows of such breach of representation prior to Closing and completes the Closing.

(c) Each party hereto will give written notice to the other parties of any material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. In addition, five business days before each amendment to the Registration Statement filed with the Securities and Exchange Commission (other than any amendment filed solely for the purpose of filing exhibits) (each such date, a "Permitted Supplement Date"), the Contributor may supplement in writing any existing Disclosure Schedule or create a new Disclosure Schedule, to any representation or warranty in Section 3.2 and further agrees, on each Permitted Supplement Date, to give the Company written notice if it has any Knowledge that any representation or warranty made by the Contributor in this Agreement was untrue in any material respect when made or that would be untrue in any material respect if made as of such date (other than representations and warranties relating to a specified date). Any such disclosure by the Contributor pursuant to this Section 4.2(c) made before the filing with the Securities and Exchange Commission of the last amendment to the Registration Statement before the commencement of the road show relating to the Public Offering, shall be deemed to amend and supplement each applicable Schedule or shall be deemed to constitute a new Schedule, and cure any misrepresentation or breach of warranty or covenant to the extent such information would cure the misrepresentation or breach of warranty or covenant.

(d) From the date hereof and subsequent to the Closing, the Contributor agrees to provide the Company with such tax information relating to the Holdings Interests, the Participating Entity Interests and the Properties that is in the Contributor's possession or control and that is reasonably requested by the Company and not otherwise in the Company's or the Operating Partnership's possession or control and to cooperate with the Company and the Operating Partnership with respect to the filing of their respective tax returns, including, without limitation, the depreciation and amortization schedules for Properties, as kept for both book and tax purposes, showing original basis and accumulated depreciation or amortization as of the Closing Date and basis information as of the Closing Date (computed for both book and tax purposes, if different) for all non-depreciable, non-amortizable assets held by any of the Contributed Entities. The Contributor further agrees to notify the Company and the Operating Partnership, in writing, of any audits that could affect the amounts shown on the returns of the Company or the Operating Partnership for any taxable period. The provisions of this Section 4.2(d) shall survive the Closing.

ARTICLE 5

RELEASES AND WAIVERS

Each of the releases and waivers enumerated in this Article 5 shall become effective only upon the Closing.

Section 5.1 General Release of Company . As of the Closing, the Contributor irrevocably waives, releases and forever discharges the Company, the Operating Partnership, Holdings, the Participating Entities and each of their respective directors, managers, officers, employees, agents, equity interest holders, attorneys, affiliates, successors and assigns of and from, any and all losses of any nature whatsoever existing as of the closing (collectively, "Contributor Claims"), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities or the Properties, except for Contributor Claims arising from the breach of any express representation, warranty, covenant or obligation of the Company or the Operating Partnership under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership, subject to the obligations of the Company and the Operating Partnership under this Agreement.

Section 5.2 General Release of Contributor . As of the Closing, the Company and the Operating Partnership irrevocably waives, releases and forever discharges the Contributor and each of the Contributor's directors, managers, officers, employees, agents, equity interest holders, attorneys, Affiliates, successors and assigns of and from, any and all Losses of any nature whatsoever existing as of the Closing (collectively, "Company Claims"), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities, the Properties or any other matter which exists at the Closing, except for Company Claims arising from the breach of any express representation, warranty, covenant or obligation of the Contributor under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership for which the Contributor has an indemnification obligation under this Agreement.

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Section 5.3 Attorney-in-Fact . Contributor hereby irrevocably appoints the Company (or its designee) and any successor thereof from time to time (the Company or such designee or any such successor of any of them acting in the Contributor's capacity as attorney-in-fact pursuant hereto, the "Attorney-in-Fact") as the true and lawful attorney-in-fact and agent of Contributor, to act in the name, place and stead of Contributor to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, consents, letters and other writings relating to the transactions contemplated by this Agreement (including, without limitation, the execution of any Closing Documents or other documents) relating to the acquisition by the Company of the Contributor's Holdings Interests, all in accordance with the terms and conditions of this Agreement, as well as the organizational documents of the Company and the Operating Partnership, as they may be amended or revised, any registration rights agreements and any lock-up agreements, and to provide information to the Securities and Exchange Commission and others about the transactions contemplated hereby, as fully as could the Contributor if personally present and acting (the "Power of Attorney"). The Contributor agrees, at the request of the Company, to execute a separate power of attorney and proxy on the same terms as set forth in this Section 5.3, with such execution to be witnessed and notarized.

The Power of Attorney entered into by the Contributor and all authority granted hereby shall be coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of Contributor, by operation of law or by the occurrence of any other event or events, and if any other such act or event shall occur before the completion of the transactions contemplated by this Agreement, the Attorney-in-Fact shall nevertheless be authorized and directed to complete all such transactions as if such other act or event had not occurred and regardless of notice thereof. Contributor hereby authorizes the reliance of third parties on each of the Power of Attorney. Contributor hereby ratifies and confirms all that the Attorney-in-Fact shall lawfully do or cause to be done by virtue of the exercise of the powers granted to it by Contributor hereunder.

Contributor acknowledges that the Company has, and any designee or successor thereof acting as Attorney-in-Fact may have, an economic interest in the transactions contemplated by this Agreement.

The Power of Attorney contained in this Section 5.3 shall expire on the earlier of the first anniversary of the Closing or the termination of this Agreement. Notwithstanding anything to the contrary, the Attorney-in-Fact may not expand the Contributor's covenants, representations or covenants beyond those contemplated by this Agreement and the other documents and agreements contemplated hereby or modify the provisions of this Agreement pursuant to such Power of Attorney.

Section 5.4 Limitation on Liability . It is understood that the Attorney-in-Fact (but solely in its role as Attorney-in-Fact) assumes no responsibility or liability to any person or entity by virtue of the Power of Attorney granted by Contributor hereby. Other than as specifically set forth in this Agreement, the Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Formation Transactions or the Public Offering or the acquisition of the Holdings Interests by the Company or the Operating Partnership and shall not be liable for any error or judgment or for any act done or omitted or for any mistake of

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fact or law except for actions by the Attorney-in-Fact that constitute gross negligence or bad faith. Contributor agrees that the Attorney-in-Fact may consult with counsel of its own choice (who may be counsel for the Company, the Operating Partnership, the Contributors or any of their successors or Affiliates), and it shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. It is understood that the Attorney-in-Fact may, without breaching any express or implied obligation to the Contributor hereunder, release, amend or modify any other power of attorney or proxy granted by any other person or entity under any related agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Further Assurances . Each of the Contributor, Company and Operating Partnership agrees to take such other actions and execute and deliver such additional documents following the Closing as the Contributor, Company or the Operating Partnership may reasonably request in order to effect the transactions contemplated hereby.

Section 6.2 Counterparts . This Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.3 Governing Law, Venue . This Agreement shall be governed by the internal laws of The Commonwealth of Massachusetts, without regard to the choice of laws provisions thereof. Any action to enforce, which arises out of or in any way relates to, any of the provisions of this Agreement or the instruments, agreements and other documents contemplated hereby shall be brought and prosecuted in the state or federal courts located in The Commonwealth of Massachusetts, Suffolk County. Each party irrevocably: (a) submits to the exclusive jurisdiction of the aforesaid courts, and (b) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding (“Proceedings”) brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 6.14 . Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 6.4 Amendment; Waiver . Any amendment hereto shall be in writing and signed by all parties hereto. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

Section 6.5 Entire Agreement . This Agreement, all related agreements referred to herein and that certain Master Roll-Up Agreement among Contributor, the Other Contributors, the Company and the Operating Partnership dated as of July 21, 2010 (as the same was amended as of December 21, 2010 and as of the date hereof and as the same may be further modified or amended from time to time) constitute the entire agreement and supersede conflicting provisions set forth in all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. In the event of a conflict between the provisions

of this Agreement and any other agreement referred to herein, the provisions of this Agreement shall control.

Section 6.6 Assignability . This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void and of no effect, except that the Company may assign this Agreement, the Closing Documents, and its rights and obligations hereunder and thereunder to a direct or indirect subsidiary of the Company without the consent of the Contributor.

Section 6.7 Titles . The titles and captions of the Articles, Sections and paragraphs of this Agreement are included for convenience of reference only and shall have no effect on the construction or meaning of this Agreement.

Section 6.8 Third Party Beneficiary . Other than the indemnification provisions in favor of the parties' owners, directors, officers, employees, agents, attorneys and Affiliates, no provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any customer, Affiliate, stockholder, partner, member, director, officer or employee of any party hereto or any other person or entity.

Section 6.9 Severability . If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons, entities or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision and to execute any amendment, consent or agreement deemed necessary or desirable by the parties to effect such replacement.

Section 6.10 Equitable Remedies . Each party hereby agrees that irreparable damage would occur to the other parties in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that any of them shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any others of them and to enforce specifically the terms and provisions hereof in any federal or state court located in Massachusetts (as to which the parties agree to submit to jurisdiction for the purposes of such action), this being in addition to any other remedy to which the non-breaching party is entitled under this Agreement or otherwise at law or in equity.

Section 6.11 Time of the Essence . Time is of the essence with respect to all obligations under this Agreement.

Section 6.12 Reliance . Each party to this Agreement acknowledges and agrees that it is not relying on tax advice or other advice from the other party to this Agreement and that it has or will consult with its own tax advisors for purposes of determining the tax implications of

entering into this Agreement and the transactions contemplated herein, and understands the consequences thereof. Notwithstanding anything to the contrary herein, each party agrees that it shall bear any tax liability associated with or attributable to the terms of this Agreement, and nothing in this Agreement shall be construed as a guarantee by the Company or any party of the tax consequences to any other party of entering into this Agreement.

Section 6.13 Survival. It is the express intention and agreement of the parties hereto that certain of the representations, warranties and covenants of the Contributor and of the Company and the Operating Partnership set forth in this Agreement shall survive the consummation of the transactions contemplated hereby; provided, that the representations and warranties of the Contributor shall survive only for the period specified in Section 3.3. The provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

Section 6.14 Notice . Any notice to be given hereunder by any party to the other parties shall be given in writing by personal delivery, by registered or certified mail, postage prepaid, return receipt requested or by any nationally-recognized overnight carrier, and shall be deemed communicated as of the date of personal delivery (including delivery by overnight courier). Mailed notices shall be addressed as set forth below, but any party may change the address set forth below by written notice to other parties in accordance with this paragraph.

To Contributor: STAG Investments IV, LLC
c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attn: Benjamin S. Butcher

With a copy to: New England Development Company
One Wells Avenue
Newton, MA 02459
Attn: Steven S. Fischman

To the Company or the Operating Partnership:
STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attn: Benjamin S. Butcher

Section 6.15 Termination. This Agreement shall terminate if the Closing shall not have occurred on or prior to May 3, 2011. In addition, this Agreement may be terminated before Closing by a document signed by the Company, Operating Partnership and the Contributor. Upon such termination, this Agreement shall become void and have no effect, and no party hereto shall have any liability to the other parties hereto.

Section 6.16 Confidentiality . All press releases or other public communications of any kind relating to the Public Offering or the transactions contemplated herein, and the method and timing of release for publication there, will be subject to the prior approval of the Company.

Section 6.17 Joint Preparation . The parties acknowledge that this Agreement was jointly prepared by them, by and through their legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the parties, but otherwise according to the application of the rules on interpretation of contracts.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

STAG Industrial, Inc., a Maryland corporation

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

OPERATING PARTNERSHIP:

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

CONTRIBUTOR:

STAG Investments IV, LLC, a Delaware limited liability company

By: STAG Manager, LLC, its manager

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

(Signature Page to STAG Investments IV Contribution Agreement)

**EXHIBIT A
TO
CONTRIBUTION AGREEMENT
PARTICIPATING ENTITIES**

Entity Name	State of Formation
STAG IV Alexandria, LLC	Delaware
STAG IV Belfast, LLC	Delaware
STAG IV Cheektowaga, LLC	Delaware
STAG IV Creedmor, LLC	Delaware
STAG IV Danville, LLC (f/k/a STAG III Danville, LLC)	Delaware
STAG IV Lexington, LLC	Delaware
STAG IV Newton, LLC	Delaware
STAG IV Pittsburgh 2, LLC	Delaware
STAG IV Pittsburgh, LLC (f/k/a STAG III Pittsburgh, LLC)	Delaware
STAG IV Rural Hall, LLC	Delaware
STAG IV Seville, LLC (f/k/a STAG III Seville, LLC)	Delaware
STAG IV Sun Prairie, LLC	Delaware
STAG IV Waco, L.P.	Delaware

**EXHIBIT B
TO
CONTRIBUTION AGREEMENT**

LIST OF PROPERTIES

OWNED PROPERTIES

Entity Name	Property Address
STAG IV Alexandria, LLC	4750 County Road, 13 NE, Alexandria, Minnesota
STAG IV Belfast, LLC	1 Hartley Drive, Belfast, Maine
STAG IV Cheektowaga, LLC	60 Industrial Parkway, Cheektowaga, New York
STAG IV Creedmor, LLC	1187 Telecom Drive, Creedmor, North Carolina
STAG IV Danville, LLC (f/k/a STAG III Danville, LLC)	1707 Shorewood Drive, LaGrange, Georgia 1355 Lebanon Road, Danville, Kentucky
STAG IV Lexington, LLC	200 Woodside Drive, Lexington, North Carolina
STAG IV Newton, LLC	1500 Prodelin Drive, Newton, North Carolina
STAG IV Pittsburgh 2, LLC	405 Keystone Drive, Pittsburgh, Pennsylvania
STAG IV Pittsburgh, LLC (f/k/a STAG III Pittsburgh, LLC)	700 Waterfront Drive, Pittsburgh, Pennsylvania
STAG IV Rural Hall, LLC	300 Forum Parkway, Rural Hall, North Carolina
STAG IV Seville, LLC (f/k/a STAG III Seville, LLC)	5160-5180 Greenwich Road, Seville, Ohio
STAG IV Sun Prairie, LLC	1615 Commerce Drive, Sun Prairie, Wisconsin

GROUND LEASED PROPERTIES

Entity Name	Property Address
STAG IV Waco, L.P.	101 Apron Road, Waco, Texas

NEW LIENS

Entity Name	New Lien
STAG IV Alexandria, LLC	Subject to the terms and provisions of the unrecorded Lease from STAG IV Alexandria, LLC, lessor to Pro Mach, Inc., lessee, dated 1/31/2008, as affected by the Lease Subordination, Non-Disturbance of Possession and Attornment Agreement dated 7/28/2008.
STAG IV Danville, LLC	54' Easement in favor of Kentucky Utilities Company, as set forth in that certain Pole Line Agreement, dated 7/9/70 as set forth in the instrument recorded in Deed Book 199, Page 287 as shown on the ALTA/ASCM survey, made by Estes Engineering & Surveying, Inc., dated 4/7/07.

STAG IV Waco, L.P.

Non-Disturbance, Attornment and Subordination Agreement filed 11/19/1998 executed by Royal Life Insurance Company of New York and between Airborne Freight corporation, recorded in Volume 378, Page 617 of the Official Public Records of McLennan County, Texas. Lease Subordination, Non-Disturbance of Possession and Attornment Agreement filed April 23, 2008, executed by and between DHL Express, (USA), Inc.; Anglo Irish Bank Corporation; Stag IV Waco, L.P., recorded as Instrument #2008012856 of the Official Public Records of McLennan County, Texas.

Non-Disturbance, Attornment and Subordination Agreement filed 11/19/1998 executed by Royal Life Insurance Company of New York and between Airborne Freight corporation, recorded in Volume 378, Page 617 of the Official Public Records of McLennan County, Texas. Lease Subordination, Non-Disturbance of Possession and Attornment Agreement filed April 23, 2008, executed by and between DHL Express, (USA), Inc.; Anglo Irish Bank Corporation; Stag IV Waco, L.P., recorded as Instrument #2008012856 of the Official Public Records of McLennan County, Texas.

Easement filed 05/05/2009 from Texas State Technical College to Oncor Electric Delivery Company recorded as Instrument #2009013095 in the Official Public Records of McLennan County, Texas.

Easement filed 12/23/2009 from Texas State Technical College to Oncor Electric Delivery Company recorded as Instrument #2009038957 in the Official Public Records of McLennan County, Texas.

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**EXHIBIT C
TO
CONTRIBUTION AGREEMENT**

CONTRIBUTION AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby assigns, transfers, contributes and conveys to STAG Industrial Operating Partnership, LP, a Delaware limited partnership (the “Company”), its entire legal and beneficial right, title and interest in and to STAG Investments Holdings IV, LLC, a Delaware limited liability company (“Holdings”), which owns 100% of the ownership interests in the entities listed on **Attachment 1** hereto (each, a “Participating Entity” and collectively, the “Participating Entities”), including, without limitation, (a) all right, title and interest, if any, of the undersigned in and to the assets and liabilities of Holdings and the Participating Entities, (b) the right to receive distributions of money, profits and other assets from Holdings and the Participating Entities from and after Closing, and (c) the obligations of Holdings and the Participating Entities, in each case whether arising before or after the Closing, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the “Participating Entity Interests”), TO HAVE AND TO HOLD the same unto the Company, its successors and assigns, forever.

Upon the execution and delivery hereof, the Company assumes all obligations in respect of the Participating Entity Interests.

This Contribution and Assumption Agreement is in respect of the real property described in **Attachment 1** attached hereto.

Executed: , 2011

STAG Investments IV, LLC, a Delaware limited liability company

By: STAG Manager, LLC, its manager

By: _____

Name: _____

Title: _____

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, its general
partner

By: _____

Name: _____

Title: _____

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**Attachment 1
To
Contribution and Assumption Agreement**

OWNED PROPERTIES

Entity Name	Property Address
STAG IV Alexandria, LLC	4750 County Road, 13 NE, Alexandria, Minnesota
STAG IV Belfast, LLC	1 Hartley Drive, Belfast, Maine
STAG IV Cheektowaga, LLC	60 Industrial Parkway, Cheektowaga, New York
STAG IV Creedmor, LLC	1187 Telecom Drive, Creedmor, North Carolina
STAG IV Danville, LLC (f/k/a STAG III Danville, LLC)	1707 Shorewood Drive, LaGrange, Georgia 1355 Lebanon Road, Danville, Kentucky
STAG IV Lexington, LLC	200 Woodside Drive, Lexington, North Carolina
STAG IV Newton, LLC	1500 Prodelin Drive, Newton, North Carolina
STAG IV Pittsburgh 2, LLC	405 Keystone Drive, Pittsburgh, Pennsylvania
STAG IV Pittsburgh, LLC (f/k/a STAG III Pittsburgh, LLC)	700 Waterfront Drive, Pittsburgh, Pennsylvania
STAG IV Rural Hall, LLC	300 Forum Parkway, Rural Hall, North Carolina
STAG IV Seville, LLC (f/k/a STAG III Seville, LLC)	5160-5180 Greenwich Road, Seville, Ohio
STAG IV Sun Prairie, LLC	1615 Commerce Drive, Sun Prairie, Wisconsin

GROUND LEASED PROPERTIES

Entity Name	Property Address
STAG IV Waco, L.P.	101 Apron Road, Waco, Texas

**EXHIBIT D
TO
CONTRIBUTION AGREEMENT**

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the “ Code ”, provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “ Operating Partnership ”), that the withholding of tax is not required upon the contribution of Interests by STAG Investments IV, LLC, a Delaware limited liability company (the “ Contributor ”) to the Operating Partnership in exchange for common units of limited partnership in the Operating Partnership, which transfer occurred on _____, 2011, the undersigned hereby certifies the following on behalf of Contributor:

1. Contributor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);
2. Contributor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Contributor’s employer identification number (or Contributor’s social security number, if Contributor is an individual) is _____ ;
and
4. Contributor’s address is:

c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the Operating Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Contributor.

By: STAG Investments IV, LLC

By: STAG Manager, LLC, its manager

By: _____

Name: _____

Title: _____

Date: _____, 2011

**EXHIBIT E
TO
CONTRIBUTION AGREEMENT
REGISTRATION RIGHTS AGREEMENT**

See Attached

E-1

**REGISTRATION RIGHTS AGREEMENT
BY AND AMONG
STAG INDUSTRIAL, INC.,
STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.
AND THE CONTRIBUTORS**

DATED AS OF , 2011

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (including all exhibits and schedules, this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), and the contributors whose names are set forth on the signature pages hereto (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. In connection with the initial public offering of shares of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), the Company, the Operating Partnership and the Contributors will engage in certain formation transactions (the “**Formation Transactions**”) whereby:

(i) the Contributors will contribute to the Operating Partnership their interests in entities owning certain real estate properties and other assets (the “**Propertie s**”); and

(ii) the Contributors will receive common units of limited partnership in the Operating Partnership (“**OP Units**”) in exchange for their respective indirect interests in the Properties, and a subsidiary of the Company will be the general partner of the Operating Partnership.

B. Pursuant to the Partnership Agreement (as defined below), the OP Units will be redeemable for cash or, at the sole and absolute discretion of the Company, exchangeable for shares of Common Stock upon the terms and subject to the conditions contained in the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.1 Definitions . In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

“**Affiliate**” of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“ **Business Day** ” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York or Boston, Massachusetts are authorized or required by law, regulation or executive order to close.

“ **Charter** ” means the amended and restated charter of the Company as filed with the State Department of Assessments and Taxation of Maryland on _____, 2011, as the same may be amended, modified or restated from time to time.

“ **Commission** ” means the Securities and Exchange Commission.

“ **Confidential Information** ” means Confidential Information as defined in Section 2.13(a) .

“ **Demand Registration** ” means a Demand Registration as defined in Section 2.2 .

“ **Demand Registration Statement** ” means a Demand Registration Statement as defined in Section 2.2 .

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

“ **Family Member** ” of any individual means such individual’s spouse, ex-spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters and intervivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters are beneficiaries.

“ **GI Entities** ” means GI STAG Investco, LLC, STAG GI Investments, LLC, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

“ **Holder** ” means any Initial Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) to the extent (x) permitted under the Partnership Agreement, the Charter or a separate written agreement between the Holder and the Company, as applicable, and (y) (1) the Company is furnished with written notice of the name and address of such assignee or transferee and the securities with respect to which such registration rights are being assigned and (2) such assignee or transferee agrees in writing to be bound by all the provisions hereof, unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

“ **Indemnified Party** ” means an Indemnified Party as defined in Section 2.9 .

“ **Indemnifying Party** ” means an Indemnifying Party as defined in Section 2.9 .

“ **Indemnatee** ” means Indemnatee as defined in Section 2.7 .

“ **Initial Holder** ” means (i) any Contributor, (ii) any partner, member or stockholder of any Contributor and any of their respective partners, members or stockholders (and continuing to any and all other partners, members or stockholders that receive a permitted distribution of OP Units or Registrable Securities), (iii) any Affiliate of any such partner, member or stockholder, and (iv) any Family Member of any of the foregoing.

“ **Initial Public Offering** ” means the offering of Common Stock pursuant to the Form S-11 Registration Statement (No. 333-) filed by the Company with the Commission under the Securities Act.

“ **Inspectors** ” means Inspectors as defined in Section 2.5(g).

“ **Losses** ” means Losses as defined in Section 2.7.

“ **Market Value** ” means, with respect to the Common Stock, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date of a written request for registration pursuant to Section 2.2. The market price for each such trading day shall be:

(i) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the Common Stock is not listed or admitted to trading on any securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Company, or

(iii) if the Common Stock is not listed or admitted to trading on any securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than (10) days prior to the date in question) for which prices have been so reported;

provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the Common Stock shall be determined by the Board of Directors of the Company acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

“ **Notice Period** ” means the Notice Period as defined in Section 2.2(a).

“ **Partnership Agreement** ” means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of , 2011, as the same may be amended, modified or restated from time to time.

“ **Person** ” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“ **Piggy-Back Registration** ” means a Piggy-Back Registration as defined in Section 2.3.

“ **Records** ” means Records as defined in Section 2.5(g).

“ **Registrable Securities** ” means shares of Common Stock at any time owned, either of record or beneficially, by any Holder and issued in the Formation Transactions or upon exchange of OP Units received in the Formation Transactions and any additional Common Stock issued as a dividend, distribution or exchange for, or in respect of such shares until

- (i) a registration statement covering such shares has been declared effective by the Commission and such shares have been disposed of pursuant to such effective registration statement;
- (ii) such shares shall have ceased to be outstanding;
- (iii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met;
- (iv) such shares held may be sold pursuant to Rule 144 under the Securities Act (or any similar rule or regulation then in effect) without limitation as to volume or manner of sale; or
- (v) such shares have been sold or otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act;

provided, however, that “Registrable Securities” for purposes of the indemnification obligations contained in Section 2.7 and Section 2.8 shall mean all shares that are registered on the applicable Shelf Registration, Demand Registration or Piggy-Back Registration, notwithstanding that such shares may not otherwise be “Registrable Securities” by operation of clause (iv) above.

“ **Registration Expenses** ” means Registration Expenses as defined in Section 2.6.

“ **Securities Act** ” means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“ **Selling Holder** ” means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

“ **Shelf Registration Statement** ” means a Shelf Registration statement as defined in Section 2.1.

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“ **STAG Parties** ” means STAG Investments III, LLC and STAG Investments IV, LLC.

“ **Suspension** ” means a Suspension as defined in Section 2.14.

“ **Suspension Notice** ” means a Suspension Notice as defined in Section 2.14.

“ **Underwriter** ” means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer’s market-making activities.

ARTICLE 2

REGISTRATION RIGHTS

Section 2.1 Shelf Registration . Within two weeks after the anniversary of the consummation date of the Initial Public Offering, subject to Section 2.13 and Section 2.14, the Company shall prepare and file a “shelf” registration statement with respect to the resale (except as provided in the next sentence) of the Registrable Securities on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (together with any amendments or supplements thereto, the “ **Shelf Registration Statement** ”) and shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective on or as soon as practicable thereafter, and to keep such Shelf Registration Statement continuously effective for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities. With respect to Holders other than Affiliates of the Company (including as an Affiliate of the Company, for purposes of this Section 2.1, the GI Entities), the Company may, at its option, satisfy its obligation in this Section 2.1 to register on a Shelf Registration Statement the resale of the Registrable Securities by instead registering on a Shelf Registration Statement the issuance of the Registrable Securities by the Company to such Holders, provided such issuance Shelf Registration Statement is initially filed within the time period required by the staff of the Commission. In the event that the Company fails to file, or if filed fails to maintain the effectiveness of, a Shelf Registration Statement, the Holders may participate in a Piggy-Back Registration (as defined below) pursuant to Section 2.3 herein; provided, further, that if and so long as a Shelf Registration Statement is on file and effective, then the Company shall have no obligation to allow participation in a Piggy-Back Registration. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to file a Shelf Registration Statement unless the Company is eligible to file a registration Statement on Form S-3 or any successor form.

Section 2.2 Demand Registration .

(a) Request for Registration . Commencing on or after the date which is one year after the consummation date of the Initial Public Offering, Holders (which may include the GI Entities and the STAG Entities), the GI Entities (so long as they are Holders) or the STAG Entities (so long as they are Holders) may, subject to Section 2.13 and Section 2.14, deliver to the Company a written request that the Company prepare and file with the Commission a registration statement on an appropriate form under the Securities Act (together with any amendments or supplements thereto, a “ **Demand Registration Statement** ”), registering under the Securities Act all or part of its or their Registrable Securities (a “ **Demand Registration** ”).

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For purposes of this Agreement, a Demand Registration requested by the Holders is referred to as a “ **Holder Demand Registration** ,” a Demand Registration requested by the GI Entities is referred to as a “ **GI Demand Registration** ,” and a Demand Registration requested by the STAG Entities is referred to as a “ **STAG Demand Registration** .” Notwithstanding the foregoing, (i) the Company shall not be obligated to effect more than six Demand Registrations in total, one GI Demand Registration in total or one STAG Demand Registration in total or more than one Demand Registration in any twelve month period, except that a GI Demand Registration may occur six months before or after a Holder Demand Registration or a STAG Demand Registration, and (ii) in the case of a Holder Demand Registration, the number of shares of Registrable Securities proposed to be sold by the Holders making such written request shall have a Market Value of at least \$20,000,000. Any request for a Demand Registration will specify the number of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Within five (5) Business Days after receipt of such request, the Company will give written notice of such registration request to all other Holders and include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the mailing of the Company’s notice to the applicable Holder (the “ **Notice Period** ”). Each such request will also specify the number of shares of Registrable Securities to be registered and the intended method of disposition thereof (which may include an underwritten offering).

(b) Effective Registration . A registration will not count as a Demand Registration until it has become effective. For purposes of this Agreement, an offering on a Demand Registration Statement is deemed to be effected on the effective date thereof and has remained effective and available for at least 180 days.

(c) Selling Holders Become Party to Agreement . Each Holder acknowledges that by asserting or participating in its registration rights pursuant to this Article II, he or she may become a Selling Holder and thereby will be deemed a party to this Agreement and will be bound by each of its terms.

(d) Underwritten Demand Registrations . If the Holders of a majority of shares of the Registrable Securities to be registered in a Demand Registration so elect by written notice to the Company, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with any such Demand Registration; provided that such managing Underwriter must be reasonably satisfactory to (i) in the case of a Holder Demand Registration, the Holders of a majority of the shares of the Registrable Securities to be registered on such Demand Registration and, as long as the GI Entities register on such Demand Registration Registrable Securities with a Market Value of at least \$5,000,000, the GI Entities, (ii) in the case of a GI Demand Registration, the GI Entities and (iii) in the case of a STAG Demand Registration, the STAG Entities. The Company may select any additional investment banks and managers to be used in connection with the offering; provided that such additional investment bankers and managers must be reasonably satisfactory to a majority of the Holders of the Registrable Securities initiating such Demand Registration.

Section 2.3 **Piggy-Back Registration .**

(a) Subject to Section 2.1 hereof, if the Company proposes to file a registration statement under the Securities Act (or a prospectus supplement to effect a takedown from an effective shelf registration statement) with respect to an underwritten equity offering by the Company for its own account or for the account of any of its respective security holders of any class of security (other than (i) any registration statement filed by the Company under the Securities Act relating to an offering of Common Stock for its own account as a result of the exercise of the exchange rights set forth in the Partnership Agreement, (ii) any registration statement filed in connection with a demand registration other than a Demand Registration under this Agreement or (iii) a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders), then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date), and such notice shall offer such Holders the opportunity to register such number of shares of Registrable Securities as each such Holder may request (a "**Piggy-Back Registration**"). The Company shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

(b) The Company shall select the lead underwriter or underwriters and any co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggy-Back Registration. In the event the Company gives the Holders notice of its intention to effect an offering pursuant to a Piggy-Back Registration and subsequently declines to proceed with such offering, the Holders shall have no rights in connection with such offering; provided, however, that, subject to Section 2.13 and Section 2.14, at the request of the Holders, the Company shall proceed with such offering with respect to the Registrable Securities included therein, which offering shall be deemed a Demand Registration for all purposes hereunder. The Holders shall participate in any offering of Registrable Securities pursuant to a Piggy-Back Registration (or deemed Demand Registration, if applicable) in accordance with the same plan of distribution for such Piggy-Back Registration as the Company or the holder or holders of Common Stock that proposed such Piggy-Back Registration, as the case may be.

Section 2.4 Reduction of Offering . Notwithstanding anything contained herein, if the managing Underwriter or Underwriters of an offering described in Section 2.2 or Section 2.3 hereof advise the Company and the Holders of the Registrable Securities included in such offering that, in their judgment, (i) the size of the offering that the Holders, the Company and such other Persons intend to make or (ii) in the case of a Piggy-Back Registration only, the kind of securities that the Holders, the Company and/or any other Persons intend to include in such offering are such that the marketability of the offering would be adversely affected by inclusion of the Registrable Securities requested to be included, then

(A) if the size of the offering is the basis of such Underwriter's advice, the amount of securities to be offered for the accounts of Holders shall be reduced pro rata (according to the number of Registrable Securities proposed for registration) to the extent necessary to reduce the

total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided, that, in the case of a Demand Registration, the number of Registrable Securities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a GI Demand Registration, the number of Registrable Securities of the GI Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a STAG Demand Registration, the number of Registrable Securities of the STAG Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a Piggy-Back Registration, if securities are being offered for the account of other Persons as well as the Company, then the Company shall include in such offering:

- (1) first, securities that the Company proposes to offer;
- (2) second, securities requested to be included therein by the Holders, pro rata;
- (3) third, securities that any other Person proposes to offer pursuant to contractual rights of such holder or holders, pro rata; and
- (4) fourth, any other securities; and

(B) if the combination of securities to be offered is the basis of such Underwriter's advice, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the provisos in clause (A)) or (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter or Underwriters, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering; provided that no Registrable Securities will be excluded from an offering pursuant to this clause (B) in the case of a Demand Registration.

Section 2.5 Registration Procedures; Filings; Information . In connection with any Shelf Registration Statement under Section 2.1 or whenever Holders request that any Registrable Securities be registered pursuant to Section 2.2 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof (which in the case of a Demand Registration but not in the case of a Shelf Registration Statement may include an underwritten offering) as quickly as practicable, and in connection with any such request:

(a) Subject to Section 2.13, the Company will as expeditiously as possible within the time periods set forth in Sections 2.1 and 2.2 but in any event no later than 30 days after the Notice Period for a Demand Registration, prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration

statement to become and remain effective: (i) in the case of a Shelf Registration Statement filed pursuant to Section 2.1 hereof, for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities; and (ii) in the case of a Demand Registration Statement filed pursuant to Section 2.2 hereof, for at least 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities in such jurisdictions; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Holder, at any time when a preliminary prospectus, prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as the Selling Holders reasonably request in order to expedite or facilitate the disposition of such Registrable

Securities, including, in the case of a GI Demand Registration or a STAG Demand Registration and to the extent reasonably requested by the lead or managing Underwriters, sending appropriate officers of the Company to attend “roadshows” scheduled in reasonable number and at reasonable times.

(g) The Company will make available for inspection by any Selling Holder, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the “**Inspectors**”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “**Records**”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Selling Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) if eligible under applicable accounting standards, a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefore reasonably requests.

(i) The Company will otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) So long as Common Stock is listed or quoted on any United States securities exchange or quotation system, the Company will use its commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Section 2.6 Registration Expenses . In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the “**Registration Expenses**”): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any legal opinions or comfort letters or costs associated with the delivery by counsel or independent certified public accountants, as applicable, of an opinion or opinions or comfort letter or comfort letters requested pursuant to Section 2.5(h) hereof), and (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; provided, that the Company shall not be required to pay any expenses of any registration proceeding begun pursuant to Section 2.2 if the registration request is subsequently withdrawn (other than if such withdrawal (i) is the result of any change, or development that would reasonably be expected to have a change, in the financial markets in the United States or in national financial or economic conditions that would adversely affect the marketability of the offering or (ii) is the result of any change, or development that would reasonably be expected to have a change, in the financial condition or results of operations of the Company that would adversely affect the marketability of the offering, and, in either case, such withdrawal is made with reasonable promptness following such change or development) at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration). If such Holders shall fail to reimburse the Company for such expenses, the Company shall not be obligated to file another Demand Registration Statement for a period of 12 months from the date such registration statement was withdrawn. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, any fees and expenses of counsel to the Underwriters attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

Section 2.7 Indemnification by the Company . The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an “**Indemnatee**”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (collectively, “**Losses**”) caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement contemplated by this Agreement or any related

preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission included or omitted in conformity with information furnished in writing to the Company by such Indemnitee or on such Indemnitee's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.7. The indemnity provided for in this Section 2.7 shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder.

Section 2.8 Indemnification by Selling Holders . Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to Losses caused by any untrue statement or omission included or omitted in conformity with information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto). In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.7. Each Selling Holder also agrees to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 2.8. The liability of any Selling Holder pursuant to this Section 2.8 may not, in any event, exceed the net proceeds received by such Selling Holder from sales of Registrable Securities giving rise to the indemnification obligations of such Selling Holder.

Section 2.9 Conduct of Indemnification Proceedings . In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 2.7 or Section 2.8, such person (an “**Indemnified Party**”) shall promptly notify the person against whom such indemnity may be sought (an “**Indemnifying Party**”) in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the

Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them and, in all such cases, the Indemnifying Party shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties not having actual or potential differing interests among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.7 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.8, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any Loss (to the extent stated above) resulting from such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

Section 2.10 Contribution . If the indemnification provided for in Section 2.7 or Section 2.8 hereof is unavailable to an Indemnified Party or insufficient in respect of any Losses referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the

Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnifying Party shall not be required to contribute pursuant to this Section 2.10 if there has been a settlement of any proceeding effected without its written consent.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total commissions and discounts received by such Underwriter in connection with the sale of the securities underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.10 are several in proportion to the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.11 Participation in Underwritten Registrations . No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

Section 2.12 Rule 144 . Until such date as no Holder owns any Registrable Securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably

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request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 2.13 Holdback Agreements .

(a) Temporary Suspension of Rights to Sell Based on Confidential Information or Material Transaction . If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 or a Demand Registration under Section 2.2 hereof or the use of any related preliminary prospectus, prospectus or prospectus supplement (i) would require the public disclosure of previously non-public material information that the Company has a bona fide business purpose for preserving as confidential that the Company is not otherwise required by applicable securities laws or regulations to disclose (the "**Confidential Information**") or (ii) would materially interfere with any good faith proposal or plan by the Company or any of its Affiliates to engage in any material acquisition, merger, consolidation, tender offer, securities offering or other material transaction, and upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended until the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.13(a) is no longer necessary; provided, however, in no event shall any such suspension be for more than an aggregate of 120 days in any rolling twelve month period or for more than 90 consecutive days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. Nothing in this Section 2.13(a) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(b) Temporary Suspension of Rights to Sell Based on Exchange Act Reports Not Yet Filed or Regulation S-X . (i) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, (ii) if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Act, or (iii) if the Company has acquired or proposes to acquire one or more properties which in the aggregate are significant for purposes of Rule 3-14 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended (to the extent required under the Securities Act or the Exchange Act) until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no

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longer required. The Company agrees to use its commercially reasonable efforts to file such reports or obtain and file the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement as promptly as practicable. Nothing in this Section 2.13(b) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(c) **Restrictions on Public Sale by Holder of Registrable Securities .** With respect to underwritten offerings prior to the second anniversary of the date of this Agreement, for so long as the Holder beneficially owns one percent or more of the outstanding Common Stock (assuming conversion of such Holder's OP Units or other convertible securities but not any other OP Units or convertible securities), each Holder agrees not to sell, offer for sale or otherwise transfer any Registrable Securities during any of the following periods:

(i) unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated effective date of a registration statement for any underwritten public offering of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) and ending 90 days after such effectiveness; and

(ii) in the case of a Rule 415 registration statement, unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated date of the Company's notice of commencement of distribution in connection with such offering and ending 90 days after the commencement of such distribution.

(d) Notwithstanding the provisions of Section 2.13(c) :

(i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holders that the Company declines to proceed with any such offering set forth in Section 2.13(c) ;

(ii) all executive officers and directors of the Company then holding shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company shall enter into similar agreements for not less than the entire time period required of the Holders hereunder; and

(iii) the Holders shall be allowed any concession or proportionate release allowed to any executive officer or director that entered into similar agreements.

Section 2.14 Suspension Rights . In the event of:

(a) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of a registration statement contemplated by this Agreement for amendments or supplements to such registration statement or related preliminary prospectus, prospectus or prospectus supplement or for additional information;

- (b) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of any registration statement contemplated by this Agreement or the initiation of any proceedings for that purpose;
- (c) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or
- (d) any event or circumstance that necessitate the making of any changes in a registration statement contemplated by this Agreement or related preliminary prospectus, prospectus or prospectus supplement, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a registration statement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that, in the case of a preliminary prospectus, prospectus or prospectus supplement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

then the Company shall deliver a written notice to the Holders with Registrable Securities covered by such registration statement or related preliminary prospectus, prospectus or prospectus supplement (the “ **Suspension Notice** ”) to the effect of the foregoing (which do not disclose the content of any material non-public information and will indicate the date of the beginning and end of the intended suspension, if known), and, upon receipt of such Suspension Notice, such Holders will refrain from selling any Registrable securities pursuant to such registration statement (a “ **Suspension** ”) until such Holder’s receipt of copies of a supplemented or amended preliminary prospectus, prospectus or prospectus supplement prepared and filed by the Company, or until it is advised in writing by the Company that the current preliminary prospectus, prospectus or prospectus supplement may be used, and has received copies of any additional or supplement filings that are incorporated or deemed incorporated by reference in any such preliminary prospectus, prospectus or prospectus supplement. In the event of any Suspension, the Company will use commercially reasonable efforts to cause the use of the preliminary prospectus, the prospectus or the prospectus supplement so suspended to be resumed as soon as reasonably practicable after delivery of a Suspension Notice to such Holders, subject to Section 2.13 . The Suspension and Suspension Notice shall be held in confidence and not disclosed by such Holders, except as required by law.

Section 2.15 Other Registration Rights . Nothing herein shall prohibit the Company from granting to any Person the right to cause the Company to register any securities of the Company under the Securities Act; provided, that the Company shall not enter into any agreement (or amendment or waiver of the provisions of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are *pari passu* or senior to the registration rights provided in this Agreement to the Holders or any other rights that conflict with the rights of the Holders under this Agreement or otherwise limits or reduces such rights. The Company shall cause each other holder of Common Stock (or any security convertible or exchangeable into Common Stock) who obtains the right, after the date of this Agreement, to propose a registration giving rise to a Piggy-Back

Registration, if any, to agree not to transfer any shares of Common Stock or securities convertible into or exchangeable for Common Stock, for the applicable periods set forth in Section 2.13(c).

Section 2.16 Survival . The obligations of the Company and the Holders under Section 2.7, Section 2.8, Section 2.9 and Section 2.10 hereof shall survive the completion of any offering of Registrable Securities and the termination or expiration of this Agreement.

ARTICLE 3 **MISCELLANEOUS**

Section 3.1 Remedies . In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2 Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, in each case without the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3 Notices . All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery to the address set forth on the signature page hereto, or to such other address and to such other Persons as any party hereto may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4 Successors and Assigns . Except as expressly provided in this Agreement, the rights and obligations of the Initial Holders under this Agreement shall not be assignable by any Initial Holder to any Person that is not an Initial Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

Section 3.5 Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the

same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6 Governing Law . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

Section 3.7 Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8 Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10 No Third Party Beneficiaries . Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG Industrial, Inc., a Maryland corporation

By: _____

Name: _____

Title: _____

99 High Street, 28th Floor
Boston, MA 02110

Attention: General Counsel
Fax: 617-514-0052

OPERATING PARTNERSHIP

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name: _____

Title: _____

99 High Street, 28th Floor
Boston, MA 02110

Attention: General Counsel
Fax: 617-514-0052

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CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

NET LEASE AGGREGATION FUNDS, LLC

By: _____

Name:

Title:

Address:

INNOVATIVE PROMOTIONS LLC

By:

Name:

Title:

Address:

GREGORY W. SULLIVAN

Address:

ROSEVIEW CAPITAL PARTNERS LLC

By:

Name:

Title:

Address:

BSB STAG III, LLC

By:

Name:

Title:

Address:

STAG III EMPLOYEES, LLC

By:

Name:

Title:

Address:

NED STAG III RESIDUAL LLC

By:

Name:

Title:

Address:

Address:

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**EXHIBIT F
TO
CONTRIBUTION AGREEMENT**

DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below.

Actions : Means all actions, litigation, written claims, complaints, charges, written accusations, investigations, petitions, suits, arbitrations, mediations or other proceedings, whether civil or criminal, at law or in equity, judicial or administrative or before any arbitrator or governmental body or agency.

Affiliate : Means a Person who as to another Person controls, is controlled by, or is under common control with, such other Person.

Allocated Debt : Means the debt allocated or related to the Properties that is assumed by the Operating Partnership as of the Closing Date by virtue of its ownership of Holdings and the Participating Entities. The aggregate outstanding principal amount of the Allocated Debt as of December 31, 2010 is \$86,587,368.00 (the “ Estimated Allocated Debt Amount ”).

Claims : Means claims, disputes or Actions pending, threatened in writing or, to the Contributor’s Knowledge, otherwise threatened that directly or indirectly affect any of the Contributor, Holdings, one or more Participating Entities, the Holdings Interests, the Participating Entity Interests or the Properties.

Disclosure Schedules : Means the Disclosure Schedule dated of even date herewith and delivered by the Contributor to the Company and the Operating Partnership, which Disclosure Schedule is attached hereto and incorporated herein and contains **Schedule 3.2(a)** through **Schedule 3.2(v)** .

Encumbrances : Means, with respect to the subject personal property, each of the following: all pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, rights of others, licenses, or other similar arrangement or interest in personal property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the personal property in question.

Estimated Closing Date : Means April 13, 2011.

Knowledge : Means, with respect to any representation or warranty so indicated, the actual knowledge of Benjamin S. Butcher, without any duty of inquiry or investigation.

Liens : Means, with respect to the subject real property, each of the following, other than any of the following that would constitute Permitted Liens: all mortgages, deeds of trust, pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, covenants, encroachments, assessments, rights of others, licenses, easements, or other similar arrangement or interest in real property of any kind or nature whatsoever, direct or indirect,

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including, without limitation, interests in or claims to revenues generated by the real property in question and mortgages, deeds of trust and other instruments securing the Allocated Debt.

Material Adverse Effect : Means any material adverse effect on the assets, business, financial condition, prospects or results of operations of the Company, the Operating Partnership and the Participating Entities (including the Properties) taken as a whole.

Permitted Liens : Means

- (i) Liens, or deposits made to secure the release of such Liens, securing taxes, the payment of which is not delinquent or the payment of which is actively being contested in good faith by appropriate proceedings diligently pursued, but only to the extent such Liens have been disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (ii) zoning laws and ordinances generally applicable to the districts in which the Properties are located;
- (iii) Liens imposed by laws, such as carriers', warehousemen's, carriers' and mechanics' liens, and other similar liens arising in the ordinary course of business that are being contested in good faith by appropriate proceedings diligently pursued (provided that adequate reserves or accruals for payments of such contested liens have been provided in the balance sheet of the Participating Entity) or as disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (iv) easements for public utilities and other access and use easements that do not have a Material Adverse Effect upon the Properties;
- (v) leases and licenses (and purchase rights contained therein) that are identified in the Disclosure Schedules or the Registration Statement or that have otherwise been delivered or made available to Company, its agents and underwriters; and
- (vi) any exceptions contained in the Title Reports or otherwise set forth in Schedule 3.2(a).

Person : Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental entity.

Road Show Prospectus Filing Date : Means the date of filing with the Securities Exchange Commission of an amendment to the Company's S-11 that contains the definitive form of preliminary prospectus anticipated to be used for the "road show" of the Public Offering, which preliminary prospectus includes the offering price range, the number of shares to be offered to the public and the value, based on the mid-point of the offering range, of the Units to be delivered to the Contributor and Other Contributors hereunder and under the Other Agreements.

Title Reports . Means those title insurance policies issued in the name of the Participating Entities with respect to the Properties, as described on **Schedule 3.2(a)** .

Valuation Date : Means as of the date of this Agreement.

**EXHIBIT G
TO
CONTRIBUTION AGREEMENT
VOTING AGREEMENT**

See Attached

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VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), GI STAG INVESTCO, LLC, a Delaware limited liability company (“**GISI**”) and the undersigned contributors (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. **WHEREAS**, on _____, 2011, the Company and the Operating Partnership entered into several contribution agreements (the “**Contribution Agreements**”) with the Contributors, which provide for the contribution of various portfolios of primarily single-tenant real estate assets (the “**Contributions**”) in connection with a proposed initial public offering (the “**Public Offering**”) and together with the Contributions, the “**Formation Transactions**”) of shares of common stock, par value \$0.01 per share, of the Company (the “**Common Stock**”);

B. **WHEREAS**, each Contributor is the record owner or beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of, and has the right to direct the voting or disposition of, the number of shares of Common Stock, or common units of limited partnership in the Operating Partnership (“**OP Units**”), indicated on the signature page of this Agreement (such shares of common stock and shares of Common Stock issuable upon redemption of the OP Units, the “**Shares**”); and

C. **WHEREAS**, as an inducement for (i) GISI to enter into the limited liability company agreement (the “**JV Agreement**”) of STAG GI INVESTMENTS, LLC, a Delaware limited liability company (“**STAG GI**”), and (ii) each of the Contributors to enter into such Contributor’s Contribution Agreement with the Company and the Operating Partnership, and as part of the conditions to the consummation of the Formation Transactions, the Company desires to agree to provide GISI the right to select up to two individuals to be nominated to serve on the Board of Directors of the Company (the “**Board**”), and each Contributor desires to agree to vote the Shares over which the Contributor has voting power as described below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Initial Board of Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then immediately following the Public Offering, the Board shall consist of seven directors, at least five of whom will be Independent Directors (as defined below), each of whom will serve a one-year term and two of whom shall have been selected by GISI. Of the two directors to be selected by GISI, both must be Qualified Nominees (as defined below) and at least one must qualify as an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson

of one of the aforesaid committees; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange. GISI agrees to notify the Company of its proposed appointments for the initial Board at least one week in advance of the expected filing of the first amendment to the registration statement for the Public Offering, together with any information regarding such appointees as the Company reasonably requests.

(b) “ **Independent Director** ” means an individual who qualifies as an “independent director” under the requirements of the New York Stock Exchange.

(c) “ **Qualified Nominee** ” means an individual (i) who is not a competitor of the Company or any of its subsidiaries or an affiliate of a competitor of the Company or any of its subsidiaries, as reasonably determined by the Board, (ii) who does not have a material conflict of interest in serving as a member of the Board or would be unable to comply with the Company’s code of business conduct and ethics and corporate governance guidelines, as reasonably determined by the Board, (iii) with respect to whom none of the events described in Item 401(f) of Regulation S-K under the Securities Act of 1933, as amended (or any successor regulation), has occurred in the prior 10 years and (iv) whose nomination and recommendation by the Board, in the good faith determination of the Board, would not be inconsistent with the Board’s duties to the Company and its stockholders. For purposes of this definition, a managing director or director of GI Partners shall not be deemed to be a competitor or an affiliate of a competitor of the Company or any of its subsidiaries or to have a material conflict of interest in serving as a member of the Board by reason of such position or any ownership interest in GI Partners or its subsidiaries.

2. Agreement to Nominate Directors .

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then from the date hereof until the Expiration Date (defined below) and subject to the terms and conditions in this Agreement, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, the Company shall cause two individuals selected by GISI (both of whom must be Qualified Nominees and at least one of whom must be an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees) to be nominated for election to the Board; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange.

(b) If at any time while the Company’s obligations under this Section 2 are in effect, the Board shall be classified with the result that directors serve for terms of greater than one year, the Company shall not be required to make any nominations otherwise required under this Section 2, except at an annual meeting at which the term of an individual nominated pursuant to this Section 2 and elected to the Board in connection with such nomination (a “ **GI Director** ”), is scheduled to expire; provided that if the Board shall be classified, the GI Directors shall be placed in different classes.

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the nomination of directors other than the limited rights set forth in this Section 2.

3. Agreement to Vote Shares.

(a) From the date hereof until the Expiration Date, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, each of GISI and the Contributors (in the capacity as a stockholder) shall appear at the meeting or otherwise cause the Shares, if any, to be present for purposes of establishing a quorum and shall vote the Shares, if any, in favor of the election of the nominee or nominees, as applicable, for the Board selected by GISI pursuant to, and in accordance with, this Agreement.

(b) If GISI or a Contributor is the beneficial owner, but not the record holder, of the Shares, GISI or such Contributor, as applicable, agrees to take all reasonable actions necessary to cause the record holder and any nominees to vote all of the Shares, if any, in the manner provided in Section 3(a).

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the voting of the Shares, if any, other than the limited rights set forth in this Section 3. None of GISI and the Contributors shall have any right to influence in any manner the voting of the Shares, if any, on any other matters that may come before the stockholders of the Company.

(d) This Agreement shall not, and shall not be construed to, restrict the ability of GISI or any Contributor to sell or dispose of any Shares or other securities of the Company or the Operating Partnership, in the open market or otherwise.

4. Action in Stockholder Capacity Only. None of GISI and the Contributors makes any agreement or understanding herein as director or officer of the Company or as a fiduciary of, or participant in, any compensation plan of the Company. Each of GISI and the Contributors has entered into this Agreement solely in an individual capacity as a record holder and/or beneficial owner of Shares and OP Units, and nothing herein shall limit or affect any actions taken in a capacity as an officer or director of the Company or as a fiduciary of, or participant in, any compensation plan of the Company.

5. Representations and Warranties of the Company and the Operating Partnership. The Company and the Operating Partnership represent and warrant as follows:

(a) The Company and the Operating Partnership have full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by the Company and the Operating Partnership and constitutes a valid and binding agreement of the Company and the Operating Partnership enforceable against them in accordance with its terms.

(b) The execution and delivery of this Agreement and the performance by the Company and the Operating Partnership of their agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of

any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which the Company or the Operating Partnership is a party or by which they (or any of their assets) is bound.

6. Representations and Warranties of Contributor. Each Contributor severally and not jointly represents as follows:

(a) As of the date of this Agreement, Contributor is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and Contributor does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. Contributor has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by Contributor and constitutes a valid and binding agreement of Contributor enforceable against such Contributor in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, Contributor has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, Contributor has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting such Contributor's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by Contributor of such Contributor's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Contributor is a party or by which Contributor (or any of such Contributor's assets) is bound.

7. Representations and Warranties of GISI. GISI represents and warrants as follows:

(a) As of the date of this Agreement, GISI is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and GISI does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. GISI has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by GISI and constitutes a valid and binding agreement of GISI enforceable against GISI in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, GISI has full legal power, authority and right to vote or to direct the voting of all of the Shares

then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity (subject to the terms of the JV Agreement with respect to Shares owned through STAG GI). Without limiting the generality of the foregoing, GISI has not entered into any voting agreement (other than this Agreement and the JV Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting GISI's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by GISI of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which GISI is a party or by which GISI (or any of its assets) is bound.

(d) GISI is controlled by GI Partners.

8. Termination.

(a) This Agreement shall terminate if:

(i) at any time immediately following a transfer by GISI or any of the GI Controlled Affiliates of any interest in the Formation Securities, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis immediately following such transfer (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock), or

(ii) at any time on or after the third anniversary of the Public Offering, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock) (the earlier to occur of the events in clause (i) and (ii), the “**Expiration Date**”).

(b) Upon such termination, no party shall have any further obligations or liabilities hereunder; provided that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

(c) For purposes of this Agreement, (i) “**transfer**” means any transfer, sale, assignment, gift, exchange or redemption (other than an exchange or redemption of OP Units for shares of Common Stock), distribution or any other disposition by law or otherwise;

(ii) “ **Formation Securities** ” means the OP Units issued to GISI (through STAG GI) in the Formation Transactions and shares of Common Stock issued upon redemption of any such OP Units (or any securities issued as a dividend or distribution on, or in exchange for such OP Units or shares of Common Stock); and (iii) “ **GI Controlled Affiliates** ” means, so long as they are controlled by GI Partners, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

9. Miscellaneous Provisions.

- (a) Amendments, Modifications and Waivers. No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by the Company, the Operating Partnership, GISI and the Contributors.
- (b) Entire Agreement. This Agreement constitutes the entire agreement among the parties to this Agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
- (c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.
- (d) Assignment and Successors. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto. This Agreement and all the provisions hereof are personal to each of the parties hereto, shall not inure to a party's respective successors and may not be assigned, other than to one of the GI Controlled Affiliates, by a party without the prior written consent of the other parties. Any assignment in violation of the foregoing shall be void and of no effect.
- (e) No Third Party Rights. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the parties hereto) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (f) Cooperation. Each of the parties hereto agrees to cooperate fully with the other parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by another party to evidence or reflect the transactions contemplated by this Agreement and to carry out the intent and purpose of this Agreement. Each of the parties hereto agrees that the other parties may publish and disclose each party's identity and ownership of Shares, OP Units and other securities of the Company or the Operating Partnership and the nature of each party's commitments, arrangements and understandings under this Agreement as may be required by applicable law in any filing made by a party with the Securities and Exchange Commission.
- (g) Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

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(h) Specific Performance; Injunctive Relief. Each party hereto acknowledges that the other parties may be irreparably harmed and that there may be no adequate remedy at law for a breach of any of the covenants or agreements of a party's set forth in this Agreement. Therefore, each party hereto hereby agrees that, in addition to any other remedies that may be available upon any such breach, each party shall have the right to seek specific performance, injunctive relief or any other remedies available to such party at law or in equity without posting any bond or other undertaking in order to enforce such covenants and agreements.

(i) Notices. All notices, consents, requests, claims, demands and other communications under this Agreement shall be in writing (which shall include communications by e-mail) and shall be delivered (a) in person or by courier or overnight service, or (b) by e-mail with a copy delivered as provided in clause (a). If to a Contributor, to Contributor's address or e-mail address shown below Contributor's signature on the signature pages hereof, and

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110
Attn: John L. Sullivan, Esq.
Fax: 617-406-6100
E-mail: john.sullivan@dlapiper.com

If to the Company and the Operating Partnership:

STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

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If to GISI:

GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Alexander Fraser
Fax: 650-233-3601
E-mail: alexander@gipartners.com

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, Seventeenth Floor Costa Mesa, CA 92626
Attn: John Simonis, Esq.
Fax: 714-668-6336
E-mail: johnsimonis@paulhastings.com

or to such other address or facsimile number as the parties hereto may designate in writing to the other in accordance with this Section 9(i). Any party may change the address or facsimile number to which notices are to be sent by giving written notice of such change of address or number to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by facsimile or e-mail transmission or mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart.

(k) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

[Signatures on the Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG INDUSTRIAL, INC., a Maryland corporation

By: _____
Name:
Title:

OPERATING PARTNERSHIP

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: STAG INDUSTRIAL GP, LLC, a Delaware limited liability company, its general partner

By: _____
Name:
Title:

GISI

GI STAG INVESTCO, LLC, a Delaware limited liability company

By: _____
Name:
Title:

Shares Beneficially Owned (ownership is through STAG GI Investments, LLC and duplicative of the “Shares Beneficially Owned” indicated for STAG GI Investment, LLC below):

shares of Common Stock
OP Units

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company,
its manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units
owned through STAG GI Investments, LLC, STAG Investments III, LLC or
STAG Investment IV, LLC):

shares of Common Stock
OP Units

INNOVATIVE PROMOTIONS LLC

By:

Name:

Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

GREGORY W. SULLIVAN

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

ROSEVIEW CAPITAL PARTNERS LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BSB STAG III, LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

STAG III EMPLOYEES, LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

NED STAG III RESIDUAL LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BENJAMIN S. BUTCHER

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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**EXHIBIT H
TO
CONTRIBUTION AGREEMENT**

INTENTIONALLY OMITTED

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**EXHIBIT I
TO
CONTRIBUTION AGREEMENT
INTENTIONALLY OMITTED**

**EXHIBIT J TO
CONTRIBUTION AGREEMENT
CONSIDERATION SPREADSHEET**

See Attached

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Appendix A-1
Determination of Number of Units

OP Units to Contributing Entities
Differing Initial Share Price

Share Price	\$15	\$16	\$17
STAG III	689,793	772,549	766,574
STAG IV	1,860,311	2,083,497	2,067,383
Venture	4,990,287	4,678,394	4,700,913
SCP	15,875	17,779	17,642
SCP III	33,734	37,781	20,288
Total	7,871,250	7,871,250	7,854,049

Estimated Allocated Debt

STAG III	208,338,671
STAG IV	86,587,368
Venture	104,131,235
SCP	1,435,000
SCP III	2,983,000

Note: Contributors receive the number of Units set forth below based on the final IPO share price. As price increases above \$17.00/share, Venture receives 64.3% of the increased value over the value at \$16.00/share and STAG III, STAG IV, SCP and SCP III share the remainder pro rata. If the price decreases below \$15.00/share, Venture will receive the necessary number of OP Units to maintain a value of \$74,854,304 and STAG III, STAG IV, SCP and SCP III share the remainder pro rata.

	3	5	6	7A	7B	
	Units					
Share Price	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
\$ 15.00	4,990,287	689,793	1,860,311	15,875	33,734	7,871,250
15.01	4,986,962	690,675	1,862,690	15,895	33,777	7,871,250
15.02	4,983,642	691,556	1,865,066	15,915	33,820	7,871,250
15.03	4,980,326	692,436	1,867,439	15,935	33,863	7,871,250
15.04	4,977,015	693,315	1,869,809	15,956	33,906	7,871,250
15.05	4,973,708	694,192	1,872,175	15,976	33,949	7,871,250
15.06	4,970,405	695,069	1,874,538	15,996	33,992	7,871,250
15.07	4,967,107	695,944	1,876,899	16,016	34,034	7,871,250
15.08	4,963,813	696,818	1,879,256	16,036	34,077	7,871,250
15.09	4,960,524	697,691	1,881,609	16,056	34,120	7,871,250
15.10	4,957,239	698,562	1,883,960	16,076	34,162	7,871,250
15.11	4,953,958	699,433	1,886,308	16,096	34,205	7,871,250
15.12	4,950,681	700,302	1,888,652	16,117	34,248	7,871,250
15.13	4,947,409	701,170	1,890,994	16,136	34,290	7,871,250
15.14	4,944,142	702,037	1,893,332	16,156	34,332	7,871,250
15.15	4,940,878	702,903	1,895,668	16,176	34,375	7,871,250
15.16	4,937,619	703,768	1,898,000	16,196	34,417	7,871,250
15.17	4,934,364	704,632	1,900,329	16,216	34,459	7,871,250
15.18	4,931,114	705,494	1,902,655	16,236	34,501	7,871,250
15.19	4,927,867	706,355	1,904,978	16,256	34,544	7,871,250
15.20	4,924,625	707,216	1,907,298	16,276	34,586	7,871,250
15.21	4,921,388	708,075	1,909,615	16,295	34,628	7,871,250
15.22	4,918,154	708,933	1,911,929	16,315	34,670	7,871,250
15.23	4,914,925	709,789	1,914,239	16,335	34,712	7,871,250
15.24	4,911,700	710,645	1,916,547	16,355	34,753	7,871,250
15.25	4,908,479	711,500	1,918,852	16,374	34,795	7,871,250
15.26	4,905,262	712,353	1,921,154	16,394	34,837	7,871,250
15.27	4,902,050	713,206	1,923,452	16,413	34,879	7,871,250
15.28	4,898,842	714,057	1,925,748	16,433	34,920	7,871,250
15.29	4,895,638	714,907	1,928,041	16,453	34,962	7,871,250
15.30	4,892,438	715,756	1,930,330	16,472	35,003	7,871,250
15.31	4,889,243	716,604	1,932,617	16,492	35,045	7,871,250
15.32	4,886,051	717,451	1,934,901	16,511	35,086	7,871,250
15.33	4,882,864	718,296	1,937,182	16,531	35,128	7,871,250
15.34	4,879,681	719,141	1,939,459	16,550	35,169	7,871,250
15.35	4,876,502	719,984	1,941,734	16,569	35,210	7,871,250
15.36	4,873,327	720,827	1,944,006	16,589	35,251	7,871,250
15.37	4,870,156	721,668	1,946,275	16,608	35,292	7,871,250
15.38	4,866,990	722,508	1,948,541	16,628	35,334	7,871,250
15.39	4,863,827	723,347	1,950,804	16,647	35,375	7,871,250
15.40	4,860,669	724,185	1,953,064	16,666	35,416	7,871,250
15.41	4,857,515	725,022	1,955,321	16,685	35,456	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
15.42	4,854,365	725,858	1,957,575	16,705	35,497	7,871,250
15.43	4,851,219	726,693	1,959,826	16,724	35,538	7,871,250
15.44	4,848,077	727,527	1,962,075	16,743	35,579	7,871,250
15.45	4,844,939	728,359	1,964,320	16,762	35,620	7,871,250
15.46	4,841,805	729,191	1,966,563	16,781	35,660	7,871,250
15.47	4,838,675	730,021	1,968,802	16,800	35,701	7,871,250
15.48	4,835,549	730,851	1,971,039	16,820	35,742	7,871,250
15.49	4,832,428	731,679	1,973,273	16,839	35,782	7,871,250
15.50	4,829,310	732,506	1,975,504	16,858	35,822	7,871,250
15.51	4,826,196	733,332	1,977,732	16,877	35,863	7,871,250
15.52	4,823,087	734,157	1,979,957	16,896	35,903	7,871,250
15.53	4,819,981	734,981	1,982,180	16,915	35,944	7,871,250
15.54	4,816,879	735,804	1,984,399	16,934	35,984	7,871,250
15.55	4,813,782	736,626	1,986,616	16,952	36,024	7,871,250
15.56	4,810,688	737,447	1,988,830	16,971	36,064	7,871,250
15.57	4,807,598	738,267	1,991,040	16,990	36,104	7,871,250
15.58	4,804,512	739,086	1,993,249	17,009	36,144	7,871,250
15.59	4,801,431	739,903	1,995,454	17,028	36,184	7,871,250
15.60	4,798,353	740,720	1,997,656	17,047	36,224	7,871,250
15.61	4,795,279	741,536	1,999,856	17,065	36,264	7,871,250
15.62	4,792,209	742,350	2,002,053	17,084	36,304	7,871,250
15.63	4,789,143	743,164	2,004,247	17,103	36,344	7,871,250
15.64	4,786,081	743,976	2,006,438	17,122	36,383	7,871,250
15.65	4,783,023	744,788	2,008,626	17,140	36,423	7,871,250
15.66	4,779,968	745,598	2,010,812	17,159	36,463	7,871,250
15.67	4,776,918	746,407	2,012,995	17,178	36,502	7,871,250
15.68	4,773,871	747,216	2,015,175	17,196	36,542	7,871,250
15.69	4,770,829	748,023	2,017,352	17,215	36,581	7,871,250
15.70	4,767,790	748,829	2,019,527	17,233	36,621	7,871,250
15.71	4,764,755	749,635	2,021,698	17,252	36,660	7,871,250
15.72	4,761,724	750,439	2,023,867	17,270	36,699	7,871,250
15.73	4,758,697	751,242	2,026,033	17,289	36,739	7,871,250
15.74	4,755,674	752,044	2,028,197	17,307	36,778	7,871,250
15.75	4,752,654	752,845	2,030,357	17,326	36,817	7,871,250
15.76	4,749,639	753,646	2,032,515	17,344	36,856	7,871,250
15.77	4,746,627	754,445	2,034,671	17,363	36,895	7,871,250
15.78	4,743,619	755,243	2,036,823	17,381	36,934	7,871,250
15.79	4,740,615	756,040	2,038,973	17,399	36,973	7,871,250
15.80	4,737,614	756,836	2,041,120	17,418	37,012	7,871,250
15.81	4,734,618	757,631	2,043,264	17,436	37,051	7,871,250
15.82	4,731,625	758,425	2,045,406	17,454	37,090	7,871,250
15.83	4,728,636	759,218	2,047,545	17,472	37,129	7,871,250
15.84	4,725,651	760,010	2,049,681	17,491	37,168	7,871,250
15.85	4,722,669	760,802	2,051,814	17,509	37,206	7,871,250
15.86	4,719,691	761,592	2,053,945	17,527	37,245	7,871,250
15.87	4,716,717	762,381	2,056,073	17,545	37,283	7,871,250
15.88	4,713,747	763,169	2,058,199	17,563	37,322	7,871,250
15.89	4,710,781	763,956	2,060,322	17,581	37,360	7,871,250
15.90	4,707,818	764,742	2,062,442	17,600	37,399	7,871,250
15.91	4,704,859	765,527	2,064,559	17,618	37,437	7,871,250
15.92	4,701,904	766,311	2,066,674	17,636	37,476	7,871,250
15.93	4,698,952	767,095	2,068,786	17,654	37,514	7,871,250
15.94	4,696,004	767,877	2,070,895	17,672	37,552	7,871,250
15.95	4,693,060	768,658	2,073,002	17,690	37,590	7,871,250
15.96	4,690,119	769,438	2,075,106	17,708	37,629	7,871,250
15.97	4,687,182	770,217	2,077,208	17,726	37,667	7,871,250
15.98	4,684,249	770,996	2,079,307	17,743	37,705	7,871,250
15.99	4,681,320	771,773	2,081,403	17,761	37,743	7,871,250
16.00	4,678,394	772,549	2,083,497	17,779	37,781	7,871,250
16.01	4,678,633	772,486	2,083,326	17,778	37,778	7,871,250
16.02	4,678,872	772,422	2,083,155	17,776	37,775	7,871,250
16.03	4,679,110	772,359	2,082,984	17,775	37,771	7,871,250
16.04	4,679,349	772,296	2,082,814	17,773	37,768	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.05	4,679,587	772,233	2,082,643	17,772	37,765	7,871,250
16.06	4,679,824	772,170	2,082,473	17,770	37,762	7,871,250
16.07	4,680,062	772,107	2,082,304	17,769	37,759	7,871,250
16.08	4,680,299	772,044	2,082,134	17,768	37,756	7,871,250
16.09	4,680,535	771,981	2,081,965	17,766	37,753	7,871,250
16.10	4,680,772	771,918	2,081,795	17,765	37,750	7,871,250
16.11	4,681,008	771,856	2,081,626	17,763	37,747	7,871,250
16.12	4,681,244	771,793	2,081,458	17,762	37,744	7,871,250
16.13	4,681,479	771,731	2,081,289	17,760	37,741	7,871,250
16.14	4,681,715	771,668	2,081,121	17,759	37,738	7,871,250
16.15	4,681,950	771,606	2,080,953	17,757	37,735	7,871,250
16.16	4,682,184	771,544	2,080,785	17,756	37,732	7,871,250
16.17	4,682,419	771,481	2,080,617	17,755	37,729	7,871,250
16.18	4,682,653	771,419	2,080,449	17,753	37,725	7,871,250
16.19	4,682,887	771,357	2,080,282	17,752	37,722	7,871,250
16.20	4,683,120	771,295	2,080,115	17,750	37,719	7,871,250
16.21	4,683,353	771,233	2,079,948	17,749	37,716	7,871,250
16.22	4,683,586	771,172	2,079,781	17,747	37,713	7,871,250
16.23	4,683,819	771,110	2,079,615	17,746	37,710	7,871,250
16.24	4,684,051	771,048	2,079,448	17,745	37,707	7,871,250
16.25	4,684,284	770,987	2,079,282	17,743	37,704	7,871,250
16.26	4,684,515	770,925	2,079,117	17,742	37,701	7,871,250
16.27	4,684,747	770,864	2,078,951	17,740	37,698	7,871,250
16.28	4,684,978	770,802	2,078,785	17,739	37,695	7,871,250
16.29	4,685,209	770,741	2,078,620	17,738	37,692	7,871,250
16.30	4,685,440	770,680	2,078,455	17,736	37,689	7,871,250
16.31	4,685,670	770,619	2,078,290	17,735	37,686	7,871,250
16.32	4,685,900	770,558	2,078,125	17,733	37,683	7,871,250
16.33	4,686,130	770,497	2,077,961	17,732	37,680	7,871,250
16.34	4,686,360	770,436	2,077,797	17,731	37,677	7,871,250
16.35	4,686,589	770,375	2,077,633	17,729	37,674	7,871,250
16.36	4,686,818	770,314	2,077,469	17,728	37,671	7,871,250
16.37	4,687,047	770,253	2,077,305	17,726	37,668	7,871,250
16.38	4,687,275	770,193	2,077,142	17,725	37,666	7,871,250
16.39	4,687,503	770,132	2,076,978	17,724	37,663	7,871,250
16.40	4,687,731	770,072	2,076,815	17,722	37,660	7,871,250
16.41	4,687,959	770,011	2,076,653	17,721	37,657	7,871,250
16.42	4,688,186	769,951	2,076,490	17,719	37,654	7,871,250
16.43	4,688,413	769,891	2,076,327	17,718	37,651	7,871,250
16.44	4,688,640	769,831	2,076,165	17,717	37,648	7,871,250
16.45	4,688,866	769,771	2,076,003	17,715	37,645	7,871,250
16.46	4,689,092	769,711	2,075,841	17,714	37,642	7,871,250
16.47	4,689,318	769,651	2,075,680	17,712	37,639	7,871,250
16.48	4,689,544	769,591	2,075,518	17,711	37,636	7,871,250
16.49	4,689,769	769,531	2,075,357	17,710	37,633	7,871,250
16.50	4,689,995	769,471	2,075,196	17,708	37,630	7,871,250
16.51	4,690,219	769,412	2,075,035	17,707	37,627	7,871,250
16.52	4,690,444	769,352	2,074,874	17,706	37,624	7,871,250
16.53	4,690,668	769,292	2,074,714	17,704	37,621	7,871,250
16.54	4,690,892	769,233	2,074,553	17,703	37,619	7,871,250
16.55	4,691,116	769,174	2,074,393	17,701	37,616	7,871,250
16.56	4,691,340	769,114	2,074,233	17,700	37,613	7,871,250
16.57	4,691,563	769,055	2,074,073	17,699	37,610	7,871,250
16.58	4,691,786	768,996	2,073,914	17,697	37,607	7,871,250
16.59	4,692,008	768,937	2,073,755	17,696	37,604	7,871,250
16.60	4,692,231	768,878	2,073,595	17,695	37,601	7,871,250
16.61	4,692,453	768,819	2,073,436	17,693	37,598	7,871,250
16.62	4,692,675	768,760	2,073,278	17,692	37,595	7,871,250
16.63	4,692,896	768,701	2,073,119	17,691	37,593	7,871,250
16.64	4,693,118	768,643	2,072,961	17,689	37,590	7,871,250
16.65	4,693,339	768,584	2,072,803	17,688	37,587	7,871,250
16.66	4,693,560	768,525	2,072,644	17,687	37,584	7,871,250
16.67	4,693,780	768,467	2,072,487	17,685	37,581	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.68	4,694,001	768,408	2,072,329	17,684	37,578	7,871,250
16.69	4,694,221	768,350	2,072,172	17,683	37,575	7,871,250
16.70	4,694,440	768,292	2,072,014	17,681	37,573	7,871,250
16.71	4,694,660	768,233	2,071,857	17,680	37,570	7,871,250
16.72	4,694,879	768,175	2,071,700	17,679	37,567	7,871,250
16.73	4,695,098	768,117	2,071,544	17,677	37,564	7,871,250
16.74	4,695,317	768,059	2,071,387	17,676	37,561	7,871,250
16.75	4,695,535	768,001	2,071,231	17,675	37,558	7,871,250
16.76	4,695,753	767,943	2,071,075	17,673	37,555	7,871,250
16.77	4,695,971	767,885	2,070,919	17,672	37,553	7,871,250
16.78	4,696,189	767,828	2,070,763	17,671	37,550	7,871,250
16.79	4,696,406	767,770	2,070,607	17,669	37,547	7,871,250
16.80	4,696,624	767,712	2,070,452	17,668	37,544	7,871,250
16.81	4,696,840	767,655	2,070,297	17,667	37,541	7,871,250
16.82	4,697,057	767,597	2,070,142	17,665	37,539	7,871,250
16.83	4,697,273	767,540	2,069,987	17,664	37,536	7,871,250
16.84	4,697,490	767,483	2,069,832	17,663	37,533	7,871,250
16.85	4,697,705	767,425	2,069,678	17,661	37,530	7,871,250
16.86	4,697,921	767,368	2,069,524	17,660	37,527	7,871,250
16.87	4,698,136	767,311	2,069,370	17,659	37,525	7,871,250
16.88	4,698,351	767,254	2,069,216	17,657	37,522	7,871,250
16.89	4,698,566	767,197	2,069,062	17,656	37,519	7,871,250
16.90	4,698,781	767,140	2,068,908	17,655	37,516	7,871,250
16.91	4,698,995	767,083	2,068,755	17,653	37,513	7,871,250
16.92	4,699,209	767,026	2,068,602	17,652	37,511	7,871,250
16.93	4,699,423	766,970	2,068,449	17,651	37,508	7,871,250
16.94	4,699,637	766,913	2,068,296	17,649	37,505	7,871,250
16.95	4,699,850	766,856	2,068,143	17,648	37,502	7,871,250
16.96	4,700,063	766,800	2,067,991	17,647	37,500	7,871,250
16.97	4,700,276	766,743	2,067,839	17,646	37,497	7,871,250
16.98	4,700,488	766,687	2,067,686	17,644	37,494	7,871,250
16.99	4,700,701	766,630	2,067,535	17,643	37,491	7,871,250
17.00	4,700,913	766,574	2,067,383	17,642	37,489	7,871,250

**EXHIBIT K TO
CONTRIBUTION AGREEMENT
FORM OF LOCK-UP AGREEMENT**

●, 2011

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith Incorporated,

J.P. Morgan Securities LLC
UBS Securities LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated

One Bryant Park
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Re: Proposed Public Offering by STAG Industrial, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of STAG Industrial, Inc., a Maryland corporation (the “Company”), and/or holder of units (“OP Units”) in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership and the Company’s operating partnership (the “Operating Partnership”), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), J.P. Morgan Securities LLC (“J.P. Morgan”) and UBS Securities LLC (“UBS” and together with Merrill Lynch and J.P. Morgan, the “Representatives”) propose to enter into an Underwriting Agreement (the “Underwriting Agreement”) with the Company and the Operating Partnership providing for the initial public offering (the “Offering”) of shares (the “Securities”) of the Company’s common stock, par value \$.01 per share (the “Common Stock”). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company and/or holder of OP Units, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 12 months from the date of the Underwriting Agreement (subject to extensions as discussed

below), the undersigned will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock (including, without limitation, OP Units), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities as follows without the prior written consent of the Representatives, provided that (1) the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

- i. as a *bona fide* gift or gifts; or
- ii. to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or
- iii. as a distribution to limited partners, members or stockholders of the undersigned; or
- iv. to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned.

[FOR LOCK-UP TO BE EXECUTED BY STAG INVESTMENTS III, LLC ONLY: Notwithstanding the foregoing, the undersigned STAG Investments III, LLC may pledge any OP Units that it holds that are Lock-Up Securities without the prior written consent of the Representatives pursuant to that certain Pledge Agreement entered into by STAG Investments III, LLC in favor of Bank of America, N.A., as Administrative Agent for the benefit of the Secured Parties thereunder, under that certain Credit Agreement among STAG III Streamwood, LLC, STAG III Mason 2, LLC, STAG III Pomfret, LLC, STAG Investments III, LLC, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent.]

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned on the open market following the Offering if and only if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding the foregoing, if:

(1) during the last 17 days of the 12-month lock-up period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 12-month lock-up period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 12-month lock-up period,

the restrictions imposed by this lock-up agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial 12-month lock-up period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the 12-month lock-up period (as may have been extended pursuant to the previous paragraph) has expired.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's (or any other applicable) transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

For Natural Persons:

(Name)

(Signature)

For Entities:

(Name)

By: _____
Name:
Title:

CONTRIBUTION AGREEMENT

BY AND AMONG

NET LEASE AGGREGATION FUNDS, LLC

INNOVATIVE PROMOTIONS LLC

GREGORY W. SULLIVAN

ROSEVIEW CAPITAL PARTNERS LLC

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

AND

STAG INDUSTRIAL, INC.

DATED AS OF APRIL 4, 2011

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Exhibits

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Exhibit B	Contribution and Assumption Agreement
Exhibit C	Certification of Non-foreign Status
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Exhibit E	Registration Rights Agreement
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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (including all exhibits and schedules, this “Agreement”) is made and entered into as of April 4, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and a subsidiary of the Company (the “Operating Partnership”), NET LEASE AGGREGATION FUNDS, LLC, a Massachusetts limited liability company (“NLAF”), INNOVATIVE PROMOTIONS LLC, a Delaware limited liability company (“IP”), GREGORY W. SULLIVAN, an individual (“Mr. Sullivan”) and ROSEVIEW CAPITAL PARTNERS LLC, a Massachusetts limited liability company (“Roseview”, and together with Mr. Sullivan, IP and NLAF, the “Contributors” and each a “Contributor”).

RECITALS

A. The Company, which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “General Partner”), which in turn is the sole general partner of the Operating Partnership, desires to consolidate the ownership and management of a portfolio of primarily single tenant real estate assets through the transaction contemplated by this Agreement (the “Formation Transaction”).

B. The Formation Transaction relates to the proposed initial public offering (the “Public Offering”) of the common stock, par value \$0.01, of the Company (the “Common Stock”).

C. The Contributors collectively own 100% of the membership interests in STAG Capital Partners, LLC, a Massachusetts limited liability company (“SCP”). SCP is governed by the terms of that certain Amended and Restated Limited Liability Company Agreement among the Contributors dated as of March 1, 2004, as amended by Amendment to Amended and Restated Limited Liability Company Agreement dated as of June 16, 2008, Second Amendment to Amended and Restated Limited Liability Company Agreement dated as of July 29, 2008 and Third Amendment to Amended and Restated Limited Liability Company Agreement dated as of December 14, 2009 (as so amended, the “Operating Agreement”). NLAF owns 53.5% of the membership interests in SCP; IP owns 30% of the membership interests in SCP; Mr. Sullivan owns 10% of the membership interests in SCP and Roseview owns 6.5% of the membership interests in SCP; subject, in each case, to dilution by Greenfield Acquisition Partners III, LP and GAP II Parallel Partners, L.P. (collectively, “Greenfield”), holders of that certain Membership Interest Warrant No. 1 issued by SCP on March 2, 2004 (the “Warrant”).

D. SCP is a party to those certain Services Agreements listed on Exhibit A attached hereto (collectively, the “Services Agreements” and each, a “Services Agreement”) pursuant to which SCP provides asset management and other services to STAG Capital Partners, III, LLC (“SCP III”), which in turn provides asset management and other services to some of the Other Contributors (as hereinafter defined) or their subsidiaries, among others.

E. Each Contributor desires to, and the Operating Partnership desires that each Contributor, contribute to the Operating Partnership all of such Contributor’s right, title and

interest, free and clear of all Encumbrances, as a member of SCP, including, without limitation, all of its voting rights and interests in the capital, profits and losses of SCP or any property distributable therefrom, constituting all of its rights and interests in SCP (such right, title and interest, the “SCP Interests”), in exchange for common units of limited partnership interests in the Operating Partnership (the “Units”) in a transaction intended by the parties to qualify as a tax-free contribution to the Operating Partnership pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the “Code”).

F. The parties acknowledge that the acquisition of the SCP Interests by the Operating Partnership is in connection with the consummation of the Public Offering and the satisfaction of the conditions set forth herein.

G. Simultaneously herewith, STAG Investments III, LLC, STAG Investments IV, LLC, STAG GI Investments, LLC (the “Venture”), BSB STAG III, LLC, STAG III Employees, LLC, NED STAG III Residual LLC and Benjamin S. Butcher (collectively, together with any additional contributor approved by the foregoing, the “Other Contributors” and each, an “Other Contributor”) have entered into Contribution Agreements (collectively, the “Other Agreements” and each, an “Other Agreement”) pursuant to which such Other Contributors have agreed to contribute their respective assets to the Operating Partnership simultaneously with the Contributors’ contribution hereunder (the “Roll-Up”) in exchange for an aggregate number of Units as set forth in the Other Agreements, which aggregate number of Units shall be determined based on the initial offering price of the Common Stock and which, together with the number of Units received by the Contributor hereunder, shall total 7,590,000 Units (the “Total Units”) (and which number of Units received by each Contributor is subject to adjustment as expressly provided herein and in the Other Agreements).

H. The parties intend this Agreement to be a “Contribution Agreement” pursuant to the terms of the Operating Partnership’s Agreement of Limited Partnership (the “Operating Partnership Agreement”).

I. All references in this Agreement to sections, articles, exhibits, schedules, attachments and recitals shall refer to the corresponding sections, articles, exhibits, schedules, attachments and recitals of or to this Agreement. Capitalized terms used and not defined in the body of this Agreement shall have the meanings set forth in **Exhibit F** attached hereto and incorporated herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual undertakings set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the foregoing recitals are incorporated into, and made a part of this Agreement, and the parties hereto further agree as follows:

TERMS OF AGREEMENT

ARTICLE 1

CONTRIBUTION OF SCP INTERESTS IN EXCHANGE FOR UNITS

Section 1.1 Contribution Transactions .

(a) At the Closing and subject to and on the terms and conditions contained in this Agreement, each Contributor shall contribute, transfer, assign, convey and deliver to the Company, all of its SCP Interests (also sometimes referred to as the “Contributed Assets”). The contribution of its SCP Interests to the Operating Partnership by each Contributor shall be evidenced by the execution and delivery of a Contribution and Assumption Agreement by such Contributor in substantially the form of Exhibit B attached hereto and incorporated herein.

(b) The parties shall take such additional actions and execute such additional documentation as may be required by the Operating Agreement or as requested in the reasonable judgment of counsel to the Company or the Operating Partnership in order to effect the transactions contemplated hereby.

Section 1.2 Consideration for SCP Interests . In exchange for the SCP Interests contributed to the Operating Partnership by the Contributor, the Operating Partnership shall issue a certain number of Units to the Contributors based on the initial public offering price of the Common Stock as set forth below, such number of Units being referred to herein as the “Aggregate Consideration” relating to the SCP Interests contributed hereunder. If the initial public offering price for the Common Stock is between \$15.00 per share and \$17.00 per share, then the Aggregate Consideration shall be the number of Units set forth in the spreadsheet attached hereto and incorporated herein as Exhibit I in the row corresponding with the initial public offering price of the Common Stock and the column entitled “SCP Units”. For example, if the initial public offering price for the Common Stock were \$16.50 per share, the Aggregate Consideration would be 17,708 Units. If the initial public offering price for the Common Stock is less than \$15.00 per share or more than \$17.00 per share, then the Aggregate Consideration shall be the number of Units determined by multiplying the Non-Venture Units (as hereinafter defined) by the Pro Rata Share. “Pro Rata Share” means (a) the number of Units the Contributors would receive if the initial offering price of the Common Stock was \$16.00 per share as set forth on Exhibit I; divided by (b) the Non-Venture Units if the initial public offering price of the Common Stock was \$16.00 per share. The “Non-Venture Units” means (y) the Total Units, minus (z) the Venture Contributor’s Consideration. “Venture Contributor’s Consideration” means the number of Units determined by dividing the Venture Contributor’s Value by the initial public offering price for the Common Stock. “Venture Contributors Value” means, if the initial public offering price for the Common Stock is less than \$15.00 per share, \$74,854,304, and if the initial public offering price for the Common Stock is greater than \$17.00 per share, the sum of (A) \$74,854,304 plus (B) 64.3% of the excess of (i) the product of the Total Units multiplied by the initial public offering price per share of the Common Stock in the Public Offering over (ii) \$121,440,000, consistent with the allocation of Units when the initial public offering price for the Common Stock is between \$16.01 per share and \$17.00 per share as set forth on Exhibit I attached hereto. Each Contributor shall receive its pro rata share of the

Aggregate Consideration based on its percentage interests in SCP as set forth in Recital C above (as to each Contributor, the “Consideration”). In the event that, subsequent to the date of this Agreement but before the closing of the Formation Transaction, the Common Stock or the units of limited partnership interest of the Operating Partnership issued and outstanding shall, through a reorganization, recapitalization, stock or unit dividend, stock or unit split or similar change in the capitalization of the Company or the Operating Partnership increase or decrease in number, then an appropriate and proportionate adjustment shall be made to the Consideration.

Section 1.3 Adjusted Consideration . At the Closing, all items of income and expense with respect to SCP shall be prorated between the Contributors, on the one hand, and the Operating Partnership, on the other hand, with all such items attributable to the period prior to the Closing Date (as defined in Section 2.2) to be credited or charged to Contributors, and all such items attributable to the period commencing on the Closing Date shall be credited to the Operating Partnership. Except as otherwise provided in this Section 1.3, income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. The prorations to be performed hereunder shall be completed by the Company based on the parties’ estimates as of the Closing, shall be evidenced by a closing statement prepared by the Company, shall be reconciled based on actual amounts when available, but in all events within ninety (90) days of Closing (the “Reconciliation Period”) and shall be implemented through a cash payment from the Operating Partnership to the Contributors to the extent the prorations result in a net credit to the Contributors and a cash payment from the Contributors to the Operating Partnership to the extent the prorations result in a net charge to the Contributors. In addition, immediately prior to Closing, SCP shall distribute to the Contributors any cash then held by SCP (to the extent not being transferred with the Contributed Assets as a proration in accordance with this Section 1.3) and such cash shall not be contributed to the Operating Partnership with the Contributed Assets. The parties hereby agree that the closing statement shall be prepared by the Company based on assumptions that the Closing takes place on the Estimated Closing Date. If the Closing actually takes place on a day other than the Estimated Closing Date, then, during the Reconciliation Period, the prorations shall be recalculated as of the actual Closing Date based on actual amounts and the Company shall prepare a revised closing statement, and to the extent such revised closing statement reveals that the Contributors received more or less cash than they should have received had the prorations included in the original closing statement not been based on estimated amounts and the Closing Date occurring on the Estimated Closing Date, then the Operating Partnership (if the Contributors received less cash than they should have received) or the Contributors (if the Contributors received more cash than they should have received), as applicable, shall make a cash payment to the other as necessary to make the cash received by the Contributors correct based on the revised closing statement. Finally, if the Allocated Debt is greater than or less than the Estimated Allocated Debt Amount, the difference (as well as any interest accruals or other charges or payments of the Allocated Debt for the period after Allocated Debt Determination Date and until the Closing Date) will be a proration item credited (to the extent the Allocated Debt is less than the Estimated Allocated Debt Amount) or charged (to the extent the Allocated Debt is greater than the Estimated Allocated Debt Amount) to the Contributors and adjusted in cash during the proration reconciliation process.

Section 1.4 Tax Treatment of Contribution. The contribution, transfer, conveyance and assignment of the SCP Interests to the Operating Partnership from the Contributors is

intended to be treated as a transaction in “assets-over” form pursuant to Treas. Reg. 1.708-1(c)(3) qualifying under Section 721(a) of the Code.

Section 1.5 Final Year Allocation . To the extent that the Operating Agreement does not provide for final year tax allocations, the Contributors agree to use the “interim closing of the books” method as provided in Section 706 of the Code to allocate income and loss for the year in which the Closing occurs.

Section 1.6 Section 704(c) Method . The Operating Partnership shall use the “traditional method” described in Treas. Reg. § 1.704-3(b) with respect to the assets of SCP, with no “curative allocation” of income or gain to offset any “shortfall” in depreciation that results by reason of the use of the “traditional method,” following any “Book-Up Event” (i.e., a subsequent issuance of OP Units (as defined in the Operating Partnership Agreement), an in-kind contribution of property to the Operating Partnership in exchange for OP Units, or a redemption of OP Units).

ARTICLE 2

CLOSING

Section 2.1 Conditions Precedent . The effectiveness of the Company’s Registration Statement on Form S-11 relating to the Public Offering (as amended from time to time, the “Registration Statement”) and the consummation of the Public Offering(1) are conditions precedent to the obligations of all parties to this Agreement to effect the transactions contemplated by this Agreement on the Closing Date. These conditions may not be waived by any party to this Agreement.

(a) The obligations of the Company and the Operating Partnership to effect the Formation Transaction shall be subject to the following additional conditions precedent:

(i) the representations and warranties of the Contributors contained in this Agreement shall have been true and correct in all material respects on the date such representations and warranties were made and shall be true and correct on the Closing Date as if made at and as of the Closing Date, subject to changes that would not reasonably be expected to have a Material Adverse Effect;

(ii) each obligation to be performed by the Contributors shall have been duly performed by each Contributor on or before the Closing Date, and no Contributor shall have materially breached any of its covenants contained herein;

(iii) concurrently with the Closing, each Contributor shall have executed and delivered to the Company or the Operating Partnership, as applicable, the documents required to be delivered pursuant to Section 2.3;

(1) The Roll-Up will also be a condition of closing in the Underwriter’s Agreement. We will close everything simultaneously, with documents required to be delivered into escrow prior to Underwriter funding.

(iv) all necessary consents or approvals of governmental authorities or third parties (including, without limitation any lender to SCP) to the consummation of the transactions contemplated herein shall have been obtained, other than the consents or approvals of lenders whose loans are to be repaid before or immediately after the Closing;

(v) there shall not have occurred between the date hereof and the Closing Date any material adverse change with respect to the Services Agreements that has, or could reasonably be expected to have, a Material Adverse Effect; provided, however, the Company and Operating Partnership acknowledge that, in connection with the Formation Transaction, the Services Agreements will be assigned, modified and/or terminated;

(vi) no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental or regulatory authority or instrumentality that prohibits the consummation of the transactions contemplated herein, and no litigation or governmental proceeding seeking such an order shall be pending or threatened in writing;

(vii) subject to Section 4.2(c), no new matters with respect to SCP which the Company would be required to disclose in the Registration Statement shall have arisen or occurred; and

(viii) all of the Other Contributors (other than the Company and the Operating Partnership) shall have made the contributions under their respective Other Agreements.

Any of the foregoing conditions in this Section 2.1(a) may be waived by the Company in its sole and absolute discretion.

(b) The obligations of the Contributor to effect the Formation Transaction shall be subject to the following conditions precedent, either of which may be waived by Contributor in its sole discretion:

(i) all Other Contributors shall have made the contributions described in their respective Other Agreements; and

(ii) each of Benjamin Butcher, Gregory Sullivan, Stephen C. Mecke, Kathryn Arnone and David King shall have entered into employment agreements with the Company or its subsidiary with respect to post-Closing employment on terms and conditions consistent with the descriptions contained in the Registration Statement.

Section 2.2 Date, Time and Place of Closing . The time, place and date of the Formation Transaction shall be at 10:00 a.m. in the office of DLA Piper LLP (US), 33 Arch Street, 26th Floor, Boston, Massachusetts on the day on which the Company receives the proceeds from the Public Offering from the underwriters thereof (the “Closing” or “Closing Date”); provided, however, that the Contributor shall deliver the Closing Documents into a closing escrow established by the Company and the Operating Partnership one (1) business day prior to the expected Closing Date.

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Section 2.3 Closing Deliveries . At the Closing, each party shall make, execute, acknowledge and deliver the legal documents and other items (collectively, the “Closing Documents”) necessary to carry out the intention of this Agreement, which Closing Documents and other items shall include, without limitation, the following:

(a) a Contribution and Assumption Agreement substantially in the form attached hereto as Exhibit B;

(b) for each Contributor, a certificate from the Operating Partnership that effective at the Closing the books and records of the Operating Partnership will indicate that such Contributor is the holder of a number of Units equal to its Consideration;

(c) an affidavit from each Contributor in the form of Exhibit C, stating, under penalty of perjury, the Contributor’s United States Taxpayer Identification Number and that the Contributor is not a foreign person pursuant to section 1445(b)(2) of the Code and a comparable affidavit satisfying Massachusetts’ and any other state’s withholding requirements, if any;

(d) a certificate from each Contributor affirming that the representations and warranties made by such Contributor pursuant to this Agreement remain true and correct in all material respects as of the Closing Date;

(e) the Operating Partnership Agreement;

(f) intentionally omitted;

(g) a lockup agreement in the form attached hereto as Exhibit J;

(h) a Registration Rights Agreement substantially in the form attached hereto as Exhibit E;

(i) a Voting Agreement substantially in the form attached hereto as Exhibit G;

(j) if requested by the Company, certified copies of all organizational documents for each Contributor that is not an individual, together with certified copies of all appropriate limited liability company actions authorizing the execution, delivery and performance by such Contributors of this Agreement, any related documents and the Closing Documents;

(k) evidence reasonably satisfactory to the Company that the lender of any money borrowed by SCP, other than those lenders whose loans are being repaid before or immediately after the Closing, has consented to the transaction as required by any loan document or other evidence of indebtedness related to SCP;

(l) any other documents reasonably requested by the Company or the Operating Partnership to assign, transfer, convey, contribute and deliver the SCP Interests, free and clear of all Encumbrances, and effectuate the transactions contemplated hereby; and

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(m) all state and local transfer tax returns and any filings to be made in any applicable governmental jurisdiction in which the Company or the Operating Partnership reasonably believes that it is required to file its organizational documentation or in which the recording of the Contribution and Assumption Agreement is required.

Section 2.4 Closing Costs. At Closing, the Company shall pay all costs associated with the Public Offering and the Roll-Up and the transactions in connection therewith (collectively, the “Transaction”), including, without limitation, the fees of the Company’s legal counsel in preparing documents related to the Transaction (including the legal fees of DLA Piper LLP (US) with respect to only the Transaction (*i.e.* , not the formation of the Contributor, the acquisition of Properties by the Contributor or any Allocated Debt (the “Excluded Work”)), the fees of the Company’s accountants, filing fees, underwriting fees, and transfer or documentary stamp taxes triggered by the Transaction, other than Allocated Debt Transfer Costs and costs associated with the Excluded Work, all of which costs are collectively referred to herein as the “Transaction Costs” and the Company shall reimburse the Contributors for all Transaction Costs previously paid by the Contributors. For the avoidance of doubt, the Contributors hereby agree to be solely responsible for all assumption costs, debt transfer costs, consent fees, prepayment fees or other charges payable with respect to the transfer of its Contributed Assets subject to the Allocated Debt (the “Allocated Debt Transfer Costs”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES AND INDEMNITIES

Section 3.1 Representations and Warranties of the Company and the Operating Partnership . The Operating Partnership and the Company, jointly and severally, hereby represent and warrant to, and covenant with, each Contributor that:

(a) **Organization; Authority .** Each of the Company and the Operating Partnership has been duly formed and is validly existing under the laws of the jurisdiction of its incorporation or formation with requisite corporate or limited partnership power and authority, as applicable, to enter this Agreement and all agreements contemplated hereby. The persons and entities executing this Agreement and all agreements contemplated hereby on behalf of the Company and the Operating Partnership have the power and authority to enter into this Agreement and such other contemplated agreements.

(b) **No Violation .** Assuming the truth and accuracy of the representations and warranties of the Contributor in Section 3.2, (i) the execution, delivery and performance by the Company and the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby will not contravene any provision of applicable law, the certificate of incorporation and bylaws of the Company or the certificate of limited partnership or Operating Partnership Agreement, or any material agreement or other material instrument binding upon the Company or the Operating Partnership, or any applicable law, judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or the Operating Partnership, and (ii) no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company or the

Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby, which, if not obtained, would cause a Material Adverse Effect.

(c) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Company nor the Operating Partnership has entered into, nor will either of them enter into, any agreement, arrangement or understanding with any person or firm that will result in the obligation of any Contributor or any of the Contributors' equity holders or beneficiaries (as such) to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

(d) **Valid Issuance of Units** . The Units, when issued and delivered in compliance with the provisions of the Agreement will be duly authorized, validly issued, fully paid and, except as provided in the Operating Partnership Agreement and except as affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, non-assessable. The Units will be free of any Encumbrances created by the Company or the Operating Partnership; provided, however, that the Units are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth in the Operating Partnership Agreement. The Units will not be issued in violation of any preemptive rights or rights of first refusal granted by the Company or the Operating Partnership.

(e) **Tax Status of the Operating Partnership**. The Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, and each subsidiary of the Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, other than STAG Industrial TRS, Inc., a wholly-owned subsidiary of the Operating Partnership that is taxable as a corporation for federal tax purposes as a taxable REIT subsidiary.

(f) **REIT Status** .

(i) The Company intends to qualify as a real estate investment trust ("REIT") under the Code, and the Company will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its proposed ownership and method of operation will enable it to continue to qualify as a REIT under the Code for the Company's taxable years ending December 31, 2011 and thereafter.

(ii) The Common Stock will be registered pursuant to Section 12(b) of the Securities Act of 1934, as amended and will be listed on the New York Stock Exchange.

(g) **Litigation** . Except as set forth in the Registration Statement, there is no Action pending against the Company or the Operating Partnership and for which service has occurred or, to the Knowledge of the Company, threatened in writing that would, in the reasonable judgment of the Company, if determined adversely to the Company or the Operating Partnership, as applicable, have a Material Adverse Effect. Except as set forth in the Registration Statement, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying

the Company or the Operating Partnership that in any such case would impair the Company's or the Operating Partnership's ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(h) **Investment Company Act of 1940.** Neither the Company nor the Operating Partnership is and, after giving effect to the Public Offering, neither the Company nor the Operating Partnership will be, an "investment company," as defined in the Investment Company Act of 1940, as amended.

(i) **Valid Issuance of Common Stock.** The outstanding shares of Common Stock are, and when issued and duly delivered against payment therefor as contemplated in the applicable underwriting agreement, the shares of Common Stock issued in the Public Offering will be, duly authorized, validly issued, fully paid and non-assessable.

Section 3.2 Representations and Warranties of the Contributors . Each Contributor represents and warrants to the Company and the Operating Partnership as set forth below in this Section 3.2 with respect to such Contributor and SCP. Unless otherwise expressly provided in this Agreement, no Contributor makes any representation, warranty, covenant or agreement to indemnify any Indemnified Company Party (as defined in Section 3.3(b)).

(a) **Title .** (i) SCP owns the sub-servicer's interest under each of the Services Agreements and such interests in the Services Agreements are not subject to any liens, other than any liens related to the Allocated Debt.

(b) **Organization; Authority .** The Contributor has the full right, authority, power and legal capacity to enter into this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby, including, without limitation, the conveyance of the SCP Interests free and clear of all Encumbrances. The Contributor (to the extent that the Contributor is an entity) and SCP is duly formed, validly existing and in good standing (to the extent applicable) under the laws of the jurisdiction of its formation, and has all requisite power and authority to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable law, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

(c) **Due Authorization .** The execution, delivery and performance of this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement has been duly and validly authorized by all necessary action of the Contributor. Each of this Agreement and the agreements, documents and instruments executed and delivered by or on behalf of the Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally, as from time to time in effect, or the application of equitable principles. With respect

to any Contributor that is an individual, such Contributor has full legal capacity to enter into and perform his obligations under this Agreement.

(d) **Consents and Approvals** . No consent, waiver, approval or authorization of any third party, including, without limitation, any governmental authority or agency, is required to be obtained by the Contributor or SCP in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except any of the foregoing that shall have been satisfied or obtained at or prior to the Closing Date and except for such consents, waivers, approvals and authorizations the failure of which to obtain would not have a Material Adverse Effect or materially and adversely effect the ability of the Contributor to execute and deliver this Agreement and perform its obligations thereunder.

(e) **Ownership of the Interests** . The Contributor is the sole record owner of the SCP Interests to be transferred by the Contributor, free and clear of any Encumbrances and has good and valid title to such SCP Interests.

(f) **Interests** .

(i) The SCP Interests to be contributed by the Contributor and the other Contributors to this Agreement constitute all of the issued and outstanding interests in SCP.

(ii) The SCP Interests owned by the Contributor were validly issued and are duly authorized and fully paid and were not issued in violation of any preemptive rights. The SCP Interests have been issued in compliance with applicable law and the Operating Agreement. Except for the Warrant, there are no rights, subscriptions, warrants, options, conversion rights, preemptive rights or agreements of any kind outstanding to purchase or to otherwise acquire any of the interests that comprise the SCP Interests or any securities or obligations of any kind convertible into any of the interests that comprise the SCP Interests or other equity interests or profit participation of any kind in SCP. At the Closing, upon its receipt of the Consideration contemplated by this Agreement, the Contributor will have transferred the SCP Interests to the Operating Partnership free and clear of all Encumbrances.

(iii) To the best of the Contributor's knowledge, that certain Membership Interest Redemption Agreement dated on or about the date hereof by and between SCP and Greenfield (as the same may be amended from time to time), pursuant to which any SCP Interests issued to Greenfield in connection with the exercise of the Warrant will be redeemed by SCP immediately prior to Closing, constitutes the legal, valid and binding obligation of SCP and Greenfield and is enforceable against SCP and Greenfield in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditor's rights generally, as from time to time in effect, or the application of equitable principles.

(g) **No Violation** . Subject to the consent requirements contained in the loan documents for SCP, copies of which have been previously made available to the Company, its agents and underwriters, none of the execution, delivery or performance of this Agreement, the documents required pursuant thereto and the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, (a) violate, conflict with,

result in a breach of, or constitute a default under or give to others any right of termination or cancellation of (i) the organizational documents of the Contributor, (ii) any material agreement, document or instrument to which the Contributor or SCP is a party or by which the Contributor, the SCP Interests or any of its direct or indirect assets or properties are bound or (iii) any applicable law, or term or provision of any judgment, order, writ, injunction, or decree of any governmental or regulatory authority, which is binding on the Contributor or SCP or by which the Contributor or any of its direct or indirect assets or properties are bound or subject or (b) result in the creation of any Encumbrance upon the SCP Interests. Except as shall have been cured, consented to or waived prior to the Closing, none of the Contributor (if the Contributor is an entity) or SCP is in violation of its organizational documents.

(h) **Non-Foreign Status** . The Contributor is not a “disregarded entity” within the meaning of Treas. Reg. Section 1.1445-2(b)(2)(iii) and is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Code), and is, therefore, not subject to the provisions of the Code relating to the withholding of sales proceeds to foreign persons.

(i) **Withholding** . The Contributor shall execute at Closing such certificates or affidavits reasonably necessary to document the inapplicability of any federal or state withholding provisions, including, without limitation, those referred to in Section 3.2(h) above and any similar provisions under Massachusetts law. Notwithstanding anything herein to the contrary, the Company or the Operating Partnership shall be entitled to withhold a portion of any payments otherwise to be made to the Contributor as required by the Code or any applicable state law, including (without limitation) Massachusetts law.

(j) **Investment Purposes** . The Contributor acknowledges its understanding that the Units to be acquired by it pursuant to this Agreement and any shares of Common Stock for which the Units may be redeemed are not being registered under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the “Act”) and may not be transferred except as provided for in the Registration Rights Agreement executed and delivered by the Operating Partnership or pursuant to the Act or any applicable state blue sky laws pursuant to a specific exemption or exemptions therefrom, and the Operating Partnership’s reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor, including the following:

(i) **Investment** . The Contributor is acquiring the Units solely for its own account for the purpose of investment and not as a nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution of any thereof. The Contributor agrees and acknowledges that it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (hereinafter, “Transfer”) any of the Units (or shares of Common Stock for which the Units may be redeemed) unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, (ii) if required by the Company, counsel for the Contributor (which counsel shall be reasonably acceptable to the Company and may be DLA Piper LLP (US)) shall have furnished the Company with an opinion, reasonably satisfactory in form and substance to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Act and

qualification or other compliance under applicable blue sky or state securities laws, or (iii) the Transfer is a redemption of the Units in accordance with the Operating Partnership Agreement.

(ii) **Knowledge** . The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement. The Contributor is able to bear the economic risk of holding the Units for an indefinite period and is able to afford the complete loss of the Contributor's investment in the Units. The Contributor has received and reviewed all information and documents about or pertaining to the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership, and the issuance of the Units and the Common Stock as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions of the proposed management of the Company and the Operating Partnership and receive answers about such information and documents, the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership and the Common Stock that the Contributor deems necessary or desirable to evaluate the merits and risks related to the Contributor's investment in the Units and to conduct its own independent valuation of the purchase of the Units. The Contributor acknowledges that any such questions posed were answered to the Contributor's satisfaction. The Contributor understands and has taken cognizance of all risk factors related to the purchase of the Units, including, without limitation, the risk factors set forth in the Registration Statement. The Contributor is a sophisticated real estate investor. The Contributor is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of the Contributor's advisors (including tax advisors), and not upon that of the Company and Operating Partnership, for purposes of evaluating, entering into, and consummating the transactions contemplated by this Agreement.

(iii) **Holding Period** . The Contributor acknowledges that it has been advised that (i) unless the Units and shares of Common Stock that may be issued upon redemption of the Units are subsequently registered under the Act or an exemption from such registration is available, the Units and the shares, as applicable, must be held (and the Contributor must continue to bear the economic risk of the investment in the Units and the shares of Common Stock) indefinitely, (ii) a restrictive legend in the form hereafter set forth shall be placed on any certificates representing the Units or, if applicable, shares of Common Stock and (iii) stop transfer and other notations shall be made in the appropriate records of the Operating Partnership and the Company and the Company's transfer agent indicating that the Units and the shares of Common Stock are subject to restrictions on transfer.

(iv) **Accredited Investor** . The Contributor is an "accredited investor" (as such term is defined in Rule 501 (a) of Regulation D under the Act).

(v) **Legend** . Each certificate representing the Units or shares of Common Stock for which the Units may be redeemed, may, to the extent applicable, bear the following legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD,

TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS, IF REQUIRED BY THE COMPANY, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

In addition, each certificate representing shares of Common Stock will bear a legend regarding restriction on ownership and transfer related to the Company's status as a real estate investment trust.

(k) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Contributor nor any of the Contributor's respective managers, trustees, members or beneficiaries, as applicable, has employed or made any agreement with any broker, finder or similar agent or any Person that will result in the obligation of the Company or any of its Affiliates to pay any finder's fee, brokerage fees or commissions or similar payment in connection with the transactions contemplated by this Agreement.

(l) **Taxes** . The Contributor makes the following representations with respect to SCP (the "Contributed Entity"), and with respect to itself as to Section 3.2(l)(viii) below:

(i) To the Knowledge of the Contributor, (A) all Tax Returns required to be filed by, on behalf of, or with respect to, the Contributed Entity have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on behalf of, or with respect to the Contributed Entity, either directly or otherwise, have been fully and timely paid, except to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of the Contributed Entity (or other applicable entity), and adequate reserves or accruals for Taxes have been provided in the balance sheet of the Contributed Entity (or other applicable entity) with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Contributed Entity, and (D) the Contributed Entity is, and at all times during its existence has been, a limited liability company that is taxable as a partnership or "disregarded entity" (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation).

(ii) To the Knowledge of the Contributor, the Contributed Entity has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees' salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

(iii) To the Knowledge of the Contributor, the Contributed Entity has made available to the Company, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three years relating to any material Taxes due from or with respect to the Contributed Entity with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Contributed Entity for all periods for which the applicable statute of limitations has yet to lapse and (C) all Company, and Tax rulings, requests for rulings, or closing agreements specifically relating to the Contributed Entity.

(iv) To the Knowledge of the Contributor, no claim has been made by a taxing authority in a jurisdiction where the Contributed Entity does not file an income or franchise Tax Return that such Contributed Entity is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction.

(v) To the Knowledge of the Contributor, (A) there are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including the Contributed Entity, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has the Contributed Entity received any notice from any taxing authority that it intends to conduct such an audit or investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, the Contributed Entity; and (C) no issue has been raised in writing by any taxing authority in any current or prior examination which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to the Contributed Entity for any subsequent taxable period that could be material.

(vi) To the Knowledge of the Contributor, neither the Contributed Entity nor any other person on behalf of the Contributed Entity has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to the Contributed Entity. To the Knowledge of the Contributor, no amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to the Contributed Entity as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date; or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to the Contributed Entity from any period ending on or before the Closing Date to any period ending after the Closing Date.

(vii) To the Knowledge of the Contributor, there are no liens as a result of any unpaid taxes (other than statutory liens for taxes not yet delinquent) upon any of the assets of the Contributed Entity, other than with respect to the Allocated Debt.

(viii) The Contributor is a United States person within the meaning of Section 7701(a)(30) of the Code.

(ix) To the Knowledge of the Contributor, neither the Contributed Entity nor any portion thereof has ever constituted or been taxable as a “corporation” or an “association” (within the meaning of the Code).

(x) To the Knowledge of the Contributor, the Contributed Entity has not engaged in a “reportable transaction” within the meaning of Treasury Regulations Section 1.6011-4.

(xi) To the Knowledge of the Contributor, the transactions contemplated hereby will not result in any income Tax liability to the Company, the Operating Partnership or the Contributed Entity.

(xii) For purposes of this Agreement,

(A) “Taxes” shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, assessment or governmental charge of any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

(B) “Tax Return” shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

(m) **Litigation** . Except as set forth on **Schedule 3.2(m)** or in the Registration Statement, there is no Action pending against the Contributor, SCP or any of their assets, and for which service has occurred or, to the Knowledge of the Contributor, threatened in writing that would, in the reasonable judgment of the Contributor, if determined adversely to the Contributor or SCP, as applicable, have a Material Adverse Effect. Except as set forth on **Schedule 3.2(m)**, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Contributor or SCP or all or any portion of the SCP Interests that would impair the Contributor’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(n) **Services Agreements** . True, correct and complete copies of all Services Agreements which are in effect as of the date of this Agreement, together with all amendments

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and supplements thereto have been delivered or made available to the Company, its agents and underwriters.

(o) **Other Contracts** . Subject to the provisions of Section 4.1(b) hereof, the Contributor has delivered or made available to the Company, its agents and underwriters true, correct and complete in all material respects, copies of each agreement, undertaking or contract (other than the Services Agreements) that materially affects the ownership, use and operation of SCP and its assets.

(p) **Liabilities; Indebtedness** . Except as disclosed in the Registration Statement, SCP has not incurred any indebtedness except for the Allocated Debt, debt secured by Permitted Liens, trade payables which are no more than sixty (60) days past due and other customary and ordinary expenses in the ordinary course of business.

(q) **Insurance** . SCP currently maintains customary public liability and other insurance coverage in commercially reasonable amounts with reputable insurance companies.

(r) **Personal Property** . All equipment, fixtures and personal property that is owned by SCP shall remain and not be removed by the Contributor or SCP prior to the Closing Date, except for such equipment, fixtures and personal property that becomes obsolete or unusable, which may be disposed of or replaced in the ordinary course of business.

(s) **No Other Agreements to Sell** . Except as set forth in the Registration Statement or on **Schedule 3.2(s)**, the Contributor has not entered into any agreement with, and has no obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any of the SCP Interests or to not sell the SCP Interests, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to the SCP Interests that has not been waived or terminated.

(t) **Compliance With Laws** . As of the date of this Agreement, except as set forth in **Schedule 3.2(t)** or in the Registration Statement, neither the Contributor nor SCP has received any written notice from any governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal laws, ordinances, rules, regulations, codes, orders and statutes except where the failure to be in compliance with such laws would not reasonably be expected to have a Material Adverse Effect.

(u) **ERISA and Employees** . The Contributor makes the following representations with respect to SCP and with respect to itself as to Section 3.2(u) (viii) below:

(i) To the Knowledge of the Contributor, **Schedule 3.2(u)** sets forth as of the date hereof: (i) a description of any employment agreement entered into with any employee of SCP (“Employee” and, collectively, “Employees”), including any collective bargaining agreement covering any Employee, and (ii) any Employee Plans maintained by SCP for the benefit of any Employee or in which any Employee is offered the right to participate or to which SCP contributes or is required to contribute or with respect to which SCP has or may have any liability for premiums or benefits (“SCP Plans”).

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(ii) To the Knowledge of Contributor, except as described on **Schedule 3.2(u)**, no circumstance exists and no event (including any action or any failure to take any action) has occurred with respect to any SCP Plan currently or formerly maintained by SCP or to which SCP is or has been required to contribute, that could subject SCP to any liability (including, but not limited to, any tax or any penalty for failure to timely file any required report with any governmental agency) or lien, nor will the transactions contemplated by this Agreement give rise to any such liability or lien or subject the Operating Partnership to any such liability or lien.

(iii) To the Knowledge of the Contributor, each SCP Plan, including any associated trust or fund, has been administered in all material respects in accordance with its terms and with all applicable law.

(iv) To the Knowledge of the Contributor, all required contributions, assessments and premium payments on account of each SCP Plan have been timely paid.

(v) To the Knowledge of the Contributor, except as described on **Schedule 3.2(u)** and except as required under Section 601 *et seq.* of ERISA (hereinafter defined), no SCP Plan provides benefits or coverage following retirement or other termination of employment.

(vi) To the Knowledge of the Contributor, the transactions contemplated by this Agreement shall not, whether alone or upon the occurrence of any additional or subsequent event, result in any payment of severance or other compensation to, or any acceleration, vesting or increase in benefits under any SCP Plan for the benefit of, any Employee.

(vii) To the Knowledge of the Contributor, except as set forth on **Schedule 3.2(u)**, (i) there currently is no existing dispute or controversy between SCP and any Employee; (ii) SCP is in compliance in all material respects with all employment agreements and all other agreements or understandings, whether oral or written, with all past, present and prospective employees of SCP or, upon consummation of the Closing, the Operating Partnership; (iii) SCP has complied in all material respects with all applicable state and federal laws and regulations respecting employment and employment practices, terms and conditions of employment, wages and hours and other laws related to employment; and (iv) SCP is not in arrears in the payment of wages, withholding or social security taxes, unemployment insurance premiums or other similar obligations.

(viii) The assets of the Contributor do not constitute the “plan assets” of any “employee benefit plan” within the meaning of Section 3(3) of ERISA or of any “plan” within the meaning of Section 4975(e)(1) of the Code.

(ix) For purposes of this Agreement,

(A) “Employee Plan” shall mean any plan, program, agreement, policy or arrangement, whether covering a single individual or group of individuals, and whether or not reduced to writing, that is: (i) a welfare benefit plan within the meaning of Section 3(1) of ERISA; (ii) a pension

benefit plan within the meaning of Section 3(2) of ERISA; (iii) a stock bonus, stock purchase, stock option, restricted stock, stock appreciation right or similar equity-based plan; or (iv) any other deferred-compensation, retirement, welfare-benefit, health, bonus, vacation, sick time, incentive or fringe benefit plan or arrangement, including any pension plans, retirement plans, health plans (whether self-insured or not), vacation plans or funds or sick leave policies or funds; and

(B) “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations issued thereunder.

(v) **Bankruptcy.** (i) There has not been filed any petition or application with respect to, or any proceeding commenced by or against, any of the assets of SCP under any bankruptcy law, and SCP has not made any assignment for the benefit of creditors, (ii) none of the Contributors or SCP is “insolvent” within the meaning of any bankruptcy law and (iii) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall render the Contributor insolvent.

(w) **FINRA Disclosures .** Except for Roseview’s affiliate, Roseview Securities, LLC, which is a registered broker-dealer, no relationship, direct or indirect, exists between or among the Contributor, the other Contributors to this Agreement and SCP on the one hand, and the directors, managers, officers, or to the Contributor’s Knowledge, equity interest holders of the Contributor, the other Contributors to this Agreement or SCP, on the other hand, which is required by the rules of the Financial Industry Regulatory Authority, Inc. (the “FINRA”) to be described in the Registration Statement, which is not so described.

(x) **Disclosure Schedules .** The Disclosure Schedules are, and except as disclosed to the Company in writing, shall remain as of the Closing Date, true, correct and complete in all material respects.

Section 3.3 Indemnification .

(a) Survival of Representations and Warranties; Remedy for Breach .

(i) All representations and warranties contained in this Agreement or in any Schedule or certificate delivered pursuant hereto shall survive the Closing for the period specified in Section 3.3(e) .

(ii) Notwithstanding anything to the contrary in this Agreement, none of the Contributors, the Company or the Operating Partnership shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of their respective representations, warranties and covenants contained in Section 3.1 or Section 3.2, as applicable, or this Agreement, or in any Schedule, certificate or affidavit delivered by it pursuant thereto, other than pursuant to the succeeding provisions of this Section 3.3 .

(iii) Notwithstanding anything to the contrary in this Agreement, any party may bring suit or pursue any other legal right available to such party as a result of willful misconduct or fraud by any other party to this Agreement.

(b) **General Indemnification .**

(i) The Company and the Operating Partnership shall indemnify and hold harmless each of the Contributors and their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Contributor Party”) from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, amounts paid in settlement, reasonable attorneys’ fees, costs of investigation and remediation, costs of investigative, judicial or administrative proceedings or appeals therefrom, and costs of attachment or similar bonds (collectively, “Losses”) arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Contributor Party in connection with (A) any breach of a representation, warranty or covenant of the Company or the Operating Partnership contained in this Agreement, or (B) any Action brought by a third party in the Public Offering against any Contributor relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except in each case in this clause (B) insofar as such Losses arise out of, or are based upon, (1) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein, (2) such Contributor’s breach of a representation, warranty or covenant of this Agreement, or (3) such Contributor’s fraud, willful misconduct or gross negligence.

(ii) Each Contributor shall indemnify and hold harmless the Company, the Operating Partnership and their Affiliates and each of their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Company Party”) from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by such Indemnified Company Party in connection with or as a result of (A) any breach of a representation, warranty or covenant of such Contributor contained in this Agreement or in any schedule of certificate delivered pursuant thereto, or (B) any Action brought by a third party in the Public Offering against the Company or the Operating Partnership relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case in this clause (B) only with respect to Losses that arise out of, or are

based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein. To the extent that more than one Contributor may be liable under this Section 3.3(b)(ii) with respect to any Action, such Contributors shall be jointly and severally liable to the Indemnified Company Party, subject to the limitations set forth in Section 3.3(d).

(c) **Notice and Defense of Claims** . As soon as reasonably practicable after receipt by the Indemnified Company Party or the Indemnified Contributor Party, as applicable (as applicable, an “ Indemnified Party .”) of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification by a Contributor or the Company or the Operating Partnership, as applicable, under this Section 3.3 (as applicable, the “ Indemnifying Party .”), the Indemnified Party shall give notice thereof to each Indemnifying Party, including, without limitation, liabilities or claims to be applied against the indemnification basket established pursuant to Section 3.3(d)(i) . The Indemnified Party may at its option demand indemnity under this Section 3.3 from the Indemnifying Party(ies) as soon as a claim has been threatened in writing by a third party, regardless of whether an actual Loss has been suffered, so long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof and shall give notice of such determination to the Indemnifying Party(ies). The Indemnified Party shall permit any Indemnifying Party, at its option and expense, to assume the defense of any such claim by counsel selected by such Indemnifying Party and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided , that the Indemnified Party may at all times participate (but not control) in such defense at its expense; provided further , that such Indemnifying Party shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party, in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to the Indemnified Party and its Affiliates of a release of all liabilities in respect of such claims, or that does not result only in the payment of money damages; and provided further that in the event of a conflict, the Indemnified Party may choose separate counsel at such Indemnifying Party’s reasonable cost and expense. Notwithstanding the foregoing, if the Company or the Operating Partnership is required to retain counsel, any such counsel shall be selected by the Company (and may include DLA Piper LLP (US)). If any Indemnifying Party shall fail to undertake such defense within 30 days after such notice, or within such shorter time as may be reasonable under the circumstances, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of the Indemnifying Party(ies).

(d) **Limitations on and Threshold for Indemnification** .

(i) Threshold for Contributor . Notwithstanding anything contained herein to the contrary, no Contributor shall be liable under Section 3.3(b) or this Agreement unless and until the aggregate amount of all Losses recoverable by the Indemnified Company Parties under Section 3.3(b) and this Agreement for which such Contributor would, but for this provision, be liable exceeds on an aggregate basis one percent (1%) of the Consideration

(valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering) paid to such Contributor hereunder and then only to the extent of such excess.

(ii) **Indemnification Limitation**. Notwithstanding anything contained herein to the contrary, the Indemnified Company Parties shall look exclusively to each Contributor's Units for indemnification under this Section 3.3 (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) and, with respect to any indemnification (other than those claims made with respect to a breach of Sections 3.2(a)(ii)(z), 3.2(b), (c), (e), (f) and (j) (the "**Full Value Representations**")), the aggregate recovery that may be sought or obtained under this Agreement or under applicable law for all breaches or claims for indemnification hereunder shall not exceed twenty-five percent (25%) of the Consideration (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) paid to such Contributor (the "**Maximum Liability**"). Without limiting the generality of the foregoing, each Contributor acknowledges that its indemnification liability for any breach of the Full Value Representations shall be up to the value of its Units (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering). Notwithstanding anything contained herein to the contrary, no Indemnified Party shall have the right to receive or recover incidental, special, consequential or punitive damages against any Indemnifying Party by reason of any breach under or in connection with this Agreement or any schedule, exhibit, certificate or affidavit or any other document delivered by any Contributor or the Company or the Operating Partnership, as applicable, pursuant to this Agreement (unless such incidental, special or consequential (but not punitive) damages are incurred by an Indemnified Party as a result of a third party claim for Losses), and each Indemnified Party hereby waives any and all rights to receive such damages.

(e) **Limitation Period**.

(i) Notwithstanding the foregoing, any claim for indemnification under Section 3.3(b) must be asserted in writing by the Indemnified Company Party, stating the nature of the Losses and the basis for indemnification therefor. Any claim for indemnification against the Company or the Operating Partnership and any claim against any Contributor with respect to any representations or warranties contained in this Agreement or in any schedule or certificate delivered pursuant hereto must be brought within one (1) year after the Closing. Any such claim for indemnification not so asserted in writing within one year after the Closing shall not thereafter be asserted and shall forever be waived.

(ii) If so asserted in writing within one year after the Closing (or the expiration of such later applicable period described in Section 3.3(e)(i)), such claims for indemnification shall survive until resolved by mutual agreement between the applicable Contributor and the Indemnified Company Party or by judicial determination.

(f) **Reservation of Contributor Rights**. Notwithstanding anything else in this Section 3.3 or this Agreement to the contrary, each Contributor reserves unto itself all rights and remedies (including, without limitation, rights to seek contribution) against any third party indemnitors and prior property owners or occupants for liabilities with respect to which the Company or the Operating Partnership has been indemnified by the Contributors hereunder.

(g) **No Effect on Insurance** . Nothing contained in this Section 3.3 or this Agreement shall be construed to release or otherwise relieve any insurer of the Contributors, SCP, Indemnified Company Party or any Affiliate thereof from paying any of its claims or otherwise performing any of its duties and obligations pursuant to the terms and provisions of any policy of insurance which insures the Contributors, SCP, or any Indemnified Company Party. If any claims as to which an Indemnified Company Party would be entitled to indemnification under Section 3.3(b) are covered by the insurance, the indemnification obligations shall be reduced by, but only by, the amount paid by the insurance company and not by any deductible or other amount reimbursed to the insurance company by an Indemnified Company Party.

Section 3.4 No Reliance, Properties As Is . Each of the Company and the Operating Partnership acknowledge that, except for the Contributor's representations set forth in Section 3.2, it has not relied upon any statements, representations or warranties by the Contributors or any agent of the Contributors. Without limiting the generality of the foregoing, each of the Company and the Operating Partnership acknowledge and agree that any reports provided or made available to it by the Contributor or the Contributor's agents are provided or made available without any representation or warranty of any kind, express or implied, as to the completeness or accuracy of the facts, presumptions, conclusions or other matters contained therein.

ARTICLE 4

COVENANTS OF CONTRIBUTORS

Section 4.1 Negative Covenants . Each Contributor agrees to comply with the following negative covenants, as they relate to such Contributor and SCP, during the term of this Agreement.

(a) **Interests.** From the date hereof through the Closing, except as described in the Registration Statement and in connection with the agreements described on Schedule 3.2(5), the Contributor shall not, without the prior written consent of the Company:

(i) sell, transfer or otherwise dispose (or agree to sell, transfer or otherwise dispose) of, or cause or allow the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of the SCP Interests, or

(ii) encumber or pledge (or permit to become encumbered or pledged) all or any portion of its SCP Interests.

(b) **SCP Operations.** From the date hereof through the Closing, the Contributor agrees that it shall cause SCP (to the extent such Contributor controls SCP) to conduct its business in the ordinary course, consistent with past practices. Except as described or as will be described in the Registration Statement or the Disclosure Schedules, the Contributor shall not permit SCP without the prior written consent of the Company to:

(i) enter into a transaction not in the ordinary course of business;

(ii) sell, transfer or dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) any assets of SCP, except for distributions that are not prohibited by clause (viii) below and except that the parties hereby acknowledge that, at or prior to Closing, SCP and SCP III (and to the extent required, the Company and Operating Partnership) shall enter into agreements with the parties listed on **Exhibit H** attached hereto (the “Existing STAG Entities”) granting such Existing STAG Entities a license to use the names “STAG” and “Single Tenant Acquisition Group” and related trademarks as long as such Existing STAG Entities continue to own any portion of the assets currently owned by such Existing STAG Entities;

(iii) mortgage, pledge or encumber (or permit to become encumbered) any assets of SCP, except for Permitted Liens;

(iv) knowingly cause or permit SCP to violate any applicable laws;

(v) materially alter the manner of keeping SCP’s books, accounts or records or the accounting practices therein reflected; or

(vi) make any distribution to its beneficiaries or equity interest holders, except as contemplated in Section 1.3;

(vii) make or change any tax election, settle or compromise any Tax liability or claim any refund for Taxes, file any amended Tax Return or any other similar action relating to the filing of any Tax Return or the payment or refund of any Tax, in each case, with respect to SCP;

(viii) incur any new indebtedness (other than trade payables in the ordinary course of business or indebtedness that will be repaid in full at or prior to Closing) or guaranty the indebtedness of any other entity, except for (1) the Allocated Debt, provided that the principal amounts of the Allocated Debt shall not increase above the Allocated Debt Amount (except to the extent set forth in the next clause) and (2) debt necessary to fund operations prior to Closing;

(ix) terminate or amend any existing insurance policy carried by SCP that results in a material reduction in insurance coverage; or

(x) make any payments which reduce the outstanding principal balance of the Allocated Debt other than regular amortization payments or payments upon maturity, in each case, in accordance with the documents governing the Allocated Debt as of the date hereof.

Section 4.2 Affirmative Covenants . Each Contributor agrees to comply with the following covenants, as they relate to such Contributor and SCP, during the term of this Agreement.

(a) From the date hereof through the Closing, the Contributor, Company and Operating Partnership shall each use its diligent efforts to obtain any approvals, waivers or other consents of third parties, governmental authorities and agencies required to effect the Formation

Transaction. Nothing herein shall obligate the Company or the Operating Partnership to pursue or complete the Public Offering, which decision shall be made by the Company in its sole discretion.

(b) Without limiting the obligations of the Contributor set forth in this Agreement, from the date hereof through the Closing, the Contributor shall use its diligent efforts (i) to prevent the breach of any representation or warranty of the Contributor hereunder, (ii) to satisfy all covenants of the Contributor hereunder, provided, however, that subsequent to the Closing each Contributor shall use its diligent efforts to satisfy all covenants of the Contributors hereunder that survive the Closing and (iii) to promptly cure any breach of a representation, warranty or covenant of the Contributor hereunder upon its learning of same. Compliance with this covenant shall not limit the Contributor's liability for a breach of, or failure to perform, any other representation, warranty or covenant herein unless the Company knows of such breach of representation prior to Closing and completes the Closing.

(c) Each party hereto will give written notice to the other parties of any material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. In addition, five business days before each amendment to the Registration Statement filed with the Securities and Exchange Commission (other than any amendment filed solely for the purpose of filing exhibits) (each such date, a " Permitted Supplement Date"), the Contributor may supplement in writing any existing Disclosure Schedule or create a new Disclosure Schedule, to any representation or warranty in Section 3.2 and further agrees, on each Permitted Supplement Date, to give the Company written notice if it has any Knowledge that any representation or warranty made by the Contributor in this Agreement was untrue in any material respect when made or that would be untrue in any material respect if made as of such date (other than representations and warranties relating to a specified date). Any such disclosure by the Contributor pursuant to this Section 4.2(c) made before the filing with the Securities and Exchange Commission of the last amendment to the Registration Statement before the commencement of the road show relating to the Public Offering, shall be deemed to amend and supplement each applicable Schedule or shall be deemed to constitute a new Schedule, and cure any misrepresentation or breach of warranty or covenant to the extent such information would cure the misrepresentation or breach of warranty or covenant.

(d) From the date hereof and subsequent to the Closing, the Contributor agrees to provide the Company with such tax information relating to SCP and the SCP Interests that is in the Contributor's possession or control and that is reasonably requested by the Company and not otherwise in the Company's or the Operating Partnership's possession or control and to cooperate with the Company and the Operating Partnership with respect to the filing of their respective tax returns. The Contributor further agrees to notify the Company and the Operating Partnership, in writing, of any audits that could affect the amounts shown on the returns of the Company or the Operating Partnership for any taxable period. The provisions of this Section 4.2(d) shall survive the Closing.

ARTICLE 5

RELEASES AND WAIVERS

Each of the releases and waivers enumerated in this Article 5 shall become effective only upon the Closing.

Section 5.1 General Release of Company . As of the Closing, each Contributor irrevocably waives, releases and forever discharges the Company, the Operating Partnership, SCP and each of their respective directors, managers, officers, employees, agents, equity interest holders, attorneys, affiliates, successors and assigns of and from, any and all losses of any nature whatsoever existing as of the closing (collectively, “Contributor Claims”), known or unknown, suspected or unsuspected, arising out of or relating to the Operating Agreement or SCP, except for Contributor Claims arising from the breach of any express representation, warranty, covenant or obligation of the Company or the Operating Partnership under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership, subject to the obligations of the Company and the Operating Partnership under this Agreement.

Section 5.2 General Release of Contributor . As of the Closing, the Company and the Operating Partnership irrevocably waives, releases and forever discharges each Contributor and each of the Contributors’ directors, managers, officers, employees, agents, equity interest holders, attorneys, Affiliates, successors and assigns of and from, any and all Losses of any nature whatsoever existing as of the Closing (collectively, “Company Claims”), known or unknown, suspected or unsuspected, arising out of or relating to the Operating Agreement, SCP or any other matter which exists at the Closing, except for Company Claims arising from the breach of any express representation, warranty, covenant or obligation of such Contributor under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership for which such Contributor has an indemnification obligation under this Agreement.

Section 5.3 Attorney-in-Fact . Each Contributor hereby irrevocably appoints the Company (or its designee) and any successor thereof from time to time (the Company or such designee or any such successor of any of them acting in such Contributor’s capacity as attorney-in-fact pursuant hereto, the “Attorney-in-Fact”) as the true and lawful attorney-in-fact and agent of Contributor, to act in the name, place and stead of such Contributor to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, consents, letters and other writings relating to the transactions contemplated by this Agreement (including, without limitation, the execution of any Closing Documents or other documents) relating to the acquisition by the Company of such Contributor’s SCP Interests, all in accordance with the terms and conditions of this Agreement, as well as the organizational documents of the Company and the Operating Partnership, as they may be amended or revised, any registration rights agreements and any lock-up agreements, and to provide information to the Securities and Exchange Commission and others about the transactions contemplated hereby, as fully as could such Contributor if personally present and acting (the “Power of Attorney”). Each Contributor agrees, at the request of the Company, to execute a separate power of attorney and

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proxy on the same terms as set forth in this Section 5.3, with such execution to be witnessed and notarized.

The Power of Attorney entered into by each Contributor and all authority granted hereby shall be coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of such Contributor, by operation of law or by the occurrence of any other event or events, and if any other such act or event shall occur before the completion of the transactions contemplated by this Agreement, the Attorney-in-Fact shall nevertheless be authorized and directed to complete all such transactions as if such other act or event had not occurred and regardless of notice thereof. Each Contributor hereby authorizes the reliance of third parties on each of the Power of Attorney. Each Contributor hereby ratifies and confirms all that the Attorney-in-Fact shall lawfully do or cause to be done by virtue of the exercise of the powers granted to it by such Contributor hereunder.

Each Contributor acknowledges that the Company has, and any designee or successor thereof acting as Attorney-in-Fact may have, an economic interest in the transactions contemplated by this Agreement.

The Power of Attorney contained in this Section 5.3 shall expire on the earlier of the first anniversary of the Closing or the termination of this Agreement. Notwithstanding anything to the contrary, the Attorney-in-Fact may not expand any Contributor’s covenants, representations or covenants beyond those contemplated by this Agreement and the other documents and agreements contemplated hereby or modify the provisions of this Agreement pursuant to such Power of Attorney.

Section 5.4 Limitation on Liability . It is understood that the Attorney-in-Fact (but solely in its role as Attorney-in-Fact) assumes no responsibility or liability to any person or entity by virtue of the Power of Attorney granted by a Contributor hereby. Other than as specifically set forth in this Agreement, the Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Formation Transactions or the Public Offering or the acquisition of the SCP Interests by the Company or the Operating Partnership and shall not be liable for any error or judgment or for any act done or omitted or for any mistake of fact or law except for actions by the Attorney-in-Fact that constitute gross negligence or bad faith. Each Contributor agrees that the Attorney-in-Fact may consult with counsel of its own choice (who may be counsel for the Company, the Operating Partnership, the Contributors or any of their successors or Affiliates), and it shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. It is understood that the Attorney-in-Fact may, without breaching any express or implied obligation to any Contributor hereunder, release, amend or modify any other power of attorney or proxy granted by any other person or entity under any related agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Further Assurances . Each of the Contributors, Company and Operating Partnership agrees to take such other actions and execute and deliver such additional documents

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following the Closing as any Contributor, the Company or the Operating Partnership may reasonably request in order to effect the transactions contemplated hereby.

Section 6.2 Counterparts . This Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.3 Governing Law, Venue . This Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts, without regard to the choice of laws provisions thereof. Any action to enforce, which arises out of or in any way relates to, any of the provisions of this Agreement or the instruments, agreements and other documents contemplated hereby shall be brought and prosecuted in the state or federal courts located in the Commonwealth of Massachusetts, Suffolk County. Each party irrevocably: (a) submits to the exclusive jurisdiction of the aforesaid courts, and (b) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding (“Proceedings.”) brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 6.14. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 6.4 Amendment; Waiver . Any amendment hereto shall be in writing and signed by all parties hereto. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

Section 6.5 Entire Agreement . This Agreement, all related agreements referred to herein and that certain Master Roll-Up Agreement among the Contributors, the Other Contributors, the Company and the Operating Partnership dated as of July 21, 2010 (as the same was amended as of December 21, 2010 and as of the date hereof and as the same may be further modified or amended from time to time) constitute the entire agreement and supersede conflicting provisions set forth in all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. In the event of a conflict between the provisions of this Agreement and any other agreement referred to herein, the provisions of this Agreement shall control.

Section 6.6 Assignability . This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void and of no effect, except that (a) the Company may assign this Agreement, the Closing Documents, and its rights and obligations hereunder and thereunder to a direct or indirect subsidiary of the Company without the consent of the Contributors and (b) any Contributor shall have the right to transfer its membership interests in SCP (and its interests in this Agreement any other documents executed by any Contributor in connection with, or in anticipation of, the Public Offering) in advance of the Closing and/or at the Closing, so long as (i) such transferees are (a) Charles Hipwood (or any entity controlled by Charles Hipwood), (b) Greenfield or any entity controlled by, controlling or

under common control with Greenfield, or (c) for estate planning purposes, and (ii) such transferees agree to be bound by the provisions of this Agreement and the Operating Partnership Agreement.

Section 6.7 Titles . The titles and captions of the Articles, Sections and paragraphs of this Agreement are included for convenience of reference only and shall have no effect on the construction or meaning of this Agreement.

Section 6.8 Third Party Beneficiary . Other than the indemnification provisions in favor of the parties' owners, directors, officers, employees, agents, attorneys and Affiliates, no provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any customer, Affiliate, stockholder, partner, member, director, officer or employee of any party hereto or any other person or entity.

Section 6.9 Severability . If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons, entities or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision and to execute any amendment, consent or agreement deemed necessary or desirable by the parties to effect such replacement.

Section 6.10 Equitable Remedies . Each party hereby agrees that irreparable damage would occur to the other parties in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that any of them shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any others of them and to enforce specifically the terms and provisions hereof in any federal or state court located in Massachusetts (as to which the parties agree to submit to jurisdiction for the purposes of such action), this being in addition to any other remedy to which the non-breaching party is entitled under this Agreement or otherwise at law or in equity.

Section 6.11 Time of the Essence . Time is of the essence with respect to all obligations under this Agreement.

Section 6.12 Reliance . Each party to this Agreement acknowledges and agrees that it is not relying on tax advice or other advice from the other party to this Agreement and that it has or will consult with its own tax advisors for purposes of determining the tax implications of entering into this Agreement and the transactions contemplated herein, and understands the consequences thereof. Notwithstanding anything to the contrary herein, each party agrees that it shall bear any tax liability associated with or attributable to the terms of this Agreement, and nothing in this Agreement shall be construed as a guarantee by the Company or any party of the tax consequences to any other party of entering into this Agreement.

Section 6.13 Survival . It is the express intention and agreement of the parties hereto that certain of the representations, warranties and covenants of the Contributors and of the

Company and the Operating Partnership set forth in this Agreement shall survive the consummation of the transactions contemplated hereby; provided, that the representations and warranties of the Contributors shall survive only for the period specified in Section 3.3. The provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

Section 6.14 Notice . Any notice to be given hereunder by any party to the other parties shall be given in writing by personal delivery, by registered or certified mail, postage prepaid, return receipt requested or by any nationally-recognized overnight carrier, and shall be deemed communicated as of the date of personal delivery (including delivery by overnight courier). Mailed notices shall be addressed as set forth below, but any party may change the address set forth below by written notice to other parties in accordance with this paragraph.

To NLAF:	c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher
To IP:	c/o New England Development Company One Wells Avenue Newton, MA 02459
With a copy to:	Goulston & Storrs, P.C. 400 Atlantic Avenue Boston, MA 02110 Attn: NED Attorney
To Sullivan:	c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110
To Roseview:	75 Federal Street, 5th Floor Boston, MA 02110 Attn: Vincent Costantini
To the Company or the Operating Partnership:	STAG Industrial, Inc. 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

Section 6.15 Termination . This Agreement shall terminate if the Closing shall not have occurred on or prior to May 3, 2011. In addition, this Agreement may be terminated before Closing by a document signed by the Company, Operating Partnership and the Contributors.

Upon such termination, this Agreement shall become void and have no effect, and no party hereto shall have any liability to the other parties hereto.

Section 6.16 Confidentiality . All press releases or other public communications of any kind relating to the Public Offering or the transactions contemplated herein, and the method and timing of release for publication there, will be subject to the prior approval of the Company.

Section 6.17 Joint Preparation. The parties acknowledge that this Agreement was jointly prepared by them, by and through their legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the parties, but otherwise according to the application of the rules on interpretation of contracts.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

STAG Industrial, Inc., a Maryland corporation

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

OPERATING PARTNERSHIP:

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its general partner

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

CONTRIBUTORS:

Net Lease Aggregation Funds, LLC

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
Manager

Innovative Promotions LLC

By: /s/ Steven S. Fischman
Name: Steven S. Fischman
Title: Manager

/s/ Gregory W. Sullivan
Gregory W. Sullivan, individually

(Signature Page to SCP Contribution Agreement)

Roseview Capital Partners, LLC

By: /s/ Vincent J. Costantini
Name: Vincent J. Costantini
Title: Member

(Signature Page to SCP Contribution Agreement)

**EXHIBIT A
TO
CONTRIBUTION AGREEMENT
SERVICES AGREEMENTS**

Services Agreement dated as of March 1, 2007 by and between SCP and SCP III, as amended by that certain First Amendment to Services Agreement dated as of May 15, 2008 by and between SCP and SCP III.

Services Agreement dated as of May 20, 2005 by and between SCP and STAG Manager II, LLC, as affected by that certain Assignment and Assumption Agreement dated as of March 1, 2007 by and between SCP and SCP III. SCP is the sub-servicer under this Services Agreement.

Services Agreement dated as of June 1, 2007 by and between SCP III and STAG Manager III, LLC. SCP is the sub-servicer under this Services Agreement.

Services Agreement dated as of May 15, 2008 by and between SCP III and STAG Manager, LLC (f/k/a STAG Manager IV, LLC). SCP is the sub-servicer under this Services Agreement.

**EXHIBIT B
TO
CONTRIBUTION AGREEMENT**

CONTRIBUTION AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby assigns, transfers, contributes and conveys to STAG Industrial Operating Partnership, LP, a Delaware limited partnership (the “Company”), its entire legal and beneficial right, title and interest in and to STAG Capital Partners, LLC, a Massachusetts limited liability company (“SCP”), including, without limitation, (a) all right, title and interest, if any, of the undersigned in and to the assets and liabilities of SCP (b) the right to receive distributions of money, profits and other assets from SCP from and after Closing, and (c) the obligations of SCP, in each case whether arising before or after the Closing, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the “SCP Interests.”), TO HAVE AND TO HOLD the same unto the Company, its successors and assigns, forever.

Upon the execution and delivery hereof, the Company assumes all obligations in respect of the SCP Interests.

Executed: _____, 2011

[CONTRIBUTOR]

By: _____

Name: _____

Title: _____

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name: _____

Title: _____

**EXHIBIT C
TO
CONTRIBUTION AGREEMENT**

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the “ Code ”, provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “ Operating Partnership ”), that the withholding of tax is not required upon the contribution of Interests by [] (the “ Contributor ”) to the Operating Partnership in exchange for common units of limited partnership in the Operating Partnership, which transfer occurred on , 2011, the undersigned hereby certifies the following on behalf of Contributor:

1. Contributor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);
2. Contributor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Contributor’s employer identification number (or Contributor’s social security number, if Contributor is an individual) is ;
and
4. Contributor’s address is: [Modify as necessary]

c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the Operating Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Contributor.

By: [CONTRIBUTOR]

By: _____

Name:
Title:

Date: , 2011

**EXHIBIT D
TO
CONTRIBUTION AGREEMENT
INTENTIONALLY OMITTED**

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**EXHIBIT E
TO
CONTRIBUTION AGREEMENT
REGISTRATION RIGHTS AGREEMENT**

See Attached

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**REGISTRATION RIGHTS AGREEMENT
BY AND AMONG
STAG INDUSTRIAL, INC.,
STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.
AND THE CONTRIBUTORS**

DATED AS OF , 2011

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (including all exhibits and schedules, this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), and the contributors whose names are set forth on the signature pages hereto (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. In connection with the initial public offering of shares of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), the Company, the Operating Partnership and the Contributors will engage in certain formation transactions (the “**Formation Transactions**”) whereby:

- (i) the Contributors will contribute to the Operating Partnership their interests in entities owning certain real estate properties and other assets (the “**Propertie s**”); and
- (ii) the Contributors will receive common units of limited partnership in the Operating Partnership (“**OP Units**”) in exchange for their respective indirect interests in the Properties, and a subsidiary of the Company will be the general partner of the Operating Partnership.

B. Pursuant to the Partnership Agreement (as defined below), the OP Units will be redeemable for cash or, at the sole and absolute discretion of the Company, exchangeable for shares of Common Stock upon the terms and subject to the conditions contained in the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.1 Definitions . In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

“**Affiliate**” of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“ **Business Day** ” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York or Boston, Massachusetts are authorized or required by law, regulation or executive order to close.

“ **Charter** ” means the amended and restated charter of the Company as filed with the State Department of Assessments and Taxation of Maryland on _____, 2011, as the same may be amended, modified or restated from time to time.

“ **Commission** ” means the Securities and Exchange Commission.

“ **Confidential Information** ” means Confidential Information as defined in Section 2.13(a) .

“ **Demand Registration** ” means a Demand Registration as defined in Section 2.2 .

“ **Demand Registration Statement** ” means a Demand Registration Statement as defined in Section 2.2 .

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

“ **Family Member** ” of any individual means such individual’s spouse, ex-spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters and intervivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters are beneficiaries.

“ **GI Entities** ” means GI STAG Investco, LLC, STAG GI Investments, LLC, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

“ **Holder** ” means any Initial Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) to the extent (x) permitted under the Partnership Agreement, the Charter or a separate written agreement between the Holder and the Company, as applicable, and (y) (1) the Company is furnished with written notice of the name and address of such assignee or transferee and the securities with respect to which such registration rights are being assigned and (2) such assignee or transferee agrees in writing to be bound by all the provisions hereof, unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

“ **Indemnified Party** ” means an Indemnified Party as defined in Section 2.9 .

“ **Indemnifying Party** ” means an Indemnifying Party as defined in Section 2.9 .

“ **Indemnitee** ” means Indemnitee as defined in Section 2.7 .

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“ **Initial Holder** ” means (i) any Contributor, (ii) any partner, member or stockholder of any Contributor and any of their respective partners, members or stockholders (and continuing to any and all other partners, members or stockholders that receive a permitted distribution of OP Units or Registrable Securities), (iii) any Affiliate of any such partner, member or stockholder, and (iv) any Family Member of any of the foregoing.

“ **Initial Public Offering** ” means the offering of Common Stock pursuant to the Form S-11 Registration Statement (No. 333-_____) filed by the Company with the Commission under the Securities Act.

“ **Inspectors** ” means Inspectors as defined in Section 2.5(g) .

“ **Losses** ” means Losses as defined in Section 2.7 .

“ **Market Value** ” means, with respect to the Common Stock, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date of a written request for registration pursuant to Section 2.2 . The market price for each such trading day shall be:

(i) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the Common Stock is not listed or admitted to trading on any securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Company, or

(iii) if the Common Stock is not listed or admitted to trading on any securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than (10) days prior to the date in question) for which prices have been so reported;

provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the Common Stock shall be determined by the Board of Directors of the Company acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

“ **Notice Period** ” means the Notice Period as defined in Section 2.2(a) .

“ **Partnership Agreement** ” means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of _____, 2011, as the same may be amended, modified or restated from time to time.

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“ **Person** ” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“ **Piggy-Back Registration** ” means a Piggy-Back Registration as defined in Section 2.3.

“ **Records** ” means Records as defined in Section 2.5(g).

“ **Registrable Securities** ” means shares of Common Stock at any time owned, either of record or beneficially, by any Holder and issued in the Formation Transactions or upon exchange of OP Units received in the Formation Transactions and any additional Common Stock issued as a dividend, distribution or exchange for, or in respect of such shares until

- (i) a registration statement covering such shares has been declared effective by the Commission and such shares have been disposed of pursuant to such effective registration statement;
- (ii) such shares shall have ceased to be outstanding;
- (iii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met;
- (iv) such shares held may be sold pursuant to Rule 144 under the Securities Act (or any similar rule or regulation then in effect) without limitation as to volume or manner of sale; or
- (v) such shares have been sold or otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act;

provided, however, that “Registrable Securities” for purposes of the indemnification obligations contained in Section 2.7 and Section 2.8 shall mean all shares that are registered on the applicable Shelf Registration, Demand Registration or Piggy-Back Registration, notwithstanding that such shares may not otherwise be “Registrable Securities” by operation of clause (iv) above.

“ **Registration Expenses** ” means Registration Expenses as defined in Section 2.6.

“ **Securities Act** ” means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“ **Selling Holder** ” means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

“ **Shelf Registration Statement** ” means a Shelf Registration statement as defined in Section 2.1.

“ **STAG Parties** ” means STAG Investments III, LLC and STAG Investments IV, LLC.

“ **Suspension** ” means a Suspension as defined in Section 2.14.

“ **Suspension Notice** ” means a Suspension Notice as defined in Section 2.14.

“ **Underwriter** ” means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer’s market-making activities.

ARTICLE 2

REGISTRATION RIGHTS

Section 2.1 Shelf Registration . Within two weeks after the anniversary of the consummation date of the Initial Public Offering, subject to Section 2.13 and Section 2.14, the Company shall prepare and file a “shelf” registration statement with respect to the resale (except as provided in the next sentence) of the Registrable Securities on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (together with any amendments or supplements thereto, the “ **Shelf Registration Statement** ”) and shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective on or as soon as practicable thereafter, and to keep such Shelf Registration Statement continuously effective for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities. With respect to Holders other than Affiliates of the Company (including as an Affiliate of the Company, for purposes of this Section 2.1, the GI Entities), the Company may, at its option, satisfy its obligation in this Section 2.1 to register on a Shelf Registration Statement the resale of the Registrable Securities by instead registering on a Shelf Registration Statement the issuance of the Registrable Securities by the Company to such Holders, provided such issuance Shelf Registration Statement is initially filed within the time period required by the staff of the Commission. In the event that the Company fails to file, or if filed fails to maintain the effectiveness of, a Shelf Registration Statement, the Holders may participate in a Piggy-Back Registration (as defined below) pursuant to Section 2.3 herein; provided, further, that if and so long as a Shelf Registration Statement is on file and effective, then the Company shall have no obligation to allow participation in a Piggy-Back Registration. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to file a Shelf Registration Statement unless the Company is eligible to file a registration Statement on Form S-3 or any successor form.

Section 2.2 Demand Registration

(a) Request for Registration . Commencing on or after the date which is one year after the consummation date of the Initial Public Offering, Holders (which may include the GI Entities and the STAG Entities), the GI Entities (so long as they are Holders) or the STAG Entities (so long as they are Holders) may, subject to Section 2.13 and Section 2.14, deliver to the Company a written request that the Company prepare and file with the Commission a registration statement on an appropriate form under the Securities Act (together with any amendments or supplements thereto, a “ **Demand Registration Statement** ”), registering under the Securities Act all or part of its or their Registrable Securities (a “ **Demand Registration** ”).

For purposes of this Agreement, a Demand Registration requested by the Holders is referred to as a “ **Holder Demand Registration** ,” a Demand Registration requested by the GI Entities is referred to as a “ **GI Demand Registration** ,” and a Demand Registration requested by the STAG Entities is referred to as a “ **STAG Demand Registration** .” Notwithstanding the foregoing, (i) the Company shall not be obligated to effect more than six Demand Registrations in total, one GI Demand Registration in total or one STAG Demand Registration in total or more than one Demand Registration in any twelve month period, except that a GI Demand Registration may occur six months before or after a Holder Demand Registration or a STAG Demand Registration, and (ii) in the case of a Holder Demand Registration, the number of shares of Registrable Securities proposed to be sold by the Holders making such written request shall have a Market Value of at least \$20,000,000. Any request for a Demand Registration will specify the number of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Within five (5) Business Days after receipt of such request, the Company will give written notice of such registration request to all other Holders and include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the mailing of the Company’s notice to the applicable Holder (the “ **Notice Period** ”). Each such request will also specify the number of shares of Registrable Securities to be registered and the intended method of disposition thereof (which may include an underwritten offering).

(b) Effective Registration . A registration will not count as a Demand Registration until it has become effective. For purposes of this Agreement, an offering on a Demand Registration Statement is deemed to be effected on the effective date thereof and has remained effective and available for at least 180 days.

(c) Selling Holders Become Party to Agreement . Each Holder acknowledges that by asserting or participating in its registration rights pursuant to this Article II, he or she may become a Selling Holder and thereby will be deemed a party to this Agreement and will be bound by each of its terms.

(d) Underwritten Demand Registrations . If the Holders of a majority of shares of the Registrable Securities to be registered in a Demand Registration so elect by written notice to the Company, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with any such Demand Registration; provided that such managing Underwriter must be reasonably satisfactory to (i) in the case of a Holder Demand Registration, the Holders of a majority of the shares of the Registrable Securities to be registered on such Demand Registration and, as long as the GI Entities register on such Demand Registration Registrable Securities with a Market Value of at least \$5,000,000, the GI Entities, (ii) in the case of a GI Demand Registration, the GI Entities and (iii) in the case of a STAG Demand Registration, the STAG Entities. The Company may select any additional investment banks and managers to be used in connection with the offering; provided that such additional investment bankers and managers must be reasonably satisfactory to a majority of the Holders of the Registrable Securities initiating such Demand Registration.

Section 2.3 Piggy-Back Registration .

(a) Subject to Section 2.1 hereof, if the Company proposes to file a registration statement under the Securities Act (or a prospectus supplement to effect a takedown from an effective shelf registration statement) with respect to an underwritten equity offering by the Company for its own account or for the account of any of its respective security holders of any class of security (other than (i) any registration statement filed by the Company under the Securities Act relating to an offering of Common Stock for its own account as a result of the exercise of the exchange rights set forth in the Partnership Agreement, (ii) any registration statement filed in connection with a demand registration other than a Demand Registration under this Agreement or (iii) a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders), then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date), and such notice shall offer such Holders the opportunity to register such number of shares of Registrable Securities as each such Holder may request (a "**Piggy-Back Registration**"). The Company shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

(b) The Company shall select the lead underwriter or underwriters and any co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggy-Back Registration. In the event the Company gives the Holders notice of its intention to effect an offering pursuant to a Piggy-Back Registration and subsequently declines to proceed with such offering, the Holders shall have no rights in connection with such offering; provided, however, that, subject to Section 2.13 and Section 2.14, at the request of the Holders, the Company shall proceed with such offering with respect to the Registrable Securities included therein, which offering shall be deemed a Demand Registration for all purposes hereunder. The Holders shall participate in any offering of Registrable Securities pursuant to a Piggy-Back Registration (or deemed Demand Registration, if applicable) in accordance with the same plan of distribution for such Piggy-Back Registration as the Company or the holder or holders of Common Stock that proposed such Piggy-Back Registration, as the case may be.

Section 2.4 Reduction of Offering . Notwithstanding anything contained herein, if the managing Underwriter or Underwriters of an offering described in Section 2.2 or Section 2.3 hereof advise the Company and the Holders of the Registrable Securities included in such offering that, in their judgment, (i) the size of the offering that the Holders, the Company and such other Persons intend to make or (ii) in the case of a Piggy-Back Registration only, the kind of securities that the Holders, the Company and/or any other Persons intend to include in such offering are such that the marketability of the offering would be adversely affected by inclusion of the Registrable Securities requested to be included, then

(A) if the size of the offering is the basis of such Underwriter's advice, the amount of securities to be offered for the accounts of Holders shall be reduced pro rata (according to the number of Registrable Securities proposed for registration) to the extent necessary to reduce the

total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided, that, in the case of a Demand Registration, the number of Registrable Securities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a GI Demand Registration, the number of Registrable Securities of the GI Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a STAG Demand Registration, the number of Registrable Securities of the STAG Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a Piggy-Back Registration, if securities are being offered for the account of other Persons as well as the Company, then the Company shall include in such offering:

- (1) first, securities that the Company proposes to offer;
- (2) second, securities requested to be included therein by the Holders, pro rata;
- (3) third, securities that any other Person proposes to offer pursuant to contractual rights of such holder or holders, pro rata; and
- (4) fourth, any other securities; and

(B) if the combination of securities to be offered is the basis of such Underwriter's advice, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the provisos in clause (A)) or (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter or Underwriters, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering; provided that no Registrable Securities will be excluded from an offering pursuant to this clause (B) in the case of a Demand Registration.

Section 2.5 Registration Procedures; Filings; Information . In connection with any Shelf Registration Statement under Section 2.1 or whenever Holders request that any Registrable Securities be registered pursuant to Section 2.2 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof (which in the case of a Demand Registration but not in the case of a Shelf Registration Statement may include an underwritten offering) as quickly as practicable, and in connection with any such request:

(a) Subject to Section 2.13, the Company will as expeditiously as possible within the time periods set forth in Sections 2.1 and 2.2 but in any event no later than 30 days after the Notice Period for a Demand Registration, prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration

statement to become and remain effective: (i) in the case of a Shelf Registration Statement filed pursuant to Section 2.1 hereof, for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities; and (ii) in the case of a Demand Registration Statement filed pursuant to Section 2.2 hereof, for at least 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities in such jurisdictions; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Holder, at any time when a preliminary prospectus, prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as the Selling Holders reasonably request in order to expedite or facilitate the disposition of such Registrable

Securities, including, in the case of a GI Demand Registration or a STAG Demand Registration and to the extent reasonably requested by the lead or managing Underwriters, sending appropriate officers of the Company to attend “roadshows” scheduled in reasonable number and at reasonable times.

(g) The Company will make available for inspection by any Selling Holder, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the “**Inspectors**”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “**Records**”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Selling Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) if eligible under applicable accounting standards, a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefore reasonably requests.

(i) The Company will otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) So long as Common Stock is listed or quoted on any United States securities exchange or quotation system, the Company will use its commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Section 2.6 Registration Expenses . In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the “**Registration Expenses**”): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any legal opinions or comfort letters or costs associated with the delivery by counsel or independent certified public accountants, as applicable, of an opinion or opinions or comfort letter or comfort letters requested pursuant to Section 2.5(h) hereof), and (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; provided, that the Company shall not be required to pay any expenses of any registration proceeding begun pursuant to Section 2.2 if the registration request is subsequently withdrawn (other than if such withdrawal (i) is the result of any change, or development that would reasonably be expected to have a change, in the financial markets in the United States or in national financial or economic conditions that would adversely affect the marketability of the offering or (ii) is the result of any change, or development that would reasonably be expected to have a change, in the financial condition or results of operations of the Company that would adversely affect the marketability of the offering, and, in either case, such withdrawal is made with reasonable promptness following such change or development) at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration). If such Holders shall fail to reimburse the Company for such expenses, the Company shall not be obligated to file another Demand Registration Statement for a period of 12 months from the date such registration statement was withdrawn. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, any fees and expenses of counsel to the Underwriters attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

Section 2.7 Indemnification by the Company . The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an “**Indemnitee**”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (collectively, “**Losses**”) caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement contemplated by this Agreement or any related

preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission included or omitted in conformity with information furnished in writing to the Company by such Indemnitee or on such Indemnitee's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.7. The indemnity provided for in this Section 2.7 shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder.

Section 2.8 Indemnification by Selling Holders . Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to Losses caused by any untrue statement or omission included or omitted in conformity with information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto). In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.7. Each Selling Holder also agrees to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 2.8. The liability of any Selling Holder pursuant to this Section 2.8 may not, in any event, exceed the net proceeds received by such Selling Holder from sales of Registrable Securities giving rise to the indemnification obligations of such Selling Holder.

Section 2.9 Conduct of Indemnification Proceedings . In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 2.7 or Section 2.8, such person (an " **Indemnified Party** ") shall promptly notify the person against whom such indemnity may be sought (an " **Indemnifying Party** ") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the

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Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them and, in all such cases, the Indemnifying Party shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties not having actual or potential differing interests among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.7 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.8, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any Loss (to the extent stated above) resulting from such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

Section 2.10 Contribution . If the indemnification provided for in Section 2.7 or Section 2.8 hereof is unavailable to an Indemnified Party or insufficient in respect of any Losses referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the

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Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnifying Party shall not be required to contribute pursuant to this Section 2.10 if there has been a settlement of any proceeding effected without its written consent.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total commissions and discounts received by such Underwriter in connection with the sale of the securities underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.10 are several in proportion to the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.11 Participation in Underwritten Registrations . No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

Section 2.12 Rule 144 . Until such date as no Holder owns any Registrable Securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably

request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 2.13 Holdback Agreements .

(a) Temporary Suspension of Rights to Sell Based on Confidential Information or Material Transaction . If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 or a Demand Registration under Section 2.2 hereof or the use of any related preliminary prospectus, prospectus or prospectus supplement (i) would require the public disclosure of previously non-public material information that the Company has a bona fide business purpose for preserving as confidential that the Company is not otherwise required by applicable securities laws or regulations to disclose (the “ **Confidential Information** ”) or (ii) would materially interfere with any good faith proposal or plan by the Company or any of its Affiliates to engage in any material acquisition, merger, consolidation, tender offer, securities offering or other material transaction, and upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended until the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.13(a) is no longer necessary; provided, however, in no event shall any such suspension be for more than an aggregate of 120 days in any rolling twelve month period or for more than 90 consecutive days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. Nothing in this Section 2.13(a) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(b) Temporary Suspension of Rights to Sell Based on Exchange Act Reports Not Yet Filed or Regulation S-X . (i) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, (ii) if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Act, or (iii) if the Company has acquired or proposes to acquire one or more properties which in the aggregate are significant for purposes of Rule 3-14 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended (to the extent required under the Securities Act or the Exchange Act) until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required. The

Company agrees to use its commercially reasonable efforts to file such reports or obtain and file the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement as promptly as practicable. Nothing in this Section 2.13(b) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(c) **Restrictions on Public Sale by Holder of Registrable Securities.** With respect to underwritten offerings prior to the second anniversary of the date of this Agreement, for so long as the Holder beneficially owns one percent or more of the outstanding Common Stock (assuming conversion of such Holder's OP Units or other convertible securities but not any other OP Units or convertible securities), each Holder agrees not to sell, offer for sale or otherwise transfer any Registrable Securities during any of the following periods:

(i) unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated effective date of a registration statement for any underwritten public offering of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) and ending 90 days after such effectiveness; and

(ii) in the case of a Rule 415 registration statement, unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated date of the Company's notice of commencement of distribution in connection with such offering and ending 90 days after the commencement of such distribution.

(d) Notwithstanding the provisions of Section 2.13(c):

(i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holders that the Company declines to proceed with any such offering set forth in Section 2.13(c);

(ii) all executive officers and directors of the Company then holding shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company shall enter into similar agreements for not less than the entire time period required of the Holders hereunder; and

(iii) the Holders shall be allowed any concession or proportionate release allowed to any executive officer or director that entered into similar agreements.

Section 2.14 Suspension Rights . In the event of:

(a) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of a registration statement contemplated by this Agreement for amendments or supplements to such registration statement or related preliminary prospectus, prospectus or prospectus supplement or for additional information;

(b) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of any registration statement contemplated by this Agreement or the initiation of any proceedings for that purpose;

(c) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or

(d) any event or circumstance that necessitate the making of any changes in a registration statement contemplated by this Agreement or related preliminary prospectus, prospectus or prospectus supplement, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a registration statement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that, in the case of a preliminary prospectus, prospectus or prospectus supplement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

then the Company shall deliver a written notice to the Holders with Registrable Securities covered by such registration statement or related preliminary prospectus, prospectus or prospectus supplement (the “**Suspension Notice**”) to the effect of the foregoing (which do not disclose the content of any material non-public information and will indicate the date of the beginning and end of the intended suspension, if known), and, upon receipt of such Suspension Notice, such Holders will refrain from selling any Registrable securities pursuant to such registration statement (a “**Suspension**”) until such Holder’s receipt of copies of a supplemented or amended preliminary prospectus, prospectus or prospectus supplement prepared and filed by the Company, or until it is advised in writing by the Company that the current preliminary prospectus, prospectus or prospectus supplement may be used, and has received copies of any additional or supplement filings that are incorporated or deemed incorporated by reference in any such preliminary prospectus, prospectus or prospectus supplement. In the event of any Suspension, the Company will use commercially reasonable efforts to cause the use of the preliminary prospectus, the prospectus or the prospectus supplement so suspended to be resumed as soon as reasonably practicable after delivery of a Suspension Notice to such Holders, subject to Section 2.13. The Suspension and Suspension Notice shall be held in confidence and not disclosed by such Holders, except as required by law.

Section 2.15 Other Registration Rights . Nothing herein shall prohibit the Company from granting to any Person the right to cause the Company to register any securities of the Company under the Securities Act; provided, that the Company shall not enter into any agreement (or amendment or waiver of the provisions of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are *pari passu* or senior to the registration rights provided in this Agreement to the Holders or any other rights that conflict with the rights of the Holders under this Agreement or otherwise limits or reduces such rights. The Company shall cause each other holder of Common Stock (or any security convertible or exchangeable into Common Stock) who obtains the right, after the date of this Agreement, to propose a registration giving rise to a Piggy-Back Registration, if any, to agree not to transfer any shares of Common Stock or securities convertible into or exchangeable for Common Stock, for the applicable periods set forth in Section 2.13(c).

Section 2.16 Survival . The obligations of the Company and the Holders under Section 2.7 , Section 2.8 , Section 2.9 and Section 2.10 hereof shall survive the completion of any offering of Registrable Securities and the termination or expiration of this Agreement.

ARTICLE 3
MISCELLANEOUS

Section 3.1 Remedies . In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2 Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, in each case without the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3 Notices . All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery to the address set forth on the signature page hereto, or to such other address and to such other Persons as any party hereto may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4 Successors and Assigns . Except as expressly provided in this Agreement, the rights and obligations of the Initial Holders under this Agreement shall not be assignable by any Initial Holder to any Person that is not an Initial Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

Section 3.5 Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6 Governing Law . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

Section 3.7 Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8 Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10 No Third Party Beneficiaries . Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG Industrial, Inc., a Maryland corporation

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

OPERATING PARTNERSHIP

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

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NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

INNOVATIVE PROMOTIONS LLC

By: _____
Name:
Title:

Address:

GREGORY W. SULLIVAN

Address:

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ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

STAG III EMPLOYEES, LLC

By: _____
Name:
Title:

Address:

NED STAG III RESIDUAL LLC

By: _____
Name:
Title:

Address:

BENJAMIN S. BUTCHER

Address:

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**EXHIBIT F
TO
CONTRIBUTION AGREEMENT**

DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below.

Actions : Means all actions, litigation, written claims, complaints, charges, written accusations, investigations, petitions, suits, arbitrations, mediations or other proceedings, whether civil or criminal, at law or in equity, judicial or administrative or before any arbitrator or governmental body or agency.

Affiliate : Means a Person who as to another Person controls, is controlled by, or is under common control with, such other Person.

Allocated Debt : Means the debt that is owed by SCP and that is assumed by the Operating Partnership as of the Closing Date by virtue of its ownership of SCP. The aggregate outstanding principal amount of the Allocated Debt as of Allocated Debt Determination Date is \$1,435,000.00 (the “ Estimated Allocated Debt Amount ”), which includes \$1,035,000 of debt as of December 31, 2010 and an additional \$400,000 borrowed as of March 11, 2011.

Allocated Debt Determination Date : Means (a) with respect to \$1,035,000, December 31, 2010 and (b) with respect to the \$400,000 borrowed by SCP after December 31, 2010, March 11, 2011.

Claims : Means claims, disputes or Actions pending, threatened in writing or, to a Contributor’s Knowledge, otherwise threatened that directly or indirectly affect such Contributor, SCP or the SCP Interests.

Disclosure Schedule : Means the Disclosure Schedule dated of even date herewith and delivered by the Contributors to the Company and the Operating Partnership, which Disclosure Schedule is attached hereto and incorporated herein and contains **Schedule 3.2(k)** through **Schedule 3.2(t)** .

Encumbrances : Means, with respect to the subject personal property, each of the following: all pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, rights of others, licenses, or other similar arrangement or interest in personal property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the personal property in question.

Estimated Closing Date : Means April 13, 2011.

Knowledge : Means, with respect to any representation or warranty so indicated, (i) with respect to NLAf, the actual knowledge of Benjamin S. Butcher, without any duty of inquiry or investigation, (ii) with respect to IP, the actual knowledge of Gregory Sullivan, without any duty of inquiry or investigation, (iii) with respect to Mr. Sullivan, the actual knowledge of Gregory Sullivan, without any duty of inquiry or investigation and (iv) with respect to Roseview, the actual knowledge of Vincent Costantini, without any duty of inquiry or investigation.

Material Adverse Effect : Means any material adverse effect on the assets, business, financial condition, prospects or results of operations of the Company, the Operating Partnership and SCP taken as a whole.

Person : Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental entity.

Road Show Prospectus Filing Date : Means the date of filing with the Securities Exchange Commission of an amendment to the Company's S-11 that contains the definitive form of preliminary prospectus anticipated to be used for the "road show" of the Public Offering, which preliminary prospectus includes the offering price range, the number of shares to be offered to the public and the value, based on the mid-point of the offering range, of the Units to be delivered to the Contributors and Other Contributors hereunder and under the Other Agreements.

Valuation Date : Means as of the date of this Agreement.

**EXHIBIT G
TO
CONTRIBUTION AGREEMENT
VOTING AGREEMENT**

See Attached

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VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), GI STAG INVESTCO, LLC, a Delaware limited liability company (“**GISI**”) and the undersigned contributors (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. **WHEREAS**, on _____, 2011, the Company and the Operating Partnership entered into several contribution agreements (the “**Contribution Agreements**”) with the Contributors, which provide for the contribution of various portfolios of primarily single-tenant real estate assets (the “**Contributions**”) in connection with a proposed initial public offering (the “**Public Offering**”) and together with the Contributions, the “**Formation Transactions**”) of shares of common stock, par value \$0.01 per share, of the Company (the “**Common Stock**”);

B. **WHEREAS**, each Contributor is the record owner or beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of, and has the right to direct the voting or disposition of, the number of shares of Common Stock, or common units of limited partnership in the Operating Partnership (“**OP Units**”), indicated on the signature page of this Agreement (such shares of common stock and shares of Common Stock issuable upon redemption of the OP Units, the “**Shares**”); and

C. **WHEREAS**, as an inducement for (i) GISI to enter into the limited liability company agreement (the “**JV Agreement**”) of STAG GI INVESTMENTS, LLC, a Delaware limited liability company (“**STAG GI**”), and (ii) each of the Contributors to enter into such Contributor’s Contribution Agreement with the Company and the Operating Partnership, and as part of the conditions to the consummation of the Formation Transactions, the Company desires to agree to provide GISI the right to select up to two individuals to be nominated to serve on the Board of Directors of the Company (the “**Board**”), and each Contributor desires to agree to vote the Shares over which the Contributor has voting power as described below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Initial Board of Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then immediately following the Public Offering, the Board shall consist of seven directors, at least five of whom will be Independent Directors (as defined below), each of whom will serve a one-year term and two of whom shall have been selected by GISI. Of the two directors to be selected by GISI, both must be Qualified Nominees (as defined below) and at least one must qualify as an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson

of one of the aforesaid committees; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange. GISI agrees to notify the Company of its proposed appointments for the initial Board at least one week in advance of the expected filing of the first amendment to the registration statement for the Public Offering, together with any information regarding such appointees as the Company reasonably requests.

(b) “ **Independent Director** ” means an individual who qualifies as an “independent director” under the requirements of the New York Stock Exchange.

(c) “ **Qualified Nominee** ” means an individual (i) who is not a competitor of the Company or any of its subsidiaries or an affiliate of a competitor of the Company or any of its subsidiaries, as reasonably determined by the Board, (ii) who does not have a material conflict of interest in serving as a member of the Board or would be unable to comply with the Company’s code of business conduct and ethics and corporate governance guidelines, as reasonably determined by the Board, (iii) with respect to whom none of the events described in Item 401(f) of Regulation S-K under the Securities Act of 1933, as amended (or any successor regulation), has occurred in the prior 10 years and (iv) whose nomination and recommendation by the Board, in the good faith determination of the Board, would not be inconsistent with the Board’s duties to the Company and its stockholders. For purposes of this definition, a managing director or director of GI Partners shall not be deemed to be a competitor or an affiliate of a competitor of the Company or any of its subsidiaries or to have a material conflict of interest in serving as a member of the Board by reason of such position or any ownership interest in GI Partners or its subsidiaries.

2. Agreement to Nominate Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then from the date hereof until the Expiration Date (defined below) and subject to the terms and conditions in this Agreement, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, the Company shall cause two individuals selected by GISI (both of whom must be Qualified Nominees and at least one of whom must be an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees) to be nominated for election to the Board; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange.

(b) If at any time while the Company’s obligations under this Section 2 are in effect, the Board shall be classified with the result that directors serve for terms of greater than one year, the Company shall not be required to make any nominations otherwise required under this Section 2, except at an annual meeting at which the term of an individual nominated pursuant to this Section 2 and elected to the Board in connection with such nomination (a “ **GI Director** ”), is scheduled to expire; provided that if the Board shall be classified, the GI Directors shall be placed in different classes.

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the nomination of directors other than the limited rights set forth in this Section 2.

3. Agreement to Vote Shares.

(a) From the date hereof until the Expiration Date, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, each of GISI and the Contributors (in the capacity as a stockholder) shall appear at the meeting or otherwise cause the Shares, if any, to be present for purposes of establishing a quorum and shall vote the Shares, if any, in favor of the election of the nominee or nominees, as applicable, for the Board selected by GISI pursuant to, and in accordance with, this Agreement.

(b) If GISI or a Contributor is the beneficial owner, but not the record holder, of the Shares, GISI or such Contributor, as applicable, agrees to take all reasonable actions necessary to cause the record holder and any nominees to vote all of the Shares, if any, in the manner provided in Section 3(a).

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the voting of the Shares, if any, other than the limited rights set forth in this Section 3. None of GISI and the Contributors shall have any right to influence in any manner the voting of the Shares, if any, on any other matters that may come before the stockholders of the Company.

(d) This Agreement shall not, and shall not be construed to, restrict the ability of GISI or any Contributor to sell or dispose of any Shares or other securities of the Company or the Operating Partnership, in the open market or otherwise.

4. Action in Stockholder Capacity Only. None of GISI and the Contributors makes any agreement or understanding herein as director or officer of the Company or as a fiduciary of, or participant in, any compensation plan of the Company. Each of GISI and the Contributors has entered into this Agreement solely in an individual capacity as a record holder and/or beneficial owner of Shares and OP Units, and nothing herein shall limit or affect any actions taken in a capacity as an officer or director of the Company or as a fiduciary of, or participant in, any compensation plan of the Company.

5. Representations and Warranties of the Company and the Operating Partnership. The Company and the Operating Partnership represent and warrant as follows:

(a) The Company and the Operating Partnership have full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by the Company and the Operating Partnership and constitutes a valid and binding agreement of the Company and the Operating Partnership enforceable against them in accordance with its terms.

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(b) The execution and delivery of this Agreement and the performance by the Company and the Operating Partnership of their agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which the Company or the Operating Partnership is a party or by which they (or any of their assets) is bound.

6. Representations and Warranties of Contributor. Each Contributor severally and not jointly represents as follows:

(a) As of the date of this Agreement, Contributor is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and Contributor does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. Contributor has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by Contributor and constitutes a valid and binding agreement of Contributor enforceable against such Contributor in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, Contributor has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, Contributor has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting such Contributor's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by Contributor of such Contributor's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Contributor is a party or by which Contributor (or any of such Contributor's assets) is bound.

7. Representations and Warranties of GISI. GISI represents and warrants as follows:

(a) As of the date of this Agreement, GISI is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and GISI does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. GISI has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by GISI and constitutes a valid and binding agreement of GISI enforceable against GISI in accordance with its terms.

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(b) Except for this Agreement or as otherwise permitted by this Agreement, GISI has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity (subject to the terms of the JV Agreement with respect to Shares owned through STAG GI). Without limiting the generality of the foregoing, GISI has not entered into any voting agreement (other than this Agreement and the JV Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting GISI's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by GISI of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which GISI is a party or by which GISI (or any of its assets) is bound.

(d) GISI is controlled by GI Partners.

8. Termination.

(a) This Agreement shall terminate if:

(i) at any time immediately following a transfer by GISI or any of the GI Controlled Affiliates of any interest in the Formation Securities, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis immediately following such transfer (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock), or

(ii) at any time on or after the third anniversary of the Public Offering, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock) (the earlier to occur of the events in clause (i) and (ii), the “**Expiration Date**”).

(b) Upon such termination, no party shall have any further obligations or liabilities hereunder; provided that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

(c) For purposes of this Agreement, (i) “ **transfer** ” means any transfer, sale, assignment, gift, exchange or redemption (other than an exchange or redemption of OP Units for shares of Common Stock), distribution or any other disposition by law or otherwise; (ii) “ **Formation Securities** ” means the OP Units issued to GISI (through STAG GI) in the Formation Transactions and shares of Common Stock issued upon redemption of any such OP Units (or any securities issued as a dividend or distribution on, or in exchange for such OP Units or shares of Common Stock); and (iii) “ **GI Controlled Affiliates** ” means, so long as they are controlled by GI Partners, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

9. Miscellaneous Provisions .

(a) Amendments, Modifications and Waivers . No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by the Company, the Operating Partnership, GISI and the Contributors.

(b) Entire Agreement . This Agreement constitutes the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

(d) Assignment and Successors . This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto. This Agreement and all the provisions hereof are personal to each of the parties hereto, shall not inure to a party’s respective successors and may not be assigned, other than to one of the GI Controlled Affiliates, by a party without the prior written consent of the other parties. Any assignment in violation of the foregoing shall be void and of no effect.

(e) No Third Party Rights . Nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the parties hereto) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(f) Cooperation . Each of the parties hereto agrees to cooperate fully with the other parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by another party to evidence or reflect the transactions contemplated by this Agreement and to carry out the intent and purpose of this Agreement. Each of the parties hereto agrees that the other parties may publish and disclose each party’s identity and ownership of Shares, OP Units and other securities of the Company or the Operating Partnership and the nature of each party’s commitments, arrangements and understandings under this Agreement as may be required by applicable law in any filing made by a party with the Securities and Exchange Commission.

(g) Severability . If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will

remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(h) Specific Performance; Injunctive Relief. Each party hereto acknowledges that the other parties may be irreparably harmed and that there may be no adequate remedy at law for a breach of any of the covenants or agreements of a party's set forth in this Agreement. Therefore, each party hereto hereby agree that, in addition to any other remedies that may be available upon any such breach, each party shall have the right to seek specific performance, injunctive relief or any other remedies available to such party at law or in equity without posting any bond or other undertaking in order to enforce such covenants and agreements.

(i) Notices. All notices, consents, requests, claims, demands and other communications under this Agreement shall be in writing (which shall include communications by e-mail) and shall be delivered (a) in person or by courier or overnight service, or (b) by e-mail with a copy delivered as provided in clause (a). If to a Contributor, to Contributor's address or e-mail address shown below Contributor's signature on the signature pages hereof, and

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110
Attn: John L. Sullivan, Esq.
Fax: 617-406-6100
E-mail: john.sullivan@dlapiper.com

If to the Company and the Operating Partnership:

STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

If to GISI:

GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Alexander Fraser
Fax: 650-233-3601
E-mail: alexander@gipartners.com

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, Seventeenth Floor Costa Mesa, CA 92626
Attn: John Simonis, Esq.
Fax: 714-668-6336
E-mail: johnsimonis@paulhastings.com

or to such other address or facsimile number as the parties hereto may designate in writing to the other in accordance with this Section 9(i). Any party may change the address or facsimile number to which notices are to be sent by giving written notice of such change of address or number to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by facsimile or e-mail transmission or mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart.

(k) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

[Signatures on the Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG INDUSTRIAL, INC., a Maryland corporation

By: _____
Name:
Title:

OPERATING PARTNERSHIP

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: STAG INDUSTRIAL GP, LLC, a Delaware limited liability company,
its general partner

By: _____
Name:
Title:

GISI

GI STAG INVESTCO, LLC, a Delaware limited liability company

By: _____
Name:
Title:

Shares Beneficially Owned (ownership is through STAG GI Investments, LLC
and duplicative of the “Shares Beneficially Owned” indicated for STAG GI
Investment, LLC below):

shares of Common Stock
OP Units

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

INNOVATIVE PROMOTIONS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

GREGORY W. SULLIVAN

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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STAG III EMPLOYEES, LLC

By:

Name:

Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

NED STAG III RESIDUAL LLC

By:

Name:

Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BENJAMIN S. BUTCHER

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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**EXHIBIT H
TO
CONTRIBUTION AGREEMENT
LIST OF LICENSEES**

STAG Industrial Management, LLC

H-1

**EXHIBIT I
TO
CONTRIBUTION AGREEMENT
CONSIDERATION SPREADSHEET**

[See Attached]

Appendix A-1
Determination of Number of Units

OP Units to Contributing Entities
Differing Initial Share Price

Share Price	\$15	\$16	\$17
STAG III	689,793	772,549	766,574
STAG IV	1,860,311	2,083,497	2,067,383
Venture	4,990,287	4,678,394	4,700,913
SCP	15,875	17,779	17,642
SCP III	33,734	37,781	20,288
Total	7,871,250	7,871,250	7,854,049

Estimated Allocated Debt

STAG III	208,338,671
STAG IV	86,587,368
Venture	104,131,235
SCP	1,435,000
SCP III	2,983,000

Note: Contributors receive the number of Units set forth below based on the final IPO share price. As price increases above \$17.00/share, Venture receives 64.3% of the increased value over the value at \$16.00/share and STAG III, STAG IV, SCP and SCP III share the remainder pro rata. If the price decreases below \$15.00/share, Venture will receive the necessary number of OP Units to maintain a value of \$74,854,304 and STAG III, STAG IV, SCP and SCP III share the remainder pro rata.

	3	5	6	7A	7B	
	Units					
Share Price	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
\$ 15.00	4,990,287	689,793	1,860,311	15,875	33,734	7,871,250
15.01	4,986,962	690,675	1,862,690	15,895	33,777	7,871,250
15.02	4,983,642	691,556	1,865,066	15,915	33,820	7,871,250
15.03	4,980,326	692,436	1,867,439	15,935	33,863	7,871,250
15.04	4,977,015	693,315	1,869,809	15,956	33,906	7,871,250
15.05	4,973,708	694,192	1,872,175	15,976	33,949	7,871,250
15.06	4,970,405	695,069	1,874,538	15,996	33,992	7,871,250
15.07	4,967,107	695,944	1,876,899	16,016	34,034	7,871,250
15.08	4,963,813	696,818	1,879,256	16,036	34,077	7,871,250
15.09	4,960,524	697,691	1,881,609	16,056	34,120	7,871,250
15.10	4,957,239	698,562	1,883,960	16,076	34,162	7,871,250
15.11	4,953,958	699,433	1,886,308	16,096	34,205	7,871,250
15.12	4,950,681	700,302	1,888,652	16,117	34,248	7,871,250
15.13	4,947,409	701,170	1,890,994	16,136	34,290	7,871,250
15.14	4,944,142	702,037	1,893,332	16,156	34,332	7,871,250
15.15	4,940,878	702,903	1,895,668	16,176	34,375	7,871,250
15.16	4,937,619	703,768	1,898,000	16,196	34,417	7,871,250
15.17	4,934,364	704,632	1,900,329	16,216	34,459	7,871,250
15.18	4,931,114	705,494	1,902,655	16,236	34,501	7,871,250
15.19	4,927,867	706,355	1,904,978	16,256	34,544	7,871,250
15.20	4,924,625	707,216	1,907,298	16,276	34,586	7,871,250
15.21	4,921,388	708,075	1,909,615	16,295	34,628	7,871,250
15.22	4,918,154	708,933	1,911,929	16,315	34,670	7,871,250
15.23	4,914,925	709,789	1,914,239	16,335	34,712	7,871,250
15.24	4,911,700	710,645	1,916,547	16,355	34,753	7,871,250
15.25	4,908,479	711,500	1,918,852	16,374	34,795	7,871,250
15.26	4,905,262	712,353	1,921,154	16,394	34,837	7,871,250
15.27	4,902,050	713,206	1,923,452	16,413	34,879	7,871,250
15.28	4,898,842	714,057	1,925,748	16,433	34,920	7,871,250
15.29	4,895,638	714,907	1,928,041	16,453	34,962	7,871,250
15.30	4,892,438	715,756	1,930,330	16,472	35,003	7,871,250
15.31	4,889,243	716,604	1,932,617	16,492	35,045	7,871,250
15.32	4,886,051	717,451	1,934,901	16,511	35,086	7,871,250
15.33	4,882,864	718,296	1,937,182	16,531	35,128	7,871,250
15.34	4,879,681	719,141	1,939,459	16,550	35,169	7,871,250
15.35	4,876,502	719,984	1,941,734	16,569	35,210	7,871,250
15.36	4,873,327	720,827	1,944,006	16,589	35,251	7,871,250
15.37	4,870,156	721,668	1,946,275	16,608	35,292	7,871,250
15.38	4,866,990	722,508	1,948,541	16,628	35,334	7,871,250
15.39	4,863,827	723,347	1,950,804	16,647	35,375	7,871,250
15.40	4,860,669	724,185	1,953,064	16,666	35,416	7,871,250
15.41	4,857,515	725,022	1,955,321	16,685	35,456	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
15.42	4,854,365	725,858	1,957,575	16,705	35,497	7,871,250
15.43	4,851,219	726,693	1,959,826	16,724	35,538	7,871,250
15.44	4,848,077	727,527	1,962,075	16,743	35,579	7,871,250
15.45	4,844,939	728,359	1,964,320	16,762	35,620	7,871,250
15.46	4,841,805	729,191	1,966,563	16,781	35,660	7,871,250
15.47	4,838,675	730,021	1,968,802	16,800	35,701	7,871,250
15.48	4,835,549	730,851	1,971,039	16,820	35,742	7,871,250
15.49	4,832,428	731,679	1,973,273	16,839	35,782	7,871,250
15.50	4,829,310	732,506	1,975,504	16,858	35,822	7,871,250
15.51	4,826,196	733,332	1,977,732	16,877	35,863	7,871,250
15.52	4,823,087	734,157	1,979,957	16,896	35,903	7,871,250
15.53	4,819,981	734,981	1,982,180	16,915	35,944	7,871,250
15.54	4,816,879	735,804	1,984,399	16,934	35,984	7,871,250
15.55	4,813,782	736,626	1,986,616	16,952	36,024	7,871,250
15.56	4,810,688	737,447	1,988,830	16,971	36,064	7,871,250
15.57	4,807,598	738,267	1,991,040	16,990	36,104	7,871,250
15.58	4,804,512	739,086	1,993,249	17,009	36,144	7,871,250
15.59	4,801,431	739,903	1,995,454	17,028	36,184	7,871,250
15.60	4,798,353	740,720	1,997,656	17,047	36,224	7,871,250
15.61	4,795,279	741,536	1,999,856	17,065	36,264	7,871,250
15.62	4,792,209	742,350	2,002,053	17,084	36,304	7,871,250
15.63	4,789,143	743,164	2,004,247	17,103	36,344	7,871,250
15.64	4,786,081	743,976	2,006,438	17,122	36,383	7,871,250
15.65	4,783,023	744,788	2,008,626	17,140	36,423	7,871,250
15.66	4,779,968	745,598	2,010,812	17,159	36,463	7,871,250
15.67	4,776,918	746,407	2,012,995	17,178	36,502	7,871,250
15.68	4,773,871	747,216	2,015,175	17,196	36,542	7,871,250
15.69	4,770,829	748,023	2,017,352	17,215	36,581	7,871,250
15.70	4,767,790	748,829	2,019,527	17,233	36,621	7,871,250
15.71	4,764,755	749,635	2,021,698	17,252	36,660	7,871,250
15.72	4,761,724	750,439	2,023,867	17,270	36,699	7,871,250
15.73	4,758,697	751,242	2,026,033	17,289	36,739	7,871,250
15.74	4,755,674	752,044	2,028,197	17,307	36,778	7,871,250
15.75	4,752,654	752,845	2,030,357	17,326	36,817	7,871,250
15.76	4,749,639	753,646	2,032,515	17,344	36,856	7,871,250
15.77	4,746,627	754,445	2,034,671	17,363	36,895	7,871,250
15.78	4,743,619	755,243	2,036,823	17,381	36,934	7,871,250
15.79	4,740,615	756,040	2,038,973	17,399	36,973	7,871,250
15.80	4,737,614	756,836	2,041,120	17,418	37,012	7,871,250
15.81	4,734,618	757,631	2,043,264	17,436	37,051	7,871,250
15.82	4,731,625	758,425	2,045,406	17,454	37,090	7,871,250
15.83	4,728,636	759,218	2,047,545	17,472	37,129	7,871,250
15.84	4,725,651	760,010	2,049,681	17,491	37,168	7,871,250
15.85	4,722,669	760,802	2,051,814	17,509	37,206	7,871,250
15.86	4,719,691	761,592	2,053,945	17,527	37,245	7,871,250
15.87	4,716,717	762,381	2,056,073	17,545	37,283	7,871,250
15.88	4,713,747	763,169	2,058,199	17,563	37,322	7,871,250
15.89	4,710,781	763,956	2,060,322	17,581	37,360	7,871,250
15.90	4,707,818	764,742	2,062,442	17,600	37,399	7,871,250
15.91	4,704,859	765,527	2,064,559	17,618	37,437	7,871,250
15.92	4,701,904	766,311	2,066,674	17,636	37,476	7,871,250
15.93	4,698,952	767,095	2,068,786	17,654	37,514	7,871,250
15.94	4,696,004	767,877	2,070,895	17,672	37,552	7,871,250
15.95	4,693,060	768,658	2,073,002	17,690	37,590	7,871,250
15.96	4,690,119	769,438	2,075,106	17,708	37,629	7,871,250
15.97	4,687,182	770,217	2,077,208	17,726	37,667	7,871,250
15.98	4,684,249	770,996	2,079,307	17,743	37,705	7,871,250
15.99	4,681,320	771,773	2,081,403	17,761	37,743	7,871,250
16.00	4,678,394	772,549	2,083,497	17,779	37,781	7,871,250
16.01	4,678,633	772,486	2,083,326	17,778	37,778	7,871,250
16.02	4,678,872	772,422	2,083,155	17,776	37,775	7,871,250
16.03	4,679,110	772,359	2,082,984	17,775	37,771	7,871,250
16.04	4,679,349	772,296	2,082,814	17,773	37,768	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.05	4,679,587	772,233	2,082,643	17,772	37,765	7,871,250
16.06	4,679,824	772,170	2,082,473	17,770	37,762	7,871,250
16.07	4,680,062	772,107	2,082,304	17,769	37,759	7,871,250
16.08	4,680,299	772,044	2,082,134	17,768	37,756	7,871,250
16.09	4,680,535	771,981	2,081,965	17,766	37,753	7,871,250
16.10	4,680,772	771,918	2,081,795	17,765	37,750	7,871,250
16.11	4,681,008	771,856	2,081,626	17,763	37,747	7,871,250
16.12	4,681,244	771,793	2,081,458	17,762	37,744	7,871,250
16.13	4,681,479	771,731	2,081,289	17,760	37,741	7,871,250
16.14	4,681,715	771,668	2,081,121	17,759	37,738	7,871,250
16.15	4,681,950	771,606	2,080,953	17,757	37,735	7,871,250
16.16	4,682,184	771,544	2,080,785	17,756	37,732	7,871,250
16.17	4,682,419	771,481	2,080,617	17,755	37,729	7,871,250
16.18	4,682,653	771,419	2,080,449	17,753	37,725	7,871,250
16.19	4,682,887	771,357	2,080,282	17,752	37,722	7,871,250
16.20	4,683,120	771,295	2,080,115	17,750	37,719	7,871,250
16.21	4,683,353	771,233	2,079,948	17,749	37,716	7,871,250
16.22	4,683,586	771,172	2,079,781	17,747	37,713	7,871,250
16.23	4,683,819	771,110	2,079,615	17,746	37,710	7,871,250
16.24	4,684,051	771,048	2,079,448	17,745	37,707	7,871,250
16.25	4,684,284	770,987	2,079,282	17,743	37,704	7,871,250
16.26	4,684,515	770,925	2,079,117	17,742	37,701	7,871,250
16.27	4,684,747	770,864	2,078,951	17,740	37,698	7,871,250
16.28	4,684,978	770,802	2,078,785	17,739	37,695	7,871,250
16.29	4,685,209	770,741	2,078,620	17,738	37,692	7,871,250
16.30	4,685,440	770,680	2,078,455	17,736	37,689	7,871,250
16.31	4,685,670	770,619	2,078,290	17,735	37,686	7,871,250
16.32	4,685,900	770,558	2,078,125	17,733	37,683	7,871,250
16.33	4,686,130	770,497	2,077,961	17,732	37,680	7,871,250
16.34	4,686,360	770,436	2,077,797	17,731	37,677	7,871,250
16.35	4,686,589	770,375	2,077,633	17,729	37,674	7,871,250
16.36	4,686,818	770,314	2,077,469	17,728	37,671	7,871,250
16.37	4,687,047	770,253	2,077,305	17,726	37,668	7,871,250
16.38	4,687,275	770,193	2,077,142	17,725	37,666	7,871,250
16.39	4,687,503	770,132	2,076,978	17,724	37,663	7,871,250
16.40	4,687,731	770,072	2,076,815	17,722	37,660	7,871,250
16.41	4,687,959	770,011	2,076,653	17,721	37,657	7,871,250
16.42	4,688,186	769,951	2,076,490	17,719	37,654	7,871,250
16.43	4,688,413	769,891	2,076,327	17,718	37,651	7,871,250
16.44	4,688,640	769,831	2,076,165	17,717	37,648	7,871,250
16.45	4,688,866	769,771	2,076,003	17,715	37,645	7,871,250
16.46	4,689,092	769,711	2,075,841	17,714	37,642	7,871,250
16.47	4,689,318	769,651	2,075,680	17,712	37,639	7,871,250
16.48	4,689,544	769,591	2,075,518	17,711	37,636	7,871,250
16.49	4,689,769	769,531	2,075,357	17,710	37,633	7,871,250
16.50	4,689,995	769,471	2,075,196	17,708	37,630	7,871,250
16.51	4,690,219	769,412	2,075,035	17,707	37,627	7,871,250
16.52	4,690,444	769,352	2,074,874	17,706	37,624	7,871,250
16.53	4,690,668	769,292	2,074,714	17,704	37,621	7,871,250
16.54	4,690,892	769,233	2,074,553	17,703	37,619	7,871,250
16.55	4,691,116	769,174	2,074,393	17,701	37,616	7,871,250
16.56	4,691,340	769,114	2,074,233	17,700	37,613	7,871,250
16.57	4,691,563	769,055	2,074,073	17,699	37,610	7,871,250
16.58	4,691,786	768,996	2,073,914	17,697	37,607	7,871,250
16.59	4,692,008	768,937	2,073,755	17,696	37,604	7,871,250
16.60	4,692,231	768,878	2,073,595	17,695	37,601	7,871,250
16.61	4,692,453	768,819	2,073,436	17,693	37,598	7,871,250
16.62	4,692,675	768,760	2,073,278	17,692	37,595	7,871,250
16.63	4,692,896	768,701	2,073,119	17,691	37,593	7,871,250
16.64	4,693,118	768,643	2,072,961	17,689	37,590	7,871,250
16.65	4,693,339	768,584	2,072,803	17,688	37,587	7,871,250
16.66	4,693,560	768,525	2,072,644	17,687	37,584	7,871,250
16.67	4,693,780	768,467	2,072,487	17,685	37,581	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.68	4,694,001	768,408	2,072,329	17,684	37,578	7,871,250
16.69	4,694,221	768,350	2,072,172	17,683	37,575	7,871,250
16.70	4,694,440	768,292	2,072,014	17,681	37,573	7,871,250
16.71	4,694,660	768,233	2,071,857	17,680	37,570	7,871,250
16.72	4,694,879	768,175	2,071,700	17,679	37,567	7,871,250
16.73	4,695,098	768,117	2,071,544	17,677	37,564	7,871,250
16.74	4,695,317	768,059	2,071,387	17,676	37,561	7,871,250
16.75	4,695,535	768,001	2,071,231	17,675	37,558	7,871,250
16.76	4,695,753	767,943	2,071,075	17,673	37,555	7,871,250
16.77	4,695,971	767,885	2,070,919	17,672	37,553	7,871,250
16.78	4,696,189	767,828	2,070,763	17,671	37,550	7,871,250
16.79	4,696,406	767,770	2,070,607	17,669	37,547	7,871,250
16.80	4,696,624	767,712	2,070,452	17,668	37,544	7,871,250
16.81	4,696,840	767,655	2,070,297	17,667	37,541	7,871,250
16.82	4,697,057	767,597	2,070,142	17,665	37,539	7,871,250
16.83	4,697,273	767,540	2,069,987	17,664	37,536	7,871,250
16.84	4,697,490	767,483	2,069,832	17,663	37,533	7,871,250
16.85	4,697,705	767,425	2,069,678	17,661	37,530	7,871,250
16.86	4,697,921	767,368	2,069,524	17,660	37,527	7,871,250
16.87	4,698,136	767,311	2,069,370	17,659	37,525	7,871,250
16.88	4,698,351	767,254	2,069,216	17,657	37,522	7,871,250
16.89	4,698,566	767,197	2,069,062	17,656	37,519	7,871,250
16.90	4,698,781	767,140	2,068,908	17,655	37,516	7,871,250
16.91	4,698,995	767,083	2,068,755	17,653	37,513	7,871,250
16.92	4,699,209	767,026	2,068,602	17,652	37,511	7,871,250
16.93	4,699,423	766,970	2,068,449	17,651	37,508	7,871,250
16.94	4,699,637	766,913	2,068,296	17,649	37,505	7,871,250
16.95	4,699,850	766,856	2,068,143	17,648	37,502	7,871,250
16.96	4,700,063	766,800	2,067,991	17,647	37,500	7,871,250
16.97	4,700,276	766,743	2,067,839	17,646	37,497	7,871,250
16.98	4,700,488	766,687	2,067,686	17,644	37,494	7,871,250
16.99	4,700,701	766,630	2,067,535	17,643	37,491	7,871,250
17.00	4,700,913	766,574	2,067,383	17,642	37,489	7,871,250

**EXHIBIT J
TO
CONTRIBUTION AGREEMENT
FORM OF LOCK-UP AGREEMENT**

●, 2011

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,

J.P. Morgan Securities LLC
UBS Securities LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

One Bryant Park
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Re: Proposed Public Offering by STAG Industrial, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of STAG Industrial, Inc., a Maryland corporation (the “Company”), and/or holder of units (“OP Units”) in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership and the Company’s operating partnership (the “Operating Partnership”), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), J.P. Morgan Securities LLC (“J.P. Morgan”) and UBS Securities LLC (“UBS” and together with Merrill Lynch and J.P. Morgan, the “Representatives”) propose to enter into an Underwriting Agreement (the “Underwriting Agreement”) with the Company and the Operating Partnership providing for the initial public offering (the “Offering”) of shares (the “Securities”) of the Company’s common stock, par value \$.01 per share (the “Common Stock”). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company and/or holder of OP Units, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named

in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 12 months from the date of the Underwriting Agreement (subject to extensions as discussed below), the undersigned will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock (including, without limitation, OP Units), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities as follows without the prior written consent of the Representatives, provided that (1) the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

as a *bona fide* gift or gifts; or

to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or

as a distribution to limited partners, members or stockholders of the undersigned; or

to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned.

[FOR LOCK-UP TO BE EXECUTED BY STAG INVESTMENTS III, LLC ONLY: Notwithstanding the foregoing, the undersigned STAG Investments III, LLC may pledge any OP Units that it holds that are Lock-Up Securities without the prior written consent of the Representatives pursuant to that certain Pledge Agreement entered into by STAG Investments III, LLC in favor of Bank of America, N.A., as Administrative Agent for the benefit of the Secured Parties thereunder, under that certain Credit Agreement among STAG III Streamwood, LLC, STAG III Mason 2, LLC, STAG III Pomfret, LLC, STAG Investments III, LLC, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent.]

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned on the open market following the Offering if and only if (i) such sales are not required to

be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding the foregoing, if:

(1) during the last 17 days of the 12-month lock-up period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 12-month lock-up period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 12-month lock-up period,

the restrictions imposed by this lock-up agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial 12-month lock-up period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the 12-month lock-up period (as may have been extended pursuant to the previous paragraph) has expired.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's (or any other applicable) transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

For Natural Persons :

(Name)

(Signature)

For Entities :

(Name)

By: _____
Name:
Title:

CONTRIBUTION AGREEMENT

BY AND AMONG

BSB STAG III, LLC

STAG III EMPLOYEES, LLC

BENJAMIN S. BUTCHER

NED STAG III RESIDUAL LLC

GREGORY W. SULLIVAN

ROSEVIEW CAPITAL PARTNERS LLC

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

AND

STAG INDUSTRIAL, INC.

DATED AS OF APRIL 4, 2011

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (including all exhibits and schedules, this “Agreement”) is made and entered into as of April 4, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and a subsidiary of the Company (the “Operating Partnership”), BSB STAG III, LLC, a Delaware limited liability company (“BSB”), STAG III EMPLOYEES, LLC, a Delaware limited liability company (“Employees III”), BENJAMIN S. BUTCHER, an individual (“Mr. Butcher”), NED STAG III RESIDUAL LLC, a Delaware limited liability company (“NED”), GREGORY W. SULLIVAN, an individual (“Mr. Sullivan”) and ROSEVIEW CAPITAL PARTNERS LLC, a Massachusetts limited liability company (“Roseview”, and together with BSB, Employees III, Mr. Butcher, NED and Mr. Sullivan, the “Contributors” and each a “Contributor”).

RECITALS

A. The Company, which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “General Partner”), which in turn is the sole general partner of the Operating Partnership, desires to consolidate the ownership and management of a portfolio of primarily single tenant real estate assets through the transaction contemplated by this Agreement (the “Formation Transaction”).

B. The Formation Transaction relates to the proposed initial public offering (the “Public Offering”) of the common stock, par value \$0.01, of the Company (the “Common Stock”).

C. The Contributors collectively own 100% of the membership interests in STAG Capital Partners III, LLC, a Delaware limited liability company (“SCP III”). SCP III is governed by the terms of that certain Limited Liability Company Agreement among the Contributors dated as of June 1, 2007, as amended by that certain Amendment to Limited Liability Company Agreement dated as of May 8, 2008, as further amended by that certain Redemption Agreement, Admission of New Member and Second Amendment to Limited Liability Company Agreement dated as of July 29, 2008 (as so amended, the “Operating Agreement”). BSB owns 0.01% of the membership interests in SCP III; Employees III owns 20.00% of the membership interests in SCP III; Mr. Butcher owns 35.49% of the membership interests in SCP III, NED owns 28.50% of the membership interests in SCP III, Mr. Sullivan owns 9.50% of the membership interests in SCP III and Roseview owns 6.50% of the membership interests in SCP III.

D. SCP III is a party to those certain Services Agreements listed on **Exhibit A** attached hereto (collectively, the “Services Agreements” and each, a “Services Agreement”) pursuant to which SCP III provides asset management and other services to some of the Other Contributors (as hereinafter defined) or their subsidiaries, among others.

E. Each Contributor desires to, and the Operating Partnership desires that each Contributor, contribute to the Operating Partnership all of such Contributor’s right, title and interest, free and clear of all Encumbrances, as a member of SCP III, including, without limitation, all of its voting rights and interests in the capital, profits and losses of SCP III or any

property distributable therefrom, constituting all of its rights and interests in SCP III (such right, title and interest, the “SCP III Interests”), in exchange for common units of limited partnership interests in the Operating Partnership (the “Units”) in a transaction intended by the parties to qualify as a tax-free contribution to the Operating Partnership pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the “Code”).

F. The parties acknowledge that the acquisition of the SCP III Interests by the Operating Partnership is in connection with the consummation of the Public Offering and the satisfaction of the conditions set forth herein.

G. Simultaneously herewith, STAG Investments III, LLC, STAG Investments IV, LLC, STAG GI Investments, LLC, Net Lease Aggregation Funds, LLC and Innovative Promotions LLC (collectively, together with any additional contributor approved by the foregoing, the “Other Contributors” and each, an “Other Contributor”) have entered into Contribution Agreements (collectively, the “Other Agreements” and each, an “Other Agreement”) pursuant to which such Other Contributors have agreed to contribute their respective assets to the Operating Partnership simultaneously with the Contributors’ contribution hereunder (the “Roll-Up”) in exchange for an aggregate number of Units as set forth in the Other Agreements, which aggregate number of Units shall be determined based on the initial offering price of the Common Stock and which, together with the number of Units received by the Contributor hereunder, shall total 7,590,000 Units (the “Total Units”) (and which number of Units received by each Contributor is subject to adjustment as expressly provided herein and in the Other Agreements).

H. The parties intend this Agreement to be a “Contribution Agreement” pursuant to the terms of the Operating Partnership’s Agreement of Limited Partnership (the “Operating Partnership Agreement”).

I. All references in this Agreement to sections, articles, exhibits, schedules, attachments and recitals shall refer to the corresponding sections, articles, exhibits, schedules, attachments and recitals of or to this Agreement. Capitalized terms used and not defined in the body of this Agreement shall have the meanings set forth in **Exhibit F** attached hereto and incorporated herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual undertakings set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the foregoing recitals are incorporated into, and made a part of this Agreement, and the parties hereto further agree as follows:

TERMS OF AGREEMENT

ARTICLE 1

CONTRIBUTION OF SCP III INTERESTS IN EXCHANGE FOR UNITS

Section 1.1 Contribution Transactions.

(a) At the Closing and subject to and on the terms and conditions contained in this Agreement, each Contributor shall contribute, transfer, assign, convey and deliver to the Company, all of its SCP III Interests (also sometimes referred to as the “Contributed Assets”). The contribution of its SCP III Interests to the Operating Partnership by each Contributor shall be evidenced by the execution and delivery of a Contribution and Assumption Agreement by such Contributor in substantially the form of Exhibit B attached hereto and incorporated herein.

(b) The parties shall take such additional actions and execute such additional documentation as may be required by the Operating Agreement or as requested in the reasonable judgment of counsel to the Company or the Operating Partnership in order to effect the transactions contemplated hereby.

Section 1.2 Consideration for SCP III Interests . In exchange for the SCP III Interests contributed to the Operating Partnership by the Contributors, the Operating Partnership shall issue a certain number of Units to the Contributors based on the initial public offering price of the Common Stock as set forth below, such number of Units being referred to herein as the “Aggregate Consideration” relating to the SCP III Interests contributed hereunder. If the initial public offering price for the Common Stock is between \$15.00 per share and \$17.00 per share, then the Aggregate Consideration shall be the number of Units set forth in the spreadsheet attached hereto and incorporated herein as Exhibit I in the row corresponding with the initial public offering price of the Common Stock and the column entitled “SCP III Units”. For example, if the initial public offering price for the Common Stock were \$16.50 per share, the Aggregate Consideration would be 37,630 Units. If the initial public offering price for the Common Stock is less than \$15.00 per share or more than \$17.00 per share, then the Aggregate Consideration shall be the number of Units determined by multiplying the Non-Venture Units (as hereinafter defined) by the Pro Rata Share. “Pro Rata Share” means (a) the number of Units the Contributors would receive if the initial offering price of the Common Stock was \$16.00 per share as set forth on Exhibit I; divided by (b) the Non-Venture Units if the initial public offering price of the Common Stock was \$16.00 per share. The “Non-Venture Units” means (y) the Total Units, minus (z) the Venture Contributor’s Consideration. “Venture Contributor’s Consideration” means the number of Units determined by dividing the Venture Contributor’s Value by the initial public offering price for the Common Stock. “Venture Contributors Value” means, if the initial public offering price for the Common Stock is less than \$15.00 per share, \$74,854,304, and if the initial public offering price for the Common Stock is greater than \$17.00 per share, the sum of (A) \$74,854,304 plus (B) 64.3% of the excess of (i) the product of the Total Units multiplied by the initial public offering price per share of the Common Stock in the Public Offering over (ii) \$121,440,000, consistent with the allocation of Units when the initial public offering price for the Common Stock is between \$16.01 per share and \$17.00 per share as set forth on Exhibit I attached hereto. Each Contributor shall receive its pro rata share of the Aggregate Consideration based on its percentage interests in SCP III as set forth in Recital C above (as to each Contributor, the “Consideration”). In the event that, subsequent to the date of this Agreement but before the closing of the Formation Transaction, the Common Stock or the units of limited partnership interest of the Operating Partnership issued and outstanding shall, through a reorganization, recapitalization, stock or unit dividend, stock or unit split or similar change in the capitalization of the Company or the Operating Partnership increase or decrease in number, then an appropriate and proportionate adjustment shall be made to the Consideration.

Section 1.3 Adjusted Consideration . At the Closing, all items of income and expense with respect to SCP III shall be prorated between the Contributors, on the one hand, and the Operating Partnership, on the other hand, with all such items attributable to the period prior to the Closing Date (as defined in Section 2.2) to be credited or charged to Contributors, and all such items attributable to the period commencing on the Closing Date shall be credited to the Operating Partnership. Except as otherwise provided in this Section 1.3, income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. The prorations to be performed hereunder shall be completed by the Company based on the parties' estimates as of the Closing, shall be evidenced by a closing statement prepared by the Company, shall be reconciled based on actual amounts when available, but in all events within ninety (90) days of Closing (the "Reconciliation Period") and shall be implemented through a cash payment from the Operating Partnership to the Contributors to the extent the prorations result in a net credit to the Contributors and a cash payment from the Contributors to the Operating Partnership to the extent the prorations result in a net charge to the Contributors. In addition, immediately prior to Closing, SCP III shall distribute to the Contributors any cash then held by SCP III (to the extent not being transferred with the Contributed Assets as a proration in accordance with this Section 1.3) and such cash shall not be contributed to the Operating Partnership with the Contributed Assets. The parties hereby agree that the closing statement shall be prepared by the Company based on assumptions that the Closing takes place on the Estimated Closing Date. If the Closing actually takes place on a day other than the Estimated Closing Date, then, during the Reconciliation Period, the prorations shall be recalculated as of the actual Closing Date based on actual amounts and the Company shall prepare a revised closing statement, and to the extent such revised closing statement reveals that the Contributors received more or less cash than they should have received had the prorations included in the original closing statement not been based on estimated amounts and the Closing occurring on the Estimated Closing Date, then the Operating Partnership (if the Contributors received less cash than they should have received) or the Contributor (if the Contributors received more cash than they should have received), as applicable, shall make a cash payment to the other as necessary to make the cash received by the Contributors correct based on the revised closing statement. Finally, if the Allocated Debt is greater than or less than the Estimated Allocated Debt Amount, the difference (as well as any interest accruals or other charges or payments of the Allocated Debt for the period after December 31, 2010 and until the Closing Date) will be a proration item credited (to the extent the Allocated Debt is less than the Estimated Allocated Debt Amount) or charged (to the extent the Allocated Debt is greater than the Estimated Allocated Debt Amount) to the Contributors and adjusted in cash during the proration reconciliation process.

Section 1.4 Tax Treatment of Contribution. The contribution, transfer, conveyance and assignment of the SCP III Interests to the Operating Partnership from the Contributors is intended to be treated as a transaction in "assets-over" form pursuant to Treas. Reg. 1.708-1(c)(3) qualifying under Section 721(a) of the Code.

Section 1.5 Final Year Allocation . To the extent that the Operating Agreement does not provide for final year tax allocations, the Contributors agree to use the "interim closing of the books" method as provided in Section 706 of the Code to allocate income and loss for the year in which the Closing occurs.

Section 1.6 Section 704(c) Method . The Operating Partnership shall use the “traditional method” described in Treas. Reg. § 1.704-3(b) with respect to the assets of SCP III, with no “curative allocation” of income or gain to offset any “shortfall” in depreciation that results by reason of the use of the “traditional method,” following any “Book-Up Event” (i.e., a subsequent issuance of OP Units (as defined in the Operating Partnership Agreement), an in-kind contribution of property to the Operating Partnership in exchange for OP Units, or a redemption of OP Units).

ARTICLE 2

CLOSING

Section 2.1 Conditions Precedent . The effectiveness of the Company’s Registration Statement on Form S-11 relating to the Public Offering (as amended from time to time, the “Registration Statement”) and the consummation of the Public Offering are conditions precedent to the obligations of all parties to this Agreement to effect the transactions contemplated by this Agreement on the Closing Date. These conditions may not be waived by any party to this Agreement.

(a) The obligations of the Company and the Operating Partnership to effect the Formation Transaction shall be subject to the following additional conditions precedent:

(i) the representations and warranties of the Contributors contained in this Agreement shall have been true and correct in all material respects on the date such representations and warranties were made and shall be true and correct on the Closing Date as if made at and as of the Closing Date, subject to changes that would not reasonably be expected to have a Material Adverse Effect;

(ii) each obligation to be performed by the Contributors shall have been duly performed by each Contributor on or before the Closing Date, and no Contributor shall have materially breached any of its covenants contained herein;

(iii) concurrently with the Closing, each Contributor shall have executed and delivered to the Company or the Operating Partnership, as applicable, the documents required to be delivered pursuant to Section 2.3;

(iv) all necessary consents or approvals of governmental authorities or third parties (including, without limitation any lender to SCP III) to the consummation of the transactions contemplated herein shall have been obtained, other than the consents or approvals of lenders whose loans are to be repaid before or immediately after the Closing;

(v) there shall not have occurred between the date hereof and the Closing Date any material adverse change with respect to the Services Agreements that has, or could reasonably be expected to have, a Material Adverse Effect; provided, however, the Company and Operating Partnership acknowledge that, in connection with the Formation Transaction, the Services Agreements will be assigned, modified and/or terminated;

(vi) no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental or regulatory authority or instrumentality that prohibits the consummation of the transactions contemplated herein, and no litigation or governmental proceeding seeking such an order shall be pending or threatened in writing;

(vii) subject to Section 4.2(c), no new matters with respect to SCP III which the Company would be required to disclose in the Registration Statement shall have arisen or occurred; and

(viii) all of the Other Contributors (other than the Company and the Operating Partnership) shall have made the contributions under their respective Other Agreements.

Any of the foregoing conditions in this Section 2.1(a) may be waived by the Company in its sole and absolute discretion.

(b) The obligations of the Contributor to effect the Formation Transaction shall be subject to the following conditions precedent, either of which may be waived by Contributor in its sole discretion:

(i) all Other Contributors shall have made the contributions described in their respective Other Agreements; and

(ii) each of Benjamin Butcher, Gregory Sullivan, Stephen C. Mecke, Kathryn Arnone and David King shall have entered into employment agreements with the Company or its subsidiary with respect to post-Closing employment on terms and conditions consistent with the descriptions contained in the Registration Statement.

Section 2.2 Date, Time and Place of Closing. The time, place and date of the Formation Transaction shall be at 10:00 a.m. in the office of DLA Piper LLP (US), 33 Arch Street, 26th Floor, Boston, Massachusetts on the day on which the Company receives the proceeds from the Public Offering from the underwriters thereof (the “Closing” or “Closing Date”); provided, however, that the Contributor shall deliver the Closing Documents into a closing escrow established by the Company and the Operating Partnership one (1) business day prior to the expected Closing Date.

Section 2.3 Closing Deliveries. At the Closing, each party shall make, execute, acknowledge and deliver the legal documents and other items (collectively, the “Closing Documents”) necessary to carry out the intention of this Agreement, which Closing Documents and other items shall include, without limitation, the following:

(a) a Contribution and Assumption Agreement substantially in the form attached hereto as Exhibit B;

(b) for each Contributor, a certificate from the Operating Partnership that effective at the Closing the books and records of the Operating Partnership will indicate that such Contributor is the holder of a number of Units equal to its Consideration;

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(c) an affidavit from each Contributor in the form of Exhibit C, stating, under penalty of perjury, the Contributor’s United States Taxpayer Identification Number and that the Contributor is not a foreign person pursuant to section 1445(b)(2) of the Code and a comparable affidavit satisfying Massachusetts’ and any other state’s withholding requirements, if any;

(d) a certificate from each Contributor affirming that the representations and warranties made by such Contributor pursuant to this Agreement remain true and correct in all material respects as of the Closing Date;

(e) the Operating Partnership Agreement;

(f) intentionally omitted;

(g) a lockup agreement in the form attached hereto as Exhibit J;

(h) a Registration Rights Agreement substantially in the form attached hereto as Exhibit E;

(i) a Voting Agreement substantially in the form attached hereto as Exhibit G;

(j) if requested by the Company, certified copies of all organizational documents for each Contributor that is not an individual, together with certified copies of all appropriate limited liability company actions authorizing the execution, delivery and performance by such Contributors of this Agreement, any related documents and the Closing Documents;

(k) evidence reasonably satisfactory to the Company that the lender of any money borrowed by SCP III, other than those lenders whose loans are being repaid before or immediately after the Closing, has consented to the transaction as required by any loan document or other evidence of indebtedness related to SCP III;

(l) any other documents reasonably requested by the Company or the Operating Partnership to assign, transfer, convey, contribute and deliver the SCP III Interests, free and clear of all Encumbrances, and effectuate the transactions contemplated hereby; and

(m) all state and local transfer tax returns and any filings to be made in any applicable governmental jurisdiction in which the Company or the Operating Partnership reasonably believes that it is required to file its organizational documentation or in which the recording of the Contribution and Assumption Agreement is required.

Section 2.4 Closing Costs. At Closing, the Company shall pay all costs associated with the Public Offering and the Roll-Up and the transactions in connection therewith (collectively, the “Transaction”), including, without limitation, the fees of the Company’s legal counsel in preparing documents related to the Transaction (including the legal fees of DLA Piper LLP (US) with respect to only the Transaction (i.e., not the formation of the Contributor, the acquisition of Properties by the Contributor or any Allocated Debt (the “Excluded Work”)), the fees of the Company’s accountants, filing fees, underwriting fees, and transfer or

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documentary stamp taxes triggered by the Transaction, other than Allocated Debt Transfer Costs and costs associated with the Excluded Work, all of which costs are collectively referred to herein as the “Transaction Costs” and the Company shall reimburse the Contributors for all Transaction Costs previously paid by the Contributors. For the avoidance of doubt, the Contributors hereby agree to be solely responsible for all assumption costs, debt transfer costs, consent fees, prepayment fees or other charges payable with respect to the transfer of its Contributed Assets subject to the Allocated Debt (the “Allocated Debt Transfer Costs”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES AND INDEMNITIES

Section 3.1 Representations and Warranties of the Company and the Operating Partnership . The Operating Partnership and the Company, jointly and severally, hereby represent and warrant to, and covenant with, each Contributor that:

(a) **Organization; Authority** . Each of the Company and the Operating Partnership has been duly formed and is validly existing under the laws of the jurisdiction of its incorporation or formation with requisite corporate or limited partnership power and authority, as applicable, to enter this Agreement and all agreements contemplated hereby. The persons and entities executing this Agreement and all agreements contemplated hereby on behalf of the Company and the Operating Partnership have the power and authority to enter into this Agreement and such other contemplated agreements.

(b) **No Violation** . Assuming the truth and accuracy of the representations and warranties of the Contributor in Section 3.2, (i) the execution, delivery and performance by the Company and the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby will not contravene any provision of applicable law, the certificate of incorporation and bylaws of the Company or the certificate of limited partnership or Operating Partnership Agreement, or any material agreement or other material instrument binding upon the Company or the Operating Partnership, or any applicable law, judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or the Operating Partnership, and (ii) no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company or the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby, which, if not obtained, would cause a Material Adverse Effect.

(c) **No Brokers** . Except as set forth on Schedule 3.2(k), neither the Company nor the Operating Partnership has entered into, nor will either of them enter into, any agreement, arrangement or understanding with any person or firm that will result in the obligation of any Contributor or any of the Contributors’ equity holders or beneficiaries (as such) to pay any finder’s fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

(d) **Valid Issuance of Units** . The Units, when issued and delivered in compliance with the provisions of the Agreement will be duly authorized, validly issued, fully paid and, except as provided in the Operating Partnership Agreement and except as affected by

Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, non-assessable. The Units will be free of any Encumbrances created by the Company or the Operating Partnership; provided, however, that the Units are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth in the Operating Partnership Agreement. The Units will not be issued in violation of any preemptive rights or rights of first refusal granted by the Company or the Operating Partnership.

(e) **Tax Status of the Operating Partnership.** The Operating Partnership has at all times during its existence been properly treated as either a “disregarded entity” or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, and each subsidiary of the Operating Partnership has at all times during its existence been properly treated as either a “disregarded entity” or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, other than STAG Industrial TRS, Inc., a wholly-owned subsidiary of the Operating Partnership that is taxable as a corporation for federal tax purposes as a taxable REIT subsidiary.

(f) **REIT Status .**

(i) The Company intends to qualify as a real estate investment trust (“REIT”) under the Code, and the Company will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its proposed ownership and method of operation will enable it to continue to qualify as a REIT under the Code for the Company’s taxable years ending December 31, 2011 and thereafter.

(ii) The Common Stock will be registered pursuant to Section 12(b) of the Securities Act of 1934, as amended and will be listed on the New York Stock Exchange.

(g) **Litigation .** Except as set forth in the Registration Statement, there is no Action pending against the Company or the Operating Partnership and for which service has occurred or, to the Knowledge of the Company, threatened in writing that would, in the reasonable judgment of the Company, if determined adversely to the Company or the Operating Partnership, as applicable, have a Material Adverse Effect. Except as set forth in the Registration Statement, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Company or the Operating Partnership that in any such case would impair the Company’s or the Operating Partnership’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(h) **Investment Company Act of 1940.** Neither the Company nor the Operating Partnership is and, after giving effect to the Public Offering, neither the Company nor the Operating Partnership will be, an “investment company,” as defined in the Investment Company Act of 1940, as amended.

(i) **Valid Issuance of Common Stock.** The outstanding shares of Common Stock are, and when issued and duly delivered against payment therefor as contemplated in the applicable underwriting agreement, the shares of Common Stock issued in the Public Offering will be, duly authorized, validly issued, fully paid and non-assessable.

Section 3.2 Representations and Warranties of the Contributors . Each Contributor represents and warrants to the Company and the Operating Partnership as set forth below in this Section 3.2 with respect to such Contributor and SCP III. Unless otherwise expressly provided in this Agreement, no Contributor makes any representation, warranty, covenant or agreement to indemnify any Indemnified Company Party (as defined in Section 3.3(b)).

(a) **Title** . (i) SCP III owns the servicer's interest under each of the Services Agreements and such interests in the Services Agreements are not subject to any liens, other than any liens related to the Allocated Debt.

(b) **Organization; Authority** . The Contributor has the full right, authority, power and legal capacity to enter into this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby, including, without limitation, the conveyance of the SCP III Interests free and clear of all Encumbrances. The Contributor (to the extent that the Contributor is an entity) and SCP III is duly formed, validly existing and in good standing (to the extent applicable) under the laws of the jurisdiction of its formation, and has all requisite power and authority to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable law, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

(c) **Due Authorization** . The execution, delivery and performance of this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement has been duly and validly authorized by all necessary action of the Contributor. Each of this Agreement and the agreements, documents and instruments executed and delivered by or on behalf of the Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally, as from time to time in effect, or the application of equitable principles. With respect to any Contributor that is an individual, such Contributor has full legal capacity to enter into and perform his obligations under this Agreement.

(d) **Consents and Approvals** . No consent, waiver, approval or authorization of any third party, including, without limitation, any governmental authority or agency, is required to be obtained by the Contributor or SCP III in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except any of the foregoing that shall have been satisfied or obtained at or prior to the Closing Date and except for such consents, waivers, approvals and authorizations the failure of which to obtain would not have a Material Adverse Effect or materially and adversely effect the ability of the Contributor to execute and deliver this Agreement and perform its obligations thereunder.

(e) **Ownership of the Interests** . The Contributor is the sole record owner of the SCP III Interests to be transferred by the Contributor, free and clear of any Encumbrances and has good and valid title to such SCP III Interests.

(f) **Interests** .

(i) The SCP III Interests to be contributed by the Contributor and the other Contributors to this Agreement constitute all of the issued and outstanding interests in SCP III.

(ii) The SCP III Interests owned by the Contributor were validly issued and are duly authorized and fully paid and were not issued in violation of any preemptive rights. The SCP III Interests have been issued in compliance with applicable law and the Operating Agreement. There are no rights, subscriptions, warrants, options, conversion rights, preemptive rights or agreements of any kind outstanding to purchase or to otherwise acquire any of the interests that comprise the SCP III Interests or any securities or obligations of any kind convertible into any of the interests that comprise the SCP III Interests or other equity interests or profit participation of any kind in SCP III. At the Closing, upon its receipt of the Consideration contemplated by this Agreement, the Contributor will have transferred the SCP III Interests to the Operating Partnership free and clear of all Encumbrances.

(g) **No Violation** . None of the execution, delivery or performance of this Agreement, the documents required pursuant thereto and the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, (a) violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination or cancellation of (i) the organizational documents of the Contributor, (ii) any material agreement, document or instrument to which the Contributor or SCP III is a party or by which the Contributor, the SCP III Interests or any of its direct or indirect assets or properties are bound or (iii) any applicable law, or term or provision of any judgment, order, writ, injunction, or decree of any governmental or regulatory authority, which is binding on the Contributor or SCP III or by which the Contributor or any of its direct or indirect assets or properties are bound or subject or (b) result in the creation of any Encumbrance upon the SCP III Interests. Except as shall have been cured, consented to or waived prior to the Closing, none of the Contributor (if the Contributor is an entity) or SCP III is in violation of its organizational documents.

(h) **Non-Foreign Status** . The Contributor is not a “disregarded entity” within the meaning of Treas. Reg. Section 1.1445-2(b)(2)(iii) and is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Code), and is, therefore, not subject to the provisions of the Code relating to the withholding of sales proceeds to foreign persons.

(i) **Withholding** . The Contributor shall execute at Closing such certificates or affidavits reasonably necessary to document the inapplicability of any federal or state withholding provisions, including, without limitation, those referred to in Section 3.2(h) above and any similar provisions under Massachusetts law. Notwithstanding anything herein to the contrary, the Company or the Operating Partnership shall be entitled to withhold a portion of any

payments otherwise to be made to the Contributor as required by the Code or any applicable state law, including (without limitation) Massachusetts law.

(j) **Investment Purposes** . The Contributor acknowledges its understanding that the Units to be acquired by it pursuant to this Agreement and any shares of Common Stock for which the Units may be redeemed are not being registered under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the “ Act ”) and may not be transferred except as provided for in the Registration Rights Agreement executed and delivered by the Operating Partnership or pursuant to the Act or any applicable state blue sky laws pursuant to a specific exemption or exemptions therefrom, and the Operating Partnership’s reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor, including the following:

(i) **Investment** . The Contributor is acquiring the Units solely for its own account for the purpose of investment and not as a nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution of any thereof. The Contributor agrees and acknowledges that it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (hereinafter, “ Transfer ”) any of the Units (or shares of Common Stock for which the Units may be redeemed) unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, (ii) if required by the Company, counsel for the Contributor (which counsel shall be reasonably acceptable to the Company and may be DLA Piper LLP (US)) shall have furnished the Company with an opinion, reasonably satisfactory in form and substance to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Act and qualification or other compliance under applicable blue sky or state securities laws, or (iii) the Transfer is a redemption of the Units in accordance with the Operating Partnership Agreement.

(ii) **Knowledge** . The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement. The Contributor is able to bear the economic risk of holding the Units for an indefinite period and is able to afford the complete loss of the Contributor’s investment in the Units. The Contributor has received and reviewed all information and documents about or pertaining to the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership, and the issuance of the Units and the Common Stock as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions of the proposed management of the Company and the Operating Partnership and receive answers about such information and documents, the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership and the Common Stock that the Contributor deems necessary or desirable to evaluate the merits and risks related to the Contributor’s investment in the Units and to conduct its own independent valuation of the purchase of the Units. The Contributor acknowledges that any such questions posed were answered to the Contributor’s satisfaction. The Contributor understands and has taken cognizance of all risk factors related to the purchase of the Units, including, without limitation, the risk factors set forth in the Registration Statement. The Contributor is a sophisticated real estate investor. The Contributor is relying upon its own independent analysis and assessment

(including with respect to taxes), and the advice of the Contributor's advisors (including tax advisors), and not upon that of the Company and Operating Partnership, for purposes of evaluating, entering into, and consummating the transactions contemplated by this Agreement.

(iii) **Holding Period** . The Contributor acknowledges that it has been advised that (i) unless the Units and shares of Common Stock that may be issued upon redemption of the Units are subsequently registered under the Act or an exemption from such registration is available, the Units and the shares, as applicable, must be held (and the Contributor must continue to bear the economic risk of the investment in the Units and the shares of Common Stock) indefinitely, (ii) a restrictive legend in the form hereafter set forth shall be placed on any certificates representing the Units or, if applicable, shares of Common Stock and (iii) stop transfer and other notations shall be made in the appropriate records of the Operating Partnership and the Company and the Company's transfer agent indicating that the Units and the shares of Common Stock are subject to restrictions on transfer.

(iv) **Accredited Investor** . The Contributor is an "accredited investor" (as such term is defined in Rule 501 (a) of Regulation D under the Act).

(v) **Legend** . Each certificate representing the Units or shares of Common Stock for which the Units may be redeemed, may, to the extent applicable, bear the following legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS, IF REQUIRED BY THE COMPANY, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

In addition, each certificate representing shares of Common Stock will bear a legend regarding restriction on ownership and transfer related to the Company's status as a real estate investment trust.

(k) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Contributor nor any of the Contributor's respective managers, trustees, members or beneficiaries, as applicable, has employed or made any agreement with any broker, finder or similar agent or any Person that will result in the obligation of the Company or any of its Affiliates to pay any finder's fee, brokerage fees or commissions or similar payment in connection with the transactions contemplated by this Agreement.

(l) **Taxes** . The Contributor makes the following representations with respect to SCP III (the "Contributed Entity"), and with respect to itself as to Section 3.2(l)(viii) below:

(i) To the Knowledge of the Contributor, (A) all Tax Returns required to be filed by, on behalf of, or with respect to, the Contributed Entity have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on behalf of, or with respect to the Contributed Entity, either directly or otherwise, have been fully and timely paid, except to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of the Contributed Entity (or other applicable entity), and adequate reserves or accruals for Taxes have been provided in the balance sheet of the Contributed Entity (or other applicable entity) with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Contributed Entity, and (D) the Contributed Entity is, and at all times during its existence has been, a limited liability company that is taxable as a partnership or “disregarded entity” (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation).

(ii) To the Knowledge of the Contributor, the Contributed Entity has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees’ salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

(iii) To the Knowledge of the Contributor, the Contributed Entity has made available to the Company, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three years relating to any material Taxes due from or with respect to the Contributed Entity with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Contributed Entity for all periods for which the applicable statute of limitations has yet to lapse and (C) all Company, and Tax rulings, requests for rulings, or closing agreements specifically relating to the Contributed Entity.

(iv) To the Knowledge of the Contributor, no claim has been made by a taxing authority in a jurisdiction where the Contributed Entity does not file an income or franchise Tax Return that such Contributed Entity is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction.

(v) To the Knowledge of the Contributor, (A) there are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including the Contributed Entity, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has the Contributed Entity received any notice from any taxing authority that it intends to conduct such an audit or investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, the Contributed Entity; and (C) no issue has been raised in writing by any taxing authority in any current or prior

examination which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to the Contributed Entity for any subsequent taxable period that could be material.

(vi) To the Knowledge of the Contributor, neither the Contributed Entity nor any other person on behalf of the Contributed Entity has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to the Contributed Entity. To the Knowledge of the Contributor, no amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to the Contributed Entity as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date; or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to the Contributed Entity from any period ending on or before the Closing Date to any period ending after the Closing Date.

(vii) To the Knowledge of the Contributor, there are no liens as a result of any unpaid taxes (other than statutory liens for taxes not yet delinquent) upon any of the assets of the Contributed Entity, other than with respect to the Allocated Debt.

(viii) The Contributor is a United States person within the meaning of Section 7701(a)(30) of the Code.

(ix) To the Knowledge of the Contributor, neither the Contributed Entity nor any portion thereof has ever constituted or been taxable as a "corporation" or an "association" (within the meaning of the Code).

(x) To the Knowledge of the Contributor, the Contributed Entity has not engaged in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(xi) To the Knowledge of the Contributor, the transactions contemplated hereby will not result in any income Tax liability to the Company, the Operating Partnership or the Contributed Entity.

(xii) For purposes of this Agreement,

(A) "Taxes" shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on

minimum, estimated or other tax, assessment or governmental charge of any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

(B) “**Tax Return**” shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

(m) **Litigation** . Except as set forth on **Schedule 3.2(m)** or in the Registration Statement, there is no Action pending against the Contributor, SCP III or any of their assets, and for which service has occurred or, to the Knowledge of the Contributor, threatened in writing that would, in the reasonable judgment of the Contributor, if determined adversely to the Contributor or SCP III, as applicable, have a Material Adverse Effect. Except as set forth on **Schedule 3.2(m)**, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Contributor or SCP III or all or any portion of the SCP III Interests that would impair the Contributor’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(n) **Services Agreements** . True, correct and complete copies of all Services Agreements which are in effect as of the date of this Agreement, together with all amendments and supplements thereto have been delivered or made available to the Company, its agents and underwriters.

(o) **Other Contracts** . Subject to the provisions of **Section 4.1(b)**, hereof, the Contributor has delivered or made available to the Company, its agents and underwriters true, correct and complete in all material respects, copies of each agreement, undertaking or contract (other than the Services Agreements) that materially affects the ownership, use and operation of SCP III and its assets.

(p) **Liabilities; Indebtedness** . Except as disclosed in the Registration Statement, SCP III has not incurred any indebtedness except for the Allocated Debt, debt secured by Permitted Liens, trade payables which are no more than sixty (60) days past due and other customary and ordinary expenses in the ordinary course of business.

(q) **Insurance** . SCP III currently maintains customary public liability and other insurance coverage in commercially reasonable amounts with reputable insurance companies.

(r) **Personal Property** . All equipment, fixtures and personal property that is owned by SCP III shall remain and not be removed by the Contributor or SCP III prior to the Closing Date, except for such equipment, fixtures and personal property that becomes obsolete or unusable, which may be disposed of or replaced in the ordinary course of business.

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(s) **No Other Agreements to Sell** . Except as set forth in the Registration Statement or on **Schedule 3.2(s)**, the Contributor has not entered into any agreement with, and has no obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any of the SCP III Interests or to not sell the SCP III Interests, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to the SCP III Interests that has not been waived or terminated.

(t) **Compliance With Laws** . As of the date of this Agreement, except as set forth in **Schedule 3.2(t)** or in the Registration Statement, neither the Contributor nor SCP III has received any written notice from any governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal laws, ordinances, rules, regulations, codes, orders and statutes except where the failure to be in compliance with such laws would not reasonably be expected to have a Material Adverse Effect.

(u) **ERISA** . SCP III does not have any employees.

(v) **Bankruptcy**. (i) There has not been filed any petition or application with respect to, or any proceeding commenced by or against, any of the assets of SCP III under any bankruptcy law, and SCP III has not made any assignment for the benefit of creditors, (ii) none of the Contributors or SCP III is “insolvent” within the meaning of any bankruptcy law and (iii) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall render the Contributor insolvent.

(w) **FINRA Disclosures** . Except for Roseview’s affiliate, Roseview Securities, LLC, which is a registered broker-dealer, no relationship, direct or indirect, exists between or among the Contributor, the other Contributors to this Agreement and SCP III on the one hand, and the directors, managers, officers, or to the Contributor’s Knowledge, equity interest holders of the Contributor, the other Contributors to this Agreement or SCP III, on the other hand, which is required by the rules of the Financial Industry Regulatory Authority, Inc. (the “**FINRA**”) to be described in the Registration Statement, which is not so described.

(x) **Disclosure Schedules** . The Disclosure Schedules are, and except as disclosed to the Company in writing, shall remain as of the Closing Date, true, correct and complete in all material respects.

Section 3.3 Indemnification .

(a) Survival of Representations and Warranties; Remedy for Breach.

(i) All representations and warranties contained in this Agreement or in any Schedule or certificate delivered pursuant hereto shall survive the Closing for the period specified in **Section 3.3(e)**.

(ii) Notwithstanding anything to the contrary in this Agreement, none of the Contributors, the Company or the Operating Partnership shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of their respective representations, warranties and covenants contained in **Section 3.1** or **Section 3.2**, as applicable,

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or this Agreement, or in any Schedule, certificate or affidavit delivered by it pursuant thereto, other than pursuant to the succeeding provisions of this Section 3.3.

(iii) Notwithstanding anything to the contrary in this Agreement, any party may bring suit or pursue any other legal right available to such party as a result of willful misconduct or fraud by any other party to this Agreement.

(b) **General Indemnification .**

(i) The Company and the Operating Partnership shall indemnify and hold harmless each of the Contributors and their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “ Indemnified Contributor Party”) from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, amounts paid in settlement, reasonable attorneys’ fees, costs of investigation and remediation, costs of investigative, judicial or administrative proceedings or appeals therefrom, and costs of attachment or similar bonds (collectively, “ Losses.”) arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Contributor Party in connection with (A) any breach of a representation, warranty or covenant of the Company or the Operating Partnership contained in this Agreement, or (B) any Action brought by a third party in the Public Offering against any Contributor relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except in each case in this clause (B) insofar as such Losses arise out of, or are based upon, (1) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein, (2) such Contributor’s breach of a representation, warranty or covenant of this Agreement, or (3) such Contributor’s fraud, willful misconduct or gross negligence.

(ii) Each Contributor shall indemnify and hold harmless the Company, the Operating Partnership and their Affiliates and each of their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “ Indemnified Company Party.”) from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by such Indemnified Company Party in connection with or as a result of (A) any breach of a representation, warranty or covenant of such Contributor contained in this Agreement or in any schedule of certificate delivered pursuant thereto, or (B) any Action brought by a third party in the Public Offering against the Company or the Operating Partnership relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration

Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case in this clause (B) only with respect to Losses that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein. To the extent that more than one Contributor may be liable under this Section 3.3(b)(ii) with respect to any Action, such Contributors shall be jointly and severally liable to the Indemnified Company Party, subject to the limitations set forth in Section 3.3(d).

(c) **Notice and Defense of Claims** . As soon as reasonably practicable after receipt by the Indemnified Company Party or the Indemnified Contributor Party, as applicable (as applicable, an “Indemnified Party”) of notice of any liability or claim incurred by or asserted against the Indemnified Party that is subject to indemnification by a Contributor or the Company or the Operating Partnership, as applicable, under this Section 3.3 (as applicable, the “Indemnifying Party”), the Indemnified Party shall give notice thereof to each Indemnifying Party, including, without limitation, liabilities or claims to be applied against the indemnification basket established pursuant to Section 3.3(d)(i). The Indemnified Party may at its option demand indemnity under this Section 3.3 from the Indemnifying Party(ies) as soon as a claim has been threatened in writing by a third party, regardless of whether an actual Loss has been suffered, so long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof and shall give notice of such determination to the Indemnifying Party(ies). The Indemnified Party shall permit any Indemnifying Party, at its option and expense, to assume the defense of any such claim by counsel selected by such Indemnifying Party and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, that the Indemnified Party may at all times participate (but not control) in such defense at its expense; provided further, that such Indemnifying Party shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party, in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to the Indemnified Party and its Affiliates of a release of all liabilities in respect of such claims, or that does not result only in the payment of money damages; and provided further that in the event of a conflict, the Indemnified Party may choose separate counsel at such Indemnifying Party’s reasonable cost and expense. Notwithstanding the foregoing, if the Company or the Operating Partnership is required to retain counsel, any such counsel shall be selected by the Company (and may include DLA Piper LLP (US)). If any Indemnifying Party shall fail to undertake such defense within 30 days after such notice, or within such shorter time as may be reasonable under the circumstances, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of the Indemnifying Party(ies).

(d) Limitations on and Threshold for Indemnification.

(i) Threshold for Contributor. Notwithstanding anything contained herein to the contrary, no Contributor shall be liable under Section 3.3(b) or this Agreement unless and until the aggregate amount of all Losses recoverable by the Indemnified Company Parties under Section 3.3(b) and this Agreement for which such Contributor would, but for this provision, be liable exceeds on an aggregate basis one percent (1%) of the Consideration (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering) paid to such Contributor hereunder and then only to the extent of such excess.

(ii) Indemnification Limitation. Notwithstanding anything contained herein to the contrary, the Indemnified Company Parties shall look exclusively to each Contributor's Units for indemnification under this Section 3.3 (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) and, with respect to any indemnification (other than those claims made with respect to a breach of Sections 3.2(a)(ii)(z), 3.2(b), (c), (e), (f) and (j) (the "Full Value Representations")), the aggregate recovery that may be sought or obtained under this Agreement or under applicable law for all breaches or claims for indemnification hereunder shall not exceed twenty-five percent (25%) of the Consideration (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) paid to such Contributor (the "Maximum Liability"). Without limiting the generality of the foregoing, each Contributor acknowledges that its indemnification liability for any breach of the Full Value Representations shall be up to the value of its Units (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering). Notwithstanding anything contained herein to the contrary, no Indemnified Party shall have the right to receive or recover incidental, special, consequential or punitive damages against any Indemnifying Party by reason of any breach under or in connection with this Agreement or any schedule, exhibit, certificate or affidavit or any other document delivered by any Contributor or the Company or the Operating Partnership, as applicable, pursuant to this Agreement (unless such incidental, special or consequential (but not punitive) damages are incurred by an Indemnified Party as a result of a third party claim for Losses), and each Indemnified Party hereby waives any and all rights to receive such damages.

(e) **Limitation Period .**

(i) Notwithstanding the foregoing, any claim for indemnification under Section 3.3(b) must be asserted in writing by the Indemnified Company Party, stating the nature of the Losses and the basis for indemnification therefor. Any claim for indemnification against the Company or the Operating Partnership and any claim against any Contributor with respect to any representations or warranties contained in this Agreement or in any schedule or certificate delivered pursuant hereto must be brought within one (1) year after the Closing. Any such claim for indemnification not so asserted in writing within one year after the Closing shall not thereafter be asserted and shall forever be waived.

(ii) If so asserted in writing within one year after the Closing (or the expiration of such later applicable period described in Section 3.3(e) (i)), such claims for indemnification shall survive until resolved by mutual agreement between the applicable Contributor and the Indemnified Company Party or by judicial determination.

(f) **Reservation of Contributor Rights** . Notwithstanding anything else in this Section 3.3 or this Agreement to the contrary, each Contributor reserves unto itself all rights and remedies (including, without limitation, rights to seek contribution) against any third party indemnitors and prior property owners or occupants for liabilities with respect to which the Company or the Operating Partnership has been indemnified by the Contributors hereunder.

(g) **No Effect on Insurance** . Nothing contained in this Section 3.3 or this Agreement shall be construed to release or otherwise relieve any insurer of the Contributors, SCP III, Indemnified Company Party or any Affiliate thereof from paying any of its claims or otherwise performing any of its duties and obligations pursuant to the terms and provisions of any policy of insurance which insures the Contributors, SCP III, or any Indemnified Company Party. If any claims as to which an Indemnified Company Party would be entitled to indemnification under Section 3.3(b), are covered by the insurance, the indemnification obligations shall be reduced by, but only by, the amount paid by the insurance company and not by any deductible or other amount reimbursed to the insurance company by an Indemnified Company Party.

Section 3.4 No Reliance, Properties As Is . Each of the Company and the Operating Partnership acknowledge that, except for the Contributor's representations set forth in Section 3.2, it has not relied upon any statements, representations or warranties by the Contributors or any agent of the Contributors. Without limiting the generality of the foregoing, each of the Company and the Operating Partnership acknowledge and agree that any reports provided or made available to it by the Contributor or the Contributor's agents are provided or made available without any representation or warranty of any kind, express or implied, as to the completeness or accuracy of the facts, presumptions, conclusions or other matters contained therein.

ARTICLE 4

COVENANTS OF CONTRIBUTORS

Section 4.1 Negative Covenants . Each Contributor agrees to comply with the following negative covenants, as they relate to such Contributor and SCP III, during the term of this Agreement.

(a) **Interests**. From the date hereof through the Closing, except as described in the Registration Statement and in connection with the agreements described on Schedule 3.2(5), the Contributor shall not, without the prior written consent of the Company:

(i) sell, transfer or otherwise dispose (or agree to sell, transfer or otherwise dispose) of, or cause or allow the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of the SCP III Interests, or

(ii) encumber or pledge (or permit to become encumbered or pledged) all or any portion of its SCP III Interests.

(b) **SCP III Operations**. From the date hereof through the Closing, the Contributor agrees that it shall cause SCP III (to the extent such Contributor controls SCP III) to

conduct its business in the ordinary course, consistent with past practices. Except as described or as will be described in the Registration Statement or the Disclosure Schedules, the Contributor shall not permit SCP III without the prior written consent of the Company to:

- (i) enter into a transaction not in the ordinary course of business;
- (ii) sell, transfer or dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) any assets of SCP III, except for distributions that are not prohibited by clause (viii) below and except that the parties hereby acknowledge that, at or prior to Closing, STAG Capital Partners, LLC and SCP III (and to the extent required, the Company and Operating Partnership) shall enter into agreements with the parties listed on **Exhibit H** attached hereto (the “Existing STAG Entities”) granting such Existing STAG Entities a license to use the names “STAG” and “Single Tenant Acquisition Group” and related trademarks as long as such Existing STAG Entities continue to own any portion of the assets currently owned by such Existing STAG Entities;
- (iii) mortgage, pledge or encumber (or permit to become encumbered) any assets of SCP III, except for Permitted Liens;
- (iv) knowingly cause or permit SCP III to violate any applicable laws;
- (v) materially alter the manner of keeping SCP III’s books, accounts or records or the accounting practices therein reflected; or
- (vi) make any distribution to its beneficiaries or equity interest holders, except as contemplated in Section 1.3;
- (vii) make or change any tax election, settle or compromise any Tax liability or claim any refund for Taxes, file any amended Tax Return or any other similar action relating to the filing of any Tax Return or the payment or refund of any Tax, in each case, with respect to SCP III;
- (viii) incur any new indebtedness (other than trade payables in the ordinary course of business or indebtedness that will be repaid in full at or prior to Closing) or guaranty the indebtedness of any other entity, except for (1) the Allocated Debt, provided that the principal amounts of the Allocated Debt shall not increase above the Allocated Debt Amount (except to the extent set forth in the next clause) and (2) debt necessary to fund operations prior to Closing;
- (ix) terminate or amend any existing insurance policy carried by SCP III that results in a material reduction in insurance coverage; or
- (x) make any payments which reduce the outstanding principal balance of the Allocated Debt other than regular amortization payments or payments upon maturity, in each case, in accordance with the documents governing the Allocated Debt as of the date hereof.

Section 4.2 Affirmative Covenants . Each Contributor agrees to comply with the following covenants, as they relate to such Contributor and SCP III, during the term of this Agreement.

(a) From the date hereof through the Closing, the Contributor, Company and Operating Partnership shall each use its diligent efforts to obtain any approvals, waivers or other consents of third parties, governmental authorities and agencies required to effect the Formation Transaction. Nothing herein shall obligate the Company or the Operating Partnership to pursue or complete the Public Offering, which decision shall be made by the Company in its sole discretion.

(b) Without limiting the obligations of the Contributor set forth in this Agreement, from the date hereof through the Closing, the Contributor shall use its diligent efforts (i) to prevent the breach of any representation or warranty of the Contributor hereunder, (ii) to satisfy all covenants of the Contributor hereunder, provided, however, that subsequent to the Closing each Contributor shall use its diligent efforts to satisfy all covenants of the Contributors hereunder that survive the Closing and (iii) to promptly cure any breach of a representation, warranty or covenant of the Contributor hereunder upon its learning of same. Compliance with this covenant shall not limit the Contributor's liability for a breach of, or failure to perform, any other representation, warranty or covenant herein unless the Company knows of such breach of representation prior to Closing and completes the Closing.

(c) Each party hereto will give written notice to the other parties of any material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. In addition, five business days before each amendment to the Registration Statement filed with the Securities and Exchange Commission (other than any amendment filed solely for the purpose of filing exhibits) (each such date, a "Permitted Supplement Date"), the Contributor may supplement in writing any existing Disclosure Schedule or create a new Disclosure Schedule, to any representation or warranty in Section 3.2 and further agrees, on each Permitted Supplement Date, to give the Company written notice if it has any Knowledge that any representation or warranty made by the Contributor in this Agreement was untrue in any material respect when made or that would be untrue in any material respect if made as of such date (other than representations and warranties relating to a specified date). Any such disclosure by the Contributor pursuant to this Section 4.2(c) made before the filing with the Securities and Exchange Commission of the last amendment to the Registration Statement before the commencement of the road show relating to the Public Offering, shall be deemed to amend and supplement each applicable Schedule or shall be deemed to constitute a new Schedule, and cure any misrepresentation or breach of warranty or covenant to the extent such information would cure the misrepresentation or breach of warranty or covenant.

(d) From the date hereof and subsequent to the Closing, the Contributor agrees to provide the Company with such tax information relating to SCP III and the SCP III Interests that is in the Contributor's possession or control and that is reasonably requested by the Company and not otherwise in the Company's or the Operating Partnership's possession or control and to cooperate with the Company and the Operating Partnership with respect to the filing of their respective tax returns. The Contributor further agrees to notify the Company and the Operating Partnership, in writing, of any audits that could affect the amounts shown on the

returns of the Company or the Operating Partnership for any taxable period. The provisions of this Section 4.2(d) shall survive the Closing.

ARTICLE 5

RELEASES AND WAIVERS

Each of the releases and waivers enumerated in this Article 5 shall become effective only upon the Closing.

Section 5.1 General Release of Company . As of the Closing, each Contributor irrevocably waives, releases and forever discharges the Company, the Operating Partnership, SCP III and each of their respective directors, managers, officers, employees, agents, equity interest holders, attorneys, affiliates, successors and assigns of and from, any and all losses of any nature whatsoever existing as of the closing (collectively, “Contributor Claims”), known or unknown, suspected or unsuspected, arising out of or relating to the Operating Agreement or SCP III, except for Contributor Claims arising from the breach of any express representation, warranty, covenant or obligation of the Company or the Operating Partnership under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership, subject to the obligations of the Company and the Operating Partnership under this Agreement.

Section 5.2 General Release of Contributor . As of the Closing, the Company and the Operating Partnership irrevocably waives, releases and forever discharges each Contributor and each of the Contributors’ directors, managers, officers, employees, agents, equity interest holders, attorneys, Affiliates, successors and assigns of and from, any and all Losses of any nature whatsoever existing as of the Closing (collectively, “Company Claims”), known or unknown, suspected or unsuspected, arising out of or relating to the Operating Agreement, SCP III or any other matter which exists at the Closing, except for Company Claims arising from the breach of any express representation, warranty, covenant or obligation of such Contributor under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership for which such Contributor has an indemnification obligation under this Agreement.

Section 5.3 Attorney-in-Fact . Each Contributor hereby irrevocably appoints the Company (or its designee) and any successor thereof from time to time (the Company or such designee or any such successor of any of them acting in such Contributor’s capacity as attorney-in-fact pursuant hereto, the “Attorney-in-Fact”) as the true and lawful attorney-in-fact and agent of Contributor, to act in the name, place and stead of such Contributor to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, consents, letters and other writings relating to the transactions contemplated by this Agreement (including, without limitation, the execution of any Closing Documents or other documents) relating to the acquisition by the Company of such Contributor’s SCP III Interests, all in accordance with the terms and conditions of this Agreement, as well as the organizational documents of the Company and the Operating Partnership, as they may be amended or revised, any registration rights agreements and any lock-up agreements, and to provide information to the Securities and Exchange Commission and others about the transactions contemplated hereby, as

fully as could such Contributor if personally present and acting (the “Power of Attorney”). Each Contributor agrees, at the request of the Company, to execute a separate power of attorney and proxy on the same terms as set forth in this Section 5.3, with such execution to be witnessed and notarized.

The Power of Attorney entered into by each Contributor and all authority granted hereby shall be coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of such Contributor, by operation of law or by the occurrence of any other event or events, and if any other such act or event shall occur before the completion of the transactions contemplated by this Agreement, the Attorney-in-Fact shall nevertheless be authorized and directed to complete all such transactions as if such other act or event had not occurred and regardless of notice thereof. Each Contributor hereby authorizes the reliance of third parties on each of the Power of Attorney. Each Contributor hereby ratifies and confirms all that the Attorney-in-Fact shall lawfully do or cause to be done by virtue of the exercise of the powers granted to it by such Contributor hereunder.

Each Contributor acknowledges that the Company has, and any designee or successor thereof acting as Attorney-in-Fact may have, an economic interest in the transactions contemplated by this Agreement.

The Power of Attorney contained in this Section 5.3 shall expire on the earlier of the first anniversary of the Closing or the termination of this Agreement. Notwithstanding anything to the contrary, the Attorney-in-Fact may not expand any Contributor’s covenants, representations or covenants beyond those contemplated by this Agreement and the other documents and agreements contemplated hereby or modify the provisions of this Agreement pursuant to such Power of Attorney.

Section 5.4 Limitation on Liability . It is understood that the Attorney-in-Fact (but solely in its role as Attorney-in-Fact) assumes no responsibility or liability to any person or entity by virtue of the Power of Attorney granted by a Contributor hereby. Other than as specifically set forth in this Agreement, the Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Formation Transactions or the Public Offering or the acquisition of the SCP III Interests by the Company or the Operating Partnership and shall not be liable for any error or judgment or for any act done or omitted or for any mistake of fact or law except for actions by the Attorney-in-Fact that constitute gross negligence or bad faith. Each Contributor agrees that the Attorney-in-Fact may consult with counsel of its own choice (who may be counsel for the Company, the Operating Partnership, the Contributors or any of their successors or Affiliates), and it shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. It is understood that the Attorney-in-Fact may, without breaching any express or implied obligation to any Contributor hereunder, release, amend or modify any other power of attorney or proxy granted by any other person or entity under any related agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Further Assurances . Each of the Contributors, Company and Operating Partnership agrees to take such other actions and execute and deliver such additional documents following the Closing as any Contributor, the Company or the Operating Partnership may reasonably request in order to effect the transactions contemplated hereby.

Section 6.2 Counterparts . This Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.3 Governing Law, Venue . This Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts, without regard to the choice of laws provisions thereof. Any action to enforce, which arises out of or in any way relates to, any of the provisions of this Agreement or the instruments, agreements and other documents contemplated hereby shall be brought and prosecuted in the state or federal courts located in the Commonwealth of Massachusetts, Suffolk County. Each party irrevocably: (a) submits to the exclusive jurisdiction of the aforesaid courts, and (b) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding (" Proceedings ") brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 6.14 . Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 6.4 Amendment; Waiver . Any amendment hereto shall be in writing and signed by all parties hereto. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

Section 6.5 Entire Agreement . This Agreement, all related agreements referred to herein and that certain Master Roll-Up Agreement among the Contributors, the Other Contributors, the Company and the Operating Partnership dated as of July 21, 2010 (as the same was amended as of December 21, 2010 and as of the date hereof and as the same may be further modified or amended from time to time) constitute the entire agreement and supersede conflicting provisions set forth in all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. In the event of a conflict between the provisions of this Agreement and any other agreement referred to herein, the provisions of this Agreement shall control.

Section 6.6 Assignability . This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void and of no effect, except that (a) the Company may assign this Agreement, the Closing Documents, and its rights and

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obligations hereunder and thereunder to a direct or indirect subsidiary of the Company without the consent of the Contributors and (b) any Contributor shall have the right to transfer its membership interests in SCP III (and its interests in this Agreement any other documents executed by any Contributor in connection with, or in anticipation of, the Public Offering) in advance of the Closing and/or at the Closing, so long as (i) such transfer is for estate planning purposes, and (ii) the transferee agrees to be bound by the provisions of this Agreement and the Operating Partnership Agreement.

Section 6.7 Titles . The titles and captions of the Articles, Sections and paragraphs of this Agreement are included for convenience of reference only and shall have no effect on the construction or meaning of this Agreement.

Section 6.8 Third Party Beneficiary . Other than the indemnification provisions in favor of the parties' owners, directors, officers, employees, agents, attorneys and Affiliates, no provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any customer, Affiliate, stockholder, partner, member, director, officer or employee of any party hereto or any other person or entity.

Section 6.9 Severability . If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons, entities or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision and to execute any amendment, consent or agreement deemed necessary or desirable by the parties to effect such replacement.

Section 6.10 Equitable Remedies . Each party hereby agrees that irreparable damage would occur to the other parties in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that any of them shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any others of them and to enforce specifically the terms and provisions hereof in any federal or state court located in Massachusetts (as to which the parties agree to submit to jurisdiction for the purposes of such action), this being in addition to any other remedy to which the non-breaching party is entitled under this Agreement or otherwise at law or in equity.

Section 6.11 Time of the Essence . Time is of the essence with respect to all obligations under this Agreement.

Section 6.12 Reliance . Each party to this Agreement acknowledges and agrees that it is not relying on tax advice or other advice from the other party to this Agreement and that it has or will consult with its own tax advisors for purposes of determining the tax implications of entering into this Agreement and the transactions contemplated herein, and understands the consequences thereof. Notwithstanding anything to the contrary herein, each party agrees that it shall bear any tax liability associated with or attributable to the terms of this Agreement, and

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nothing in this Agreement shall be construed as a guarantee by the Company or any party of the tax consequences to any other party of entering into this Agreement.

Section 6.13 Survival . It is the express intention and agreement of the parties hereto that certain of the representations, warranties and covenants of the Contributors and of the Company and the Operating Partnership set forth in this Agreement shall survive the consummation of the transactions contemplated hereby; provided, that the representations and warranties of the Contributors shall survive only for the period specified in Section 3.3. The provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

Section 6.14 Notice . Any notice to be given hereunder by any party to the other parties shall be given in writing by personal delivery, by registered or certified mail, postage prepaid, return receipt requested or by any nationally-recognized overnight carrier, and shall be deemed communicated as of the date of personal delivery (including delivery by overnight courier). Mailed notices shall be addressed as set forth below, but any party may change the address set forth below by written notice to other parties in accordance with this paragraph.

To BSB, Employees III and/or Mr. Butcher:	c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher
To NED:	c/o New England Development Company One Wells Avenue Newton, MA 02459
With a copy to:	Goulston & Storrs, P.C. 400 Atlantic Avenue Boston, MA 02110 Attn: NED Attorney
To Mr. Sullivan:	c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110
To Roseview:	75 Federal Street, 5th Floor Boston, MA 02110 Attn: Vincent Costantini
To the Company or the Operating Partnership:	STAG Industrial, Inc. 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

Section 6.15 Termination . This Agreement shall terminate if the Closing shall not have occurred on or prior to May 3, 2011. In addition, this Agreement may be terminated before Closing by a document signed by the Company, Operating Partnership and the Contributors. Upon such termination, this Agreement shall become void and have no effect, and no party hereto shall have any liability to the other parties hereto.

Section 6.16 Confidentiality . All press releases or other public communications of any kind relating to the Public Offering or the transactions contemplated herein, and the method and timing of release for publication there, will be subject to the prior approval of the Company.

Section 6.17 Joint Preparation. The parties acknowledge that this Agreement was jointly prepared by them, by and through their legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the parties, but otherwise according to the application of the rules on interpretation of contracts.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

STAG Industrial, Inc., a Maryland corporation

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

OPERATING PARTNERSHIP:

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

CONTRIBUTORS :

BSB STAG III, LLC, a Delaware limited liability company

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
Manager

STAG III Employees, LLC, a Delaware limited liability company

By: BSB STAG III, LLC, a Delaware limited liability company, its Manager

By: /s/ Benjamin S. Butcher
Name: Benjamin S. Butcher
Title: Manager

(Signature Page to SCP III Contribution Agreement)

/s/ Benjamin S. Butcher

Benjamin S. Butcher, individually

NED STAG III Residual LLC, a Delaware limited liability company

By: /s/ Steven S. Fischman

Name: Steven S. Fischman

Title: Manager

/s/ Gregory W. Sullivan

Gregory W. Sullivan, individually

Roseview Capital Partners, LLC

By: /s/ Vincent J. Costantini

Name: Vincent J. Costantini

Title: Member

(Signature Page to SCP III Contribution Agreement)

**EXHIBIT A
TO
CONTRIBUTION AGREEMENT
SERVICES AGREEMENTS**

Services Agreement dated as of May 20, 2005 by and between STAG Capital Partners, LLC and STAG Manager II, LLC, as affected by that certain Assignment and Assumption Agreement dated as of March 1, 2007 by and between STAG Capital Partners, LLC and SCP III.

Services Agreement dated as of March 1, 2007 by and between STAG Capital Partners, LLC and SCP III, as amended by that certain First Amendment to Services Agreement dated as of May 15, 2008 by and between STAG Capital Partners and SCP III.

Services Agreement dated as of June 1, 2007 by and between SCP III and STAG Manager III, LLC.

Services Agreement dated as of May 15, 2008 by and between SCP III and STAG Manager, LLC (f/k/a STAG Manager IV, LLC).

**EXHIBIT B
TO
CONTRIBUTION AGREEMENT**

CONTRIBUTION AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby assigns, transfers, contributes and conveys to STAG Industrial Operating Partnership, LP, a Delaware limited partnership (the “Company”), its entire legal and beneficial right, title and interest in and to STAG Capital Partners III, LLC, a Delaware limited liability company (“SCP III”), including, without limitation, (a) all right, title and interest, if any, of the undersigned in and to the assets and liabilities of SCP III (b) the right to receive distributions of money, profits and other assets from SCP III from and after Closing, and (c) the obligations of SCP III, in each case whether arising before or after the Closing, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the “SCP III Interests”), TO HAVE AND TO HOLD the same unto the Company, its successors and assigns, forever.

Upon the execution and delivery hereof, the Company assumes all obligations in respect of the SCP III Interests.

Executed: _____, 2011

[CONTRIBUTOR]

By: _____

Name: _____

Title: _____

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, its general partner

By: _____

Name: _____

Title: _____

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**EXHIBIT C
TO
CONTRIBUTION AGREEMENT**

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the “ Code ”, provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “ Operating Partnership ”), that the withholding of tax is not required upon the contribution of Interests by [] (the “ Contributor ”) to the Operating Partnership in exchange for common units of limited partnership in the Operating Partnership, which transfer occurred on , 2011, the undersigned hereby certifies the following on behalf of Contributor:

1. Contributor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);
2. Contributor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Contributor’s employer identification number (or Contributor’s social security number, if Contributor is an individual) is ;
and
4. Contributor’s address is: [Modify as necessary]

c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the Operating Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Contributor.

By: [CONTRIBUTOR]

By: _____

Name:
Title:

Date: , 2011

**EXHIBIT D
TO
CONTRIBUTION AGREEMENT
INTENTIONALLY OMITTED**

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**EXHIBIT E
TO
CONTRIBUTION AGREEMENT
REGISTRATION RIGHTS AGREEMENT**

See Attached

E-1

**REGISTRATION RIGHTS AGREEMENT
BY AND AMONG
STAG INDUSTRIAL, INC.,
STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.
AND THE CONTRIBUTORS**

DATED AS OF , 2011

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (including all exhibits and schedules, this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), and the contributors whose names are set forth on the signature pages hereto (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. In connection with the initial public offering of shares of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), the Company, the Operating Partnership and the Contributors will engage in certain formation transactions (the “**Formation Transactions**”) whereby:

- (i) the Contributors will contribute to the Operating Partnership their interests in entities owning certain real estate properties and other assets (the “**Properties**”); and
- (ii) the Contributors will receive common units of limited partnership in the Operating Partnership (“**OP Units**”) in exchange for their respective indirect interests in the Properties, and a subsidiary of the Company will be the general partner of the Operating Partnership.

B. Pursuant to the Partnership Agreement (as defined below), the OP Units will be redeemable for cash or, at the sole and absolute discretion of the Company, exchangeable for shares of Common Stock upon the terms and subject to the conditions contained in the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 2 **DEFINITIONS**

Section 2.1 Definitions . In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

“**Affiliate**” of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“ **Business Day** ” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York or Boston, Massachusetts are authorized or required by law, regulation or executive order to close.

“ **Charter** ” means the amended and restated charter of the Company as filed with the State Department of Assessments and Taxation of Maryland on _____, 2011, as the same may be amended, modified or restated from time to time.

“ **Commission** ” means the Securities and Exchange Commission.

“ **Confidential Information** ” means Confidential Information as defined in Section 3.13(a) .

“ **Demand Registration** ” means a Demand Registration as defined in Section 2.2 .

“ **Demand Registration Statement** ” means a Demand Registration Statement as defined in Section 2.2 .

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

“ **Family Member** ” of any individual means such individual’s spouse, ex-spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters and intervivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters are beneficiaries.

“ **GI Entities** ” means GI STAG Investco, LLC, STAG GI Investments, LLC, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

“ **Holder** ” means any Initial Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) to the extent (x) permitted under the Partnership Agreement, the Charter or a separate written agreement between the Holder and the Company, as applicable, and (y) (1) the Company is furnished with written notice of the name and address of such assignee or transferee and the securities with respect to which such registration rights are being assigned and (2) such assignee or transferee agrees in writing to be bound by all the provisions hereof, unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

“ **Indemnified Party** ” means an Indemnified Party as defined in Section 3.9 .

“ **Indemnifying Party** ” means an Indemnifying Party as defined in Section 3.9 .

“ **Indemnatee** ” means Indemnatee as defined in Section 2.7 .

“ **Initial Holder** ” means (i) any Contributor, (ii) any partner, member or stockholder of any Contributor and any of their respective partners, members or stockholders (and continuing to any and all other partners, members or stockholders that receive a permitted distribution of OP Units or Registrable Securities), (iii) any Affiliate of any such partner, member or stockholder, and (iv) any Family Member of any of the foregoing.

“ **Initial Public Offering** ” means the offering of Common Stock pursuant to the Form S-11 Registration Statement (No. 333-) filed by the Company with the Commission under the Securities Act.

“ **Inspectors** ” means Inspectors as defined in Section 3.5(g).

“ **Losses** ” means Losses as defined in Section 2.7.

“ **Market Value** ” means, with respect to the Common Stock, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date of a written request for registration pursuant to Section 2.2. The market price for each such trading day shall be:

(i) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the Common Stock is not listed or admitted to trading on any securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Company, or

(iii) if the Common Stock is not listed or admitted to trading on any securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than (10) days prior to the date in question) for which prices have been so reported;

provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the Common Stock shall be determined by the Board of Directors of the Company acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

“ **Notice Period** ” means the Notice Period as defined in Section 2.2(a).

“ **Partnership Agreement** ” means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of , 2011, as the same may be amended, modified or restated from time to time.

“ **Person** ” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“ **Piggy-Back Registration** ” means a Piggy-Back Registration as defined in Section 2.3.

“ **Records** ” means Records as defined in Section 3.5(g).

“ **Registrable Securities** ” means shares of Common Stock at any time owned, either of record or beneficially, by any Holder and issued in the Formation Transactions or upon exchange of OP Units received in the Formation Transactions and any additional Common Stock issued as a dividend, distribution or exchange for, or in respect of such shares until

(i) a registration statement covering such shares has been declared effective by the Commission and such shares have been disposed of pursuant to such effective registration statement;

(ii) such shares shall have ceased to be outstanding;

(iii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met;

(iv) such shares held may be sold pursuant to Rule 144 under the Securities Act (or any similar rule or regulation then in effect) without limitation as to volume or manner of sale; or

(v) such shares have been sold or otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act;

provided, however, that “Registrable Securities” for purposes of the indemnification obligations contained in Section 3.7 and Section 3.8 shall mean all shares that are registered on the applicable Shelf Registration, Demand Registration or Piggy-Back Registration, notwithstanding that such shares may not otherwise be “Registrable Securities” by operation of clause (iv) above.

“ **Registration Expenses** ” means Registration Expenses as defined in Section 3.6.

“ **Securities Act** ” means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“ **Selling Holder** ” means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

“ **Shelf Registration Statement** ” means a Shelf Registration statement as defined in Section 3.1.

“ **STAG Parties** ” means STAG Investments III, LLC and STAG Investments IV, LLC.

“ **Suspension** ” means a Suspension as defined in Section 2.14.

“ **Suspension Notice** ” means a Suspension Notice as defined in Section 2.14.

“ **Underwriter** ” means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer’s market-making activities.

ARTICLE 3 **REGISTRATION RIGHTS**

Section 3.1 Shelf Registration . Within two weeks after the anniversary of the consummation date of the Initial Public Offering, subject to Section 3.13 and Section 3.14, the Company shall prepare and file a “shelf” registration statement with respect to the resale (except as provided in the next sentence) of the Registrable Securities on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (together with any amendments or supplements thereto, the “ **Shelf Registration Statement** ”) and shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective on or as soon as practicable thereafter, and to keep such Shelf Registration Statement continuously effective for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities. With respect to Holders other than Affiliates of the Company (including as an Affiliate of the Company, for purposes of this Section 2.1, the GI Entities), the Company may, at its option, satisfy its obligation in this Section 2.1 to register on a Shelf Registration Statement the resale of the Registrable Securities by instead registering on a Shelf Registration Statement the issuance of the Registrable Securities by the Company to such Holders, provided such issuance Shelf Registration Statement is initially filed within the time period required by the staff of the Commission. In the event that the Company fails to file, or if filed fails to maintain the effectiveness of, a Shelf Registration Statement, the Holders may participate in a Piggy-Back Registration (as defined below) pursuant to Section 2.3 herein; provided, further, that if and so long as a Shelf Registration Statement is on file and effective, then the Company shall have no obligation to allow participation in a Piggy-Back Registration. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to file a Shelf Registration Statement unless the Company is eligible to file a registration Statement on Form S-3 or any successor form.

Section 3.2 Demand Registration

(a) Request for Registration. Commencing on or after the date which is one year after the consummation date of the Initial Public Offering, Holders (which may include the GI Entities and the STAG Entities), the GI Entities (so long as they are Holders) or the STAG Entities (so long as they are Holders) may, subject to Section 2.13 and Section 2.14, deliver to the Company a written request that the Company prepare and file with the Commission a registration statement on an appropriate form under the Securities Act (together with any amendments or supplements thereto, a “ **Demand Registration Statement** ”), registering under the Securities Act all or part of its or their Registrable Securities (a “ **Demand Registration** ”).

For purposes of this Agreement, a Demand Registration requested by the Holders is referred to as a “ **Holder Demand Registration** ,” a Demand Registration requested by the GI Entities is referred to as a “ **GI Demand Registration** ,” and a Demand Registration requested by the STAG Entities is referred to as a “ **STAG Demand Registration** .” Notwithstanding the foregoing, (i) the Company shall not be obligated to effect more than six Demand Registrations in total, one GI Demand Registration in total or one STAG Demand Registration in total or more than one Demand Registration in any twelve month period, except that a GI Demand Registration may occur six months before or after a Holder Demand Registration or a STAG Demand Registration, and (ii) in the case of a Holder Demand Registration, the number of shares of Registrable Securities proposed to be sold by the Holders making such written request shall have a Market Value of at least \$20,000,000. Any request for a Demand Registration will specify the number of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Within five (5) Business Days after receipt of such request, the Company will give written notice of such registration request to all other Holders and include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the mailing of the Company’s notice to the applicable Holder (the “ **Notice Period** ”). Each such request will also specify the number of shares of Registrable Securities to be registered and the intended method of disposition thereof (which may include an underwritten offering).

(b) Effective Registration . A registration will not count as a Demand Registration until it has become effective. For purposes of this Agreement, an offering on a Demand Registration Statement is deemed to be effected on the effective date thereof and has remained effective and available for at least 180 days.

(c) Selling Holders Become Party to Agreement . Each Holder acknowledges that by asserting or participating in its registration rights pursuant to this Article II, he or she may become a Selling Holder and thereby will be deemed a party to this Agreement and will be bound by each of its terms.

(d) Underwritten Demand Registrations . If the Holders of a majority of shares of the Registrable Securities to be registered in a Demand Registration so elect by written notice to the Company, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with any such Demand Registration; provided that such managing Underwriter must be reasonably satisfactory to (i) in the case of a Holder Demand Registration, the Holders of a majority of the shares of the Registrable Securities to be registered on such Demand Registration and, as long as the GI Entities register on such Demand Registration Registrable Securities with a Market Value of at least \$5,000,000, the GI Entities, (ii) in the case of a GI Demand Registration, the GI Entities and (iii) in the case of a STAG Demand Registration, the STAG Entities. The Company may select any additional investment banks and managers to be used in connection with the offering; provided that such additional investment bankers and managers must be reasonably satisfactory to a majority of the Holders of the Registrable Securities initiating such Demand Registration.

Section 3.3 Piggy-Back Registration.

(a) Subject to Section 3.1 hereof, if the Company proposes to file a registration statement under the Securities Act (or a prospectus supplement to effect a takedown from an effective shelf registration statement) with respect to an underwritten equity offering by the Company for its own account or for the account of any of its respective security holders of any class of security (other than (i) any registration statement filed by the Company under the Securities Act relating to an offering of Common Stock for its own account as a result of the exercise of the exchange rights set forth in the Partnership Agreement, (ii) any registration statement filed in connection with a demand registration other than a Demand Registration under this Agreement or (iii) a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders), then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date), and such notice shall offer such Holders the opportunity to register such number of shares of Registrable Securities as each such Holder may request (a "**Piggy-Back Registration**"). The Company shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

(b) The Company shall select the lead underwriter or underwriters and any co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggy-Back Registration. In the event the Company gives the Holders notice of its intention to effect an offering pursuant to a Piggy-Back Registration and subsequently declines to proceed with such offering, the Holders shall have no rights in connection with such offering; provided, however, that, subject to Section 3.13 and Section 3.14, at the request of the Holders, the Company shall proceed with such offering with respect to the Registrable Securities included therein, which offering shall be deemed a Demand Registration for all purposes hereunder. The Holders shall participate in any offering of Registrable Securities pursuant to a Piggy-Back Registration (or deemed Demand Registration, if applicable) in accordance with the same plan of distribution for such Piggy-Back Registration as the Company or the holder or holders of Common Stock that proposed such Piggy-Back Registration, as the case may be.

Section 3.4 Reduction of Offering . Notwithstanding anything contained herein, if the managing Underwriter or Underwriters of an offering described in Section 3.2 or Section 2.3 hereof advise the Company and the Holders of the Registrable Securities included in such offering that, in their judgment, (i) the size of the offering that the Holders, the Company and such other Persons intend to make or (ii) in the case of a Piggy-Back Registration only, the kind of securities that the Holders, the Company and/or any other Persons intend to include in such offering are such that the marketability of the offering would be adversely affected by inclusion of the Registrable Securities requested to be included, then

(A) if the size of the offering is the basis of such Underwriter's advice, the amount of securities to be offered for the accounts of Holders shall be reduced pro rata (according to the number of Registrable Securities proposed for registration) to the extent

necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided, that, in the case of a Demand Registration, the number of Registrable Securities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a GI Demand Registration, the number of Registrable Securities of the GI Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a STAG Demand Registration, the number of Registrable Securities of the STAG Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a Piggy-Back Registration, if securities are being offered for the account of other Persons as well as the Company, then the Company shall include in such offering:

- (1) first, securities that the Company proposes to offer;
- (2) second, securities requested to be included therein by the Holders, pro rata;
- (3) third, securities that any other Person proposes to offer pursuant to contractual rights of such holder or holders, pro rata; and
- (4) fourth, any other securities; and

(B) if the combination of securities to be offered is the basis of such Underwriter's advice, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the provisos in clause (A)) or (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter or Underwriters, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering; provided that no Registrable Securities will be excluded from an offering pursuant to this clause (B) in the case of a Demand Registration.

Section 3.5 Registration Procedures; Filings; Information . In connection with any Shelf Registration Statement under Section 3.1 or whenever Holders request that any Registrable Securities be registered pursuant to Section 2.2 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof (which in the case of a Demand Registration but not in the case of a Shelf Registration Statement may include an underwritten offering) as quickly as practicable, and in connection with any such request:

(a) Subject to Section 3.13, the Company will as expeditiously as possible within the time periods set forth in Sections 2.1 and 2.2 but in any event no later than 30 days after the Notice Period for a Demand Registration, prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration

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statement to become and remain effective: (i) in the case of a Shelf Registration Statement filed pursuant to Section 3.1 hereof, for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities; and (ii) in the case of a Demand Registration Statement filed pursuant to Section 2.2 hereof, for at least 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities in such jurisdictions; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Holder, at any time when a preliminary prospectus, prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as the Selling Holders reasonably request in order to expedite or facilitate the disposition of such Registrable

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Securities, including, in the case of a GI Demand Registration or a STAG Demand Registration and to the extent reasonably requested by the lead or managing Underwriters, sending appropriate officers of the Company to attend “roadshows” scheduled in reasonable number and at reasonable times.

(g) The Company will make available for inspection by any Selling Holder, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the “**Inspectors**”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “**Records**”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Selling Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) if eligible under applicable accounting standards, a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefore reasonably requests.

(i) The Company will otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) So long as Common Stock is listed or quoted on any United States securities exchange or quotation system, the Company will use its commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Section 3.6 Registration Expenses . In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the “**Registration Expenses**”): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any legal opinions or comfort letters or costs associated with the delivery by counsel or independent certified public accountants, as applicable, of an opinion or opinions or comfort letter or comfort letters requested pursuant to Section 3.5(h) hereof), and (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; provided, that the Company shall not be required to pay any expenses of any registration proceeding begun pursuant to Section 2.2 if the registration request is subsequently withdrawn (other than if such withdrawal (i) is the result of any change, or development that would reasonably be expected to have a change, in the financial markets in the United States or in national financial or economic conditions that would adversely affect the marketability of the offering or (ii) is the result of any change, or development that would reasonably be expected to have a change, in the financial condition or results of operations of the Company that would adversely affect the marketability of the offering, and, in either case, such withdrawal is made with reasonable promptness following such change or development) at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration). If such Holders shall fail to reimburse the Company for such expenses, the Company shall not be obligated to file another Demand Registration Statement for a period of 12 months from the date such registration statement was withdrawn. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, any fees and expenses of counsel to the Underwriters attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

Section 3.7 Indemnification by the Company . The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an “**Indemnitee**”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (collectively, “**Losses**”) caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement contemplated by this Agreement or any related

preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission included or omitted in conformity with information furnished in writing to the Company by such Indemnitee or on such Indemnitee's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 3.7. The indemnity provided for in this Section 3.7 shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder.

Section 3.8 Indemnification by Selling Holders . Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to Losses caused by any untrue statement or omission included or omitted in conformity with information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto). In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 3.7. Each Selling Holder also agrees to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 3.8. The liability of any Selling Holder pursuant to this Section 3.8 may not, in any event, exceed the net proceeds received by such Selling Holder from sales of Registrable Securities giving rise to the indemnification obligations of such Selling Holder.

Section 3.9 Conduct of Indemnification Proceedings . In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 3.7 or Section 3.8, such person (an “**Indemnified Party**”) shall promptly notify the person against whom such indemnity may be sought (an “**Indemnifying Party**”) in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the

Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them and, in all such cases, the Indemnifying Party shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties not having actual or potential differing interests among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 3.7 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 3.8, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any Loss (to the extent stated above) resulting from such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

Section 3.10 Contribution . If the indemnification provided for in Section 3.7 or Section 3.8 hereof is unavailable to an Indemnified Party or insufficient in respect of any Losses referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses , claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the

Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnifying Party shall not be required to contribute pursuant to this Section 3.10 if there has been a settlement of any proceeding effected without its written consent.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 3.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 3.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total commissions and discounts received by such Underwriter in connection with the sale of the securities underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 3.10 are several in proportion to the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 3.11 Participation in Underwritten Registrations . No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

Section 3.12 Rule 144 . Until such date as no Holder owns any Registrable Securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably

request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 3.13 Holdback Agreements .

(a) **Temporary Suspension of Rights to Sell Based on Confidential Information or Material Transaction.** If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 3.1 or a Demand Registration under Section 2.2 hereof or the use of any related preliminary prospectus, prospectus or prospectus supplement (i) would require the public disclosure of previously non-public material information that the Company has a bona fide business purpose for preserving as confidential that the Company is not otherwise required by applicable securities laws or regulations to disclose (the “**Confidential Information**”) or (ii) would materially interfere with any good faith proposal or plan by the Company or any of its Affiliates to engage in any material acquisition, merger, consolidation, tender offer, securities offering or other material transaction, and upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended until the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 3.13(a) is no longer necessary; provided, however, in no event shall any such suspension be for more than an aggregate of 120 days in any rolling twelve month period or for more than 90 consecutive days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. Nothing in this Section 3.13(a) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(b) **Temporary Suspension of Rights to Sell Based on Exchange Act Reports Not Yet Filed or Regulation S-X.** (i) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, (ii) if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Act, or (iii) if the Company has acquired or proposes to acquire one or more properties which in the aggregate are significant for purposes of Rule 3-14 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended (to the extent required under the Securities Act or the Exchange Act) until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no

longer required. The Company agrees to use its commercially reasonable efforts to file such reports or obtain and file the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement as promptly as practicable. Nothing in this Section 3.13(b) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(c) Restrictions on Public Sale by Holder of Registrable Securities. With respect to underwritten offerings prior to the second anniversary of the date of this Agreement, for so long as the Holder beneficially owns one percent or more of the outstanding Common Stock (assuming conversion of such Holder's OP Units or other convertible securities but not any other OP Units or convertible securities), each Holder agrees not to sell, offer for sale or otherwise transfer any Registrable Securities during any of the following periods:

(i) unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated effective date of a registration statement for any underwritten public offering of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) and ending 90 days after such effectiveness; and

(ii) in the case of a Rule 415 registration statement, unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated date of the Company's notice of commencement of distribution in connection with such offering and ending 90 days after the commencement of such distribution.

(d) Notwithstanding the provisions of Section 3.13(c):

(i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holders that the Company declines to proceed with any such offering set forth in Section 3.13(c);

(ii) all executive officers and directors of the Company then holding shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company shall enter into similar agreements for not less than the entire time period required of the Holders hereunder; and

(iii) the Holders shall be allowed any concession or proportionate release allowed to any executive officer or director that entered into similar agreements.

Section 3.14 Suspension Rights . In the event of:

(a) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of a registration statement contemplated by this Agreement for amendments or supplements to such registration statement or related preliminary prospectus, prospectus or prospectus supplement or for additional information;

- (b) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of any registration statement contemplated by this Agreement or the initiation of any proceedings for that purpose;
- (c) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or
- (d) any event or circumstance that necessitate the making of any changes in a registration statement contemplated by this Agreement or related preliminary prospectus, prospectus or prospectus supplement, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a registration statement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that, in the case of a preliminary prospectus, prospectus or prospectus supplement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

then the Company shall deliver a written notice to the Holders with Registrable Securities covered by such registration statement or related preliminary prospectus, prospectus or prospectus supplement (the “ **Suspension Notice** ”) to the effect of the foregoing (which do not disclose the content of any material non-public information and will indicate the date of the beginning and end of the intended suspension, if known), and, upon receipt of such Suspension Notice, such Holders will refrain from selling any Registrable securities pursuant to such registration statement (a “ **Suspension** ”) until such Holder’s receipt of copies of a supplemented or amended preliminary prospectus, prospectus or prospectus supplement prepared and filed by the Company, or until it is advised in writing by the Company that the current preliminary prospectus, prospectus or prospectus supplement may be used, and has received copies of any additional or supplement filings that are incorporated or deemed incorporated by reference in any such preliminary prospectus, prospectus or prospectus supplement. In the event of any Suspension, the Company will use commercially reasonable efforts to cause the use of the preliminary prospectus, the prospectus or the prospectus supplement so suspended to be resumed as soon as reasonably practicable after delivery of a Suspension Notice to such Holders, subject to Section 3.13 . The Suspension and Suspension Notice shall be held in confidence and not disclosed by such Holders, except as required by law.

Section 3.15 Other Registration Rights . Nothing herein shall prohibit the Company from granting to any Person the right to cause the Company to register any securities of the Company under the Securities Act; provided, that the Company shall not enter into any agreement (or amendment or waiver of the provisions of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are *pari passu* or senior to the registration rights provided in this Agreement to the Holders or any other rights that conflict with the rights of the Holders under this Agreement or otherwise limits or reduces such rights. The Company shall cause each other holder of Common Stock (or any security convertible or exchangeable into Common Stock) who obtains the right, after the date of this Agreement, to propose a registration giving rise to a Piggy-Back

Registration, if any, to agree not to transfer any shares of Common Stock or securities convertible into or exchangeable for Common Stock, for the applicable periods set forth in Section 3.13(c).

Section 3.16 Survival . The obligations of the Company and the Holders under Section 3.7, Section 3.8, Section 3.9 and Section 3.10 hereof shall survive the completion of any offering of Registrable Securities and the termination or expiration of this Agreement.

ARTICLE 4 **MISCELLANEOUS**

Section 4.1 Remedies . In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 4.2 Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, in each case without the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 4.3 Notices . All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery to the address set forth on the signature page hereto, or to such other address and to such other Persons as any party hereto may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 4.4 Successors and Assigns . Except as expressly provided in this Agreement, the rights and obligations of the Initial Holders under this Agreement shall not be assignable by any Initial Holder to any Person that is not an Initial Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

Section 4.5 Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the

same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 4.6 Governing Law . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

Section 4.7 Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 4.8 Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 4.9 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 4.10 No Third Party Beneficiaries . Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG Industrial, Inc., a Maryland corporation

By: _____

Name:

Title:

99 High Street, 28th Floor

Boston, MA 02110

Attention: General Counsel

Fax: 617-514-0052

OPERATING PARTNERSHIP

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name:

Title:

99 High Street, 28th Floor

Boston, MA 02110

Attention: General Counsel

Fax: 617-514-0052

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CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____

Name:

Title:

Address:

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STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

INNOVATIVE PROMOTIONS LLC

By: _____
Name:
Title:

Address:

GREGORY W. SULLIVAN

Address:

ROSEVIEW CAPITAL PARTNERS LLC

By:

Name:

Title:

Address:

BSB STAG III, LLC

By:

Name:

Title:

Address:

STAG III EMPLOYEES, LLC

By:

Name:

Title:

Address:

NED STAG III RESIDUAL LLC

By:

Name:

Title:

Address:

BENJAMIN S. BUTCHER

Address:

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**EXHIBIT F
TO
CONTRIBUTION AGREEMENT**

DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below.

Actions : Means all actions, litigation, written claims, complaints, charges, written accusations, investigations, petitions, suits, arbitrations, mediations or other proceedings, whether civil or criminal, at law or in equity, judicial or administrative or before any arbitrator or governmental body or agency.

Affiliate : Means a Person who as to another Person controls, is controlled by, or is under common control with, such other Person.

Allocated Debt : Means the debt that is owed by SCP III and that is assumed by the Operating Partnership as of the Closing Date, by virtue of its ownership of SCP III. The aggregate outstanding principal amount of the Allocated Debt as of December 31, 2010, is \$2,983,000.00 (the “Estimated Allocated Debt Amount”).

Claims : Means claims, disputes or Actions pending, threatened in writing or, to a Contributor’s Knowledge, otherwise threatened that directly or indirectly affect such Contributor, SCP III or the SCP III Interests.

Disclosure Schedule : Means the Disclosure Schedule dated of even date herewith and delivered by the Contributors to the Company and the Operating Partnership, which Disclosure Schedule is attached hereto and incorporated herein and contains **Schedule 3.2(k)** through **Schedule 3.2(t)** .

Encumbrances : Means, with respect to the subject personal property, each of the following: all pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, rights of others, licenses, or other similar arrangement or interest in personal property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the personal property in question.

Estimated Closing Date : Means April 13, 2011.

Knowledge : Means, with respect to any representation or warranty so indicated, (i) with respect to BSB, Employees III and Mr. Butcher, the actual knowledge of Benjamin S. Butcher, without any duty of inquiry or investigation, (ii) with respect to NED, the actual knowledge of Gregory Sullivan, without any duty of inquiry or investigation, (iii) with respect to Mr. Sullivan, the actual knowledge of Gregory Sullivan, without any duty of inquiry or investigation and (iv) with respect to Roseview, the actual knowledge of Vincent Costantini, without any duty of inquiry or investigation.

Material Adverse Effect : Means any material adverse effect on the assets, business, financial condition, prospects or results of operations of the Company, the Operating Partnership and SCP III taken as a whole.

Person : Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental entity.

Road Show Prospectus Filing Date : Means the date of filing with the Securities Exchange Commission of an amendment to the Company's S-11 that contains the definitive form of preliminary prospectus anticipated to be used for the "road show" of the Public Offering, which preliminary prospectus includes the offering price range, the number of shares to be offered to the public and the value, based on the mid-point of the offering range, of the Units to be delivered to the Contributors and Other Contributors hereunder and under the Other Agreements.

Valuation Date : Means as of the date of this Agreement.

**EXHIBIT G
TO
CONTRIBUTION AGREEMENT
VOTING AGREEMENT**

See Attached

G-1

VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), GI STAG INVESTCO, LLC, a Delaware limited liability company (“**GISI**”) and the undersigned contributors (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. **WHEREAS**, on _____, 2011, the Company and the Operating Partnership entered into several contribution agreements (the “**Contribution Agreements**”) with the Contributors, which provide for the contribution of various portfolios of primarily single-tenant real estate assets (the “**Contributions**”) in connection with a proposed initial public offering (the “**Public Offering**”) and together with the Contributions, the “**Formation Transactions**”) of shares of common stock, par value \$0.01 per share, of the Company (the “**Common Stock**”);

B. **WHEREAS**, each Contributor is the record owner or beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of, and has the right to direct the voting or disposition of, the number of shares of Common Stock, or common units of limited partnership in the Operating Partnership (“**OP Units**”), indicated on the signature page of this Agreement (such shares of common stock and shares of Common Stock issuable upon redemption of the OP Units, the “**Shares**”); and

C. **WHEREAS**, as an inducement for (i) GISI to enter into the limited liability company agreement (the “**JV Agreement**”) of STAG GI INVESTMENTS, LLC, a Delaware limited liability company (“**STAG GI**”), and (ii) each of the Contributors to enter into such Contributor’s Contribution Agreement with the Company and the Operating Partnership, and as part of the conditions to the consummation of the Formation Transactions, the Company desires to agree to provide GISI the right to select up to two individuals to be nominated to serve on the Board of Directors of the Company (the “**Board**”), and each Contributor desires to agree to vote the Shares over which the Contributor has voting power as described below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Initial Board of Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then immediately following the Public Offering, the Board shall consist of seven directors, at least five of whom will be Independent Directors (as defined below), each of whom will serve a one-year term and two of whom shall have been selected by GISI. Of the two directors to be selected by GISI, both must be Qualified Nominees (as defined below) and at least one must qualify as an Independent Director and qualify to serve as chairperson

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of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange. GISI agrees to notify the Company of its proposed appointments for the initial Board at least one week in advance of the expected filing of the first amendment to the registration statement for the Public Offering, together with any information regarding such appointees as the Company reasonably requests.

(b) “ **Independent Director** ” means an individual who qualifies as an “independent director” under the requirements of the New York Stock Exchange.

(c) “ **Qualified Nominee** ” means an individual (i) who is not a competitor of the Company or any of its subsidiaries or an affiliate of a competitor of the Company or any of its subsidiaries, as reasonably determined by the Board, (ii) who does not have a material conflict of interest in serving as a member of the Board or would be unable to comply with the Company’s code of business conduct and ethics and corporate governance guidelines, as reasonably determined by the Board, (iii) with respect to whom none of the events described in Item 401(f) of Regulation S-K under the Securities Act of 1933, as amended (or any successor regulation), has occurred in the prior 10 years and (iv) whose nomination and recommendation by the Board, in the good faith determination of the Board, would not be inconsistent with the Board’s duties to the Company and its stockholders. For purposes of this definition, a managing director or director of GI Partners shall not be deemed to be a competitor or an affiliate of a competitor of the Company or any of its subsidiaries or to have a material conflict of interest in serving as a member of the Board by reason of such position or any ownership interest in GI Partners or its subsidiaries.

2. Agreement to Nominate Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then from the date hereof until the Expiration Date (defined below) and subject to the terms and conditions in this Agreement, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, the Company shall cause two individuals selected by GISI (both of whom must be Qualified Nominees and at least one of whom must be an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees) to be nominated for election to the Board; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange.

(b) If at any time while the Company’s obligations under this Section 2 are in effect, the Board shall be classified with the result that directors serve for terms of greater than one year, the Company shall not be required to make any nominations otherwise required under this Section 2, except at an annual meeting at which the term of an individual nominated pursuant to this Section 2 and elected to the Board in connection with such nomination (a “ **GI Director** ”), is scheduled to expire; provided that if the Board shall be classified, the GI Directors shall be placed in different classes.

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the nomination of directors other than the limited rights set forth in this Section 2.

3. Agreement to Vote Shares.

(a) From the date hereof until the Expiration Date, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, each of GISI and the Contributors (in the capacity as a stockholder) shall appear at the meeting or otherwise cause the Shares, if any, to be present for purposes of establishing a quorum and shall vote the Shares, if any, in favor of the election of the nominee or nominees, as applicable, for the Board selected by GISI pursuant to, and in accordance with, this Agreement.

(b) If GISI or a Contributor is the beneficial owner, but not the record holder, of the Shares, GISI or such Contributor, as applicable, agrees to take all reasonable actions necessary to cause the record holder and any nominees to vote all of the Shares, if any, in the manner provided in Section 3(a).

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the voting of the Shares, if any, other than the limited rights set forth in this Section 3. None of GISI and the Contributors shall have any right to influence in any manner the voting of the Shares, if any, on any other matters that may come before the stockholders of the Company.

(d) This Agreement shall not, and shall not be construed to, restrict the ability of GISI or any Contributor to sell or dispose of any Shares or other securities of the Company or the Operating Partnership, in the open market or otherwise.

4. Action in Stockholder Capacity Only. None of GISI and the Contributors makes any agreement or understanding herein as director or officer of the Company or as a fiduciary of, or participant in, any compensation plan of the Company. Each of GISI and the Contributors has entered into this Agreement solely in an individual capacity as a record holder and/or beneficial owner of Shares and OP Units, and nothing herein shall limit or affect any actions taken in a capacity as an officer or director of the Company or as a fiduciary of, or participant in, any compensation plan of the Company.

5. Representations and Warranties of the Company and the Operating Partnership. The Company and the Operating Partnership represent and warrant as follows:

(a) The Company and the Operating Partnership have full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by the Company and the Operating Partnership and constitutes a valid and binding agreement of the Company and the Operating Partnership enforceable against them in accordance with its terms.

(b) The execution and delivery of this Agreement and the performance by the Company and the Operating Partnership of their agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which the Company or the Operating Partnership is a party or by which they (or any of their assets) is bound.

6. Representations and Warranties of Contributor . Each Contributor severally and not jointly represents as follows:

(a) As of the date of this Agreement, Contributor is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and Contributor does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. Contributor has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by Contributor and constitutes a valid and binding agreement of Contributor enforceable against such Contributor in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, Contributor has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, Contributor has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting such Contributor's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by Contributor of such Contributor's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Contributor is a party or by which Contributor (or any of such Contributor's assets) is bound.

7. Representations and Warranties of GISI . GISI represents and warrants as follows:

(a) As of the date of this Agreement, GISI is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and GISI does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. GISI has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by GISI and constitutes a valid and binding agreement of GISI enforceable against GISI in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, GISI has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity (subject to the terms of the JV Agreement with respect to Shares owned through STAG GI). Without limiting the generality of the foregoing, GISI has not entered into any voting agreement (other than this Agreement and the JV Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting GISI's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by GISI of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which GISI is a party or by which GISI (or any of its assets) is bound.

(d) GISI is controlled by GI Partners.

8. Termination.

(a) This Agreement shall terminate if:

(i) at any time immediately following a transfer by GISI or any of the GI Controlled Affiliates of any interest in the Formation Securities, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis immediately following such transfer (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock), or

(ii) at any time on or after the third anniversary of the Public Offering, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock) (the earlier to occur of the events in clause (i) and (ii), the “**Expiration Date**”).

(b) Upon such termination, no party shall have any further obligations or liabilities hereunder; provided that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

(c) For purposes of this Agreement, (i) “ **transfer** ” means any transfer, sale, assignment, gift, exchange or redemption (other than an exchange or redemption of OP Units for shares of Common Stock), distribution or any other disposition by law or otherwise; (ii) “ **Formation Securities** ” means the OP Units issued to GISI (through STAG GI) in the Formation Transactions and shares of Common Stock issued upon redemption of any such OP Units (or any securities issued as a dividend or distribution on, or in exchange for such OP Units or shares of Common Stock); and (iii) “ **GI Controlled Affiliates** ” means, so long as they are controlled by GI Partners, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

9. Miscellaneous Provisions .

(a) Amendments, Modifications and Waivers . No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by the Company, the Operating Partnership, GISI and the Contributors.

(b) Entire Agreement . This Agreement constitutes the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(c) Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

(d) Assignment and Successors . This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto. This Agreement and all the provisions hereof are personal to each of the parties hereto, shall not inure to a party’s respective successors and may not be assigned, other than to one of the GI Controlled Affiliates, by a party without the prior written consent of the other parties. Any assignment in violation of the foregoing shall be void and of no effect.

(e) No Third Party Rights . Nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the parties hereto) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(f) Cooperation . Each of the parties hereto agrees to cooperate fully with the other parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by another party to evidence or reflect the transactions contemplated by this Agreement and to carry out the intent and purpose of this Agreement. Each of the parties hereto agrees that the other parties may publish and disclose each party’s identity and ownership of Shares, OP Units and other securities of the Company or the Operating Partnership and the nature of each party’s commitments, arrangements and understandings under this Agreement as may be required by applicable law in any filing made by a party with the Securities and Exchange Commission.

(g) Severability . If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will

remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(h) Specific Performance; Injunctive Relief. Each party hereto acknowledges that the other parties may be irreparably harmed and that there may be no adequate remedy at law for a breach of any of the covenants or agreements of a party's set forth in this Agreement. Therefore, each party hereto hereby agree that, in addition to any other remedies that may be available upon any such breach, each party shall have the right to seek specific performance, injunctive relief or any other remedies available to such party at law or in equity without posting any bond or other undertaking in order to enforce such covenants and agreements.

(i) Notices. All notices, consents, requests, claims, demands and other communications under this Agreement shall be in writing (which shall include communications by e-mail) and shall be delivered (a) in person or by courier or overnight service, or (b) by e-mail with a copy delivered as provided in clause (a). If to a Contributor, to Contributor's address or e-mail address shown below Contributor's signature on the signature pages hereof, and

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110
Attn: John L. Sullivan, Esq.
Fax: 617-406-6100
E-mail: john.sullivan@dlapiper.com

If to the Company and the Operating Partnership:

STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

If to GISI:

GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Alexander Fraser
Fax: 650-233-3601
E-mail: alexander@gipartners.com

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, Seventeenth Floor Costa Mesa, CA 92626
Attn: John Simonis, Esq.
Fax: 714-668-6336
E-mail: johnsimonis@paulhastings.com

or to such other address or facsimile number as the parties hereto may designate in writing to the other in accordance with this Section 9(i). Any party may change the address or facsimile number to which notices are to be sent by giving written notice of such change of address or number to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by facsimile or e-mail transmission or mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart.

(k) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

[Signatures on the Following Pages]

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG INDUSTRIAL, INC., a Maryland corporation

By: _____
Name: _____
Title: _____

OPERATING PARTNERSHIP

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: STAG INDUSTRIAL GP, LLC, a Delaware limited liability company,
its general partner

By: _____
Name: _____
Title: _____

GISI

GI STAG INVESTCO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Shares Beneficially Owned (ownership is through STAG GI Investments, LLC
and duplicative of the “Shares Beneficially Owned” indicated for STAG
GI Investment, LLC below):

shares of Common Stock
OP Units

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CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

INNOVATIVE PROMOTIONS LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

GREGORY W. SULLIVAN

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

STAG III EMPLOYEES, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

NED STAG III RESIDUAL LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP
Units owned through STAG GI Investments, LLC, STAG Investments
III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BENJAMIN S. BUTCHER

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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**EXHIBIT H
TO
CONTRIBUTION AGREEMENT
LIST OF LICENSEES**

STAG Industrial Management, LLC

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**EXHIBIT I
TO
CONTRIBUTION AGREEMENT
CONSIDERATION SPREADSHEET**

[See Attached]

Appendix A-1
Determination of Number of Units

OP Units to Contributing Entities
Differing Initial Share Price

Share Price	\$15	\$16	\$17
STAG III	689,793	772,549	766,574
STAG IV	1,860,311	2,083,497	2,067,383
Venture	4,990,287	4,678,394	4,700,913
SCP	15,875	17,779	17,642
SCP III	33,734	37,781	20,288
Total	7,871,250	7,871,250	7,854,049

Estimated Allocated Debt

STAG III	208,338,671
STAG IV	86,587,368
Venture	104,131,235
SCP	1,435,000
SCP III	2,983,000

Note: Contributors receive the number of Units set forth below based on the final IPO share price. As price increases above \$17.00/share, Venture receives 64.3% of the increased value over the value at \$16.00/share and STAG III, STAG IV, SCP and SCP III share the remainder pro rata. If the price decreases below \$15.00/share, Venture will receive the necessary number of OP Units to maintain a value of \$74,854,304 and STAG III, STAG IV, SCP and SCP III share the remainder pro rata.

Share Price		3	5	6	7A	7B	Total Units
		Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	
\$	15.00	4,990,287	689,793	1,860,311	15,875	33,734	7,871,250
	15.01	4,986,962	690,675	1,862,690	15,895	33,777	7,871,250
	15.02	4,983,642	691,556	1,865,066	15,915	33,820	7,871,250
	15.03	4,980,326	692,436	1,867,439	15,935	33,863	7,871,250
	15.04	4,977,015	693,315	1,869,809	15,956	33,906	7,871,250
	15.05	4,973,708	694,192	1,872,175	15,976	33,949	7,871,250
	15.06	4,970,405	695,069	1,874,538	15,996	33,992	7,871,250
	15.07	4,967,107	695,944	1,876,899	16,016	34,034	7,871,250
	15.08	4,963,813	696,818	1,879,256	16,036	34,077	7,871,250
	15.09	4,960,524	697,691	1,881,609	16,056	34,120	7,871,250
	15.10	4,957,239	698,562	1,883,960	16,076	34,162	7,871,250
	15.11	4,953,958	699,433	1,886,308	16,096	34,205	7,871,250
	15.12	4,950,681	700,302	1,888,652	16,117	34,248	7,871,250
	15.13	4,947,409	701,170	1,890,994	16,136	34,290	7,871,250
	15.14	4,944,142	702,037	1,893,332	16,156	34,332	7,871,250
	15.15	4,940,878	702,903	1,895,668	16,176	34,375	7,871,250
	15.16	4,937,619	703,768	1,898,000	16,196	34,417	7,871,250
	15.17	4,934,364	704,632	1,900,329	16,216	34,459	7,871,250
	15.18	4,931,114	705,494	1,902,655	16,236	34,501	7,871,250
	15.19	4,927,867	706,355	1,904,978	16,256	34,544	7,871,250
	15.20	4,924,625	707,216	1,907,298	16,276	34,586	7,871,250
	15.21	4,921,388	708,075	1,909,615	16,295	34,628	7,871,250
	15.22	4,918,154	708,933	1,911,929	16,315	34,670	7,871,250
	15.23	4,914,925	709,789	1,914,239	16,335	34,712	7,871,250
	15.24	4,911,700	710,645	1,916,547	16,355	34,753	7,871,250
	15.25	4,908,479	711,500	1,918,852	16,374	34,795	7,871,250
	15.26	4,905,262	712,353	1,921,154	16,394	34,837	7,871,250
	15.27	4,902,050	713,206	1,923,452	16,413	34,879	7,871,250
	15.28	4,898,842	714,057	1,925,748	16,433	34,920	7,871,250
	15.29	4,895,638	714,907	1,928,041	16,453	34,962	7,871,250
	15.30	4,892,438	715,756	1,930,330	16,472	35,003	7,871,250
	15.31	4,889,243	716,604	1,932,617	16,492	35,045	7,871,250
	15.32	4,886,051	717,451	1,934,901	16,511	35,086	7,871,250
	15.33	4,882,864	718,296	1,937,182	16,531	35,128	7,871,250
	15.34	4,879,681	719,141	1,939,459	16,550	35,169	7,871,250
	15.35	4,876,502	719,984	1,941,734	16,569	35,210	7,871,250
	15.36	4,873,327	720,827	1,944,006	16,589	35,251	7,871,250
	15.37	4,870,156	721,668	1,946,275	16,608	35,292	7,871,250
	15.38	4,866,990	722,508	1,948,541	16,628	35,334	7,871,250
	15.39	4,863,827	723,347	1,950,804	16,647	35,375	7,871,250
	15.40	4,860,669	724,185	1,953,064	16,666	35,416	7,871,250
	15.41	4,857,515	725,022	1,955,321	16,685	35,456	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
15.42	4,854,365	725,858	1,957,575	16,705	35,497	7,871,250
15.43	4,851,219	726,693	1,959,826	16,724	35,538	7,871,250
15.44	4,848,077	727,527	1,962,075	16,743	35,579	7,871,250
15.45	4,844,939	728,359	1,964,320	16,762	35,620	7,871,250
15.46	4,841,805	729,191	1,966,563	16,781	35,660	7,871,250
15.47	4,838,675	730,021	1,968,802	16,800	35,701	7,871,250
15.48	4,835,549	730,851	1,971,039	16,820	35,742	7,871,250
15.49	4,832,428	731,679	1,973,273	16,839	35,782	7,871,250
15.50	4,829,310	732,506	1,975,504	16,858	35,822	7,871,250
15.51	4,826,196	733,332	1,977,732	16,877	35,863	7,871,250
15.52	4,823,087	734,157	1,979,957	16,896	35,903	7,871,250
15.53	4,819,981	734,981	1,982,180	16,915	35,944	7,871,250
15.54	4,816,879	735,804	1,984,399	16,934	35,984	7,871,250
15.55	4,813,782	736,626	1,986,616	16,952	36,024	7,871,250
15.56	4,810,688	737,447	1,988,830	16,971	36,064	7,871,250
15.57	4,807,598	738,267	1,991,040	16,990	36,104	7,871,250
15.58	4,804,512	739,086	1,993,249	17,009	36,144	7,871,250
15.59	4,801,431	739,903	1,995,454	17,028	36,184	7,871,250
15.60	4,798,353	740,720	1,997,656	17,047	36,224	7,871,250
15.61	4,795,279	741,536	1,999,856	17,065	36,264	7,871,250
15.62	4,792,209	742,350	2,002,053	17,084	36,304	7,871,250
15.63	4,789,143	743,164	2,004,247	17,103	36,344	7,871,250
15.64	4,786,081	743,976	2,006,438	17,122	36,383	7,871,250
15.65	4,783,023	744,788	2,008,626	17,140	36,423	7,871,250
15.66	4,779,968	745,598	2,010,812	17,159	36,463	7,871,250
15.67	4,776,918	746,407	2,012,995	17,178	36,502	7,871,250
15.68	4,773,871	747,216	2,015,175	17,196	36,542	7,871,250
15.69	4,770,829	748,023	2,017,352	17,215	36,581	7,871,250
15.70	4,767,790	748,829	2,019,527	17,233	36,621	7,871,250
15.71	4,764,755	749,635	2,021,698	17,252	36,660	7,871,250
15.72	4,761,724	750,439	2,023,867	17,270	36,699	7,871,250
15.73	4,758,697	751,242	2,026,033	17,289	36,739	7,871,250
15.74	4,755,674	752,044	2,028,197	17,307	36,778	7,871,250
15.75	4,752,654	752,845	2,030,357	17,326	36,817	7,871,250
15.76	4,749,639	753,646	2,032,515	17,344	36,856	7,871,250
15.77	4,746,627	754,445	2,034,671	17,363	36,895	7,871,250
15.78	4,743,619	755,243	2,036,823	17,381	36,934	7,871,250
15.79	4,740,615	756,040	2,038,973	17,399	36,973	7,871,250
15.80	4,737,614	756,836	2,041,120	17,418	37,012	7,871,250
15.81	4,734,618	757,631	2,043,264	17,436	37,051	7,871,250
15.82	4,731,625	758,425	2,045,406	17,454	37,090	7,871,250
15.83	4,728,636	759,218	2,047,545	17,472	37,129	7,871,250
15.84	4,725,651	760,010	2,049,681	17,491	37,168	7,871,250
15.85	4,722,669	760,802	2,051,814	17,509	37,206	7,871,250
15.86	4,719,691	761,592	2,053,945	17,527	37,245	7,871,250
15.87	4,716,717	762,381	2,056,073	17,545	37,283	7,871,250
15.88	4,713,747	763,169	2,058,199	17,563	37,322	7,871,250
15.89	4,710,781	763,956	2,060,322	17,581	37,360	7,871,250
15.90	4,707,818	764,742	2,062,442	17,600	37,399	7,871,250
15.91	4,704,859	765,527	2,064,559	17,618	37,437	7,871,250
15.92	4,701,904	766,311	2,066,674	17,636	37,476	7,871,250
15.93	4,698,952	767,095	2,068,786	17,654	37,514	7,871,250
15.94	4,696,004	767,877	2,070,895	17,672	37,552	7,871,250
15.95	4,693,060	768,658	2,073,002	17,690	37,590	7,871,250
15.96	4,690,119	769,438	2,075,106	17,708	37,629	7,871,250
15.97	4,687,182	770,217	2,077,208	17,726	37,667	7,871,250
15.98	4,684,249	770,996	2,079,307	17,743	37,705	7,871,250
15.99	4,681,320	771,773	2,081,403	17,761	37,743	7,871,250
16.00	4,678,394	772,549	2,083,497	17,779	37,781	7,871,250
16.01	4,678,633	772,486	2,083,326	17,778	37,778	7,871,250
16.02	4,678,872	772,422	2,083,155	17,776	37,775	7,871,250
16.03	4,679,110	772,359	2,082,984	17,775	37,771	7,871,250
16.04	4,679,349	772,296	2,082,814	17,773	37,768	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.05	4,679,587	772,233	2,082,643	17,772	37,765	7,871,250
16.06	4,679,824	772,170	2,082,473	17,770	37,762	7,871,250
16.07	4,680,062	772,107	2,082,304	17,769	37,759	7,871,250
16.08	4,680,299	772,044	2,082,134	17,768	37,756	7,871,250
16.09	4,680,535	771,981	2,081,965	17,766	37,753	7,871,250
16.10	4,680,772	771,918	2,081,795	17,765	37,750	7,871,250
16.11	4,681,008	771,856	2,081,626	17,763	37,747	7,871,250
16.12	4,681,244	771,793	2,081,458	17,762	37,744	7,871,250
16.13	4,681,479	771,731	2,081,289	17,760	37,741	7,871,250
16.14	4,681,715	771,668	2,081,121	17,759	37,738	7,871,250
16.15	4,681,950	771,606	2,080,953	17,757	37,735	7,871,250
16.16	4,682,184	771,544	2,080,785	17,756	37,732	7,871,250
16.17	4,682,419	771,481	2,080,617	17,755	37,729	7,871,250
16.18	4,682,653	771,419	2,080,449	17,753	37,725	7,871,250
16.19	4,682,887	771,357	2,080,282	17,752	37,722	7,871,250
16.20	4,683,120	771,295	2,080,115	17,750	37,719	7,871,250
16.21	4,683,353	771,233	2,079,948	17,749	37,716	7,871,250
16.22	4,683,586	771,172	2,079,781	17,747	37,713	7,871,250
16.23	4,683,819	771,110	2,079,615	17,746	37,710	7,871,250
16.24	4,684,051	771,048	2,079,448	17,745	37,707	7,871,250
16.25	4,684,284	770,987	2,079,282	17,743	37,704	7,871,250
16.26	4,684,515	770,925	2,079,117	17,742	37,701	7,871,250
16.27	4,684,747	770,864	2,078,951	17,740	37,698	7,871,250
16.28	4,684,978	770,802	2,078,785	17,739	37,695	7,871,250
16.29	4,685,209	770,741	2,078,620	17,738	37,692	7,871,250
16.30	4,685,440	770,680	2,078,455	17,736	37,689	7,871,250
16.31	4,685,670	770,619	2,078,290	17,735	37,686	7,871,250
16.32	4,685,900	770,558	2,078,125	17,733	37,683	7,871,250
16.33	4,686,130	770,497	2,077,961	17,732	37,680	7,871,250
16.34	4,686,360	770,436	2,077,797	17,731	37,677	7,871,250
16.35	4,686,589	770,375	2,077,633	17,729	37,674	7,871,250
16.36	4,686,818	770,314	2,077,469	17,728	37,671	7,871,250
16.37	4,687,047	770,253	2,077,305	17,726	37,668	7,871,250
16.38	4,687,275	770,193	2,077,142	17,725	37,666	7,871,250
16.39	4,687,503	770,132	2,076,978	17,724	37,663	7,871,250
16.40	4,687,731	770,072	2,076,815	17,722	37,660	7,871,250
16.41	4,687,959	770,011	2,076,653	17,721	37,657	7,871,250
16.42	4,688,186	769,951	2,076,490	17,719	37,654	7,871,250
16.43	4,688,413	769,891	2,076,327	17,718	37,651	7,871,250
16.44	4,688,640	769,831	2,076,165	17,717	37,648	7,871,250
16.45	4,688,866	769,771	2,076,003	17,715	37,645	7,871,250
16.46	4,689,092	769,711	2,075,841	17,714	37,642	7,871,250
16.47	4,689,318	769,651	2,075,680	17,712	37,639	7,871,250
16.48	4,689,544	769,591	2,075,518	17,711	37,636	7,871,250
16.49	4,689,769	769,531	2,075,357	17,710	37,633	7,871,250
16.50	4,689,995	769,471	2,075,196	17,708	37,630	7,871,250
16.51	4,690,219	769,412	2,075,035	17,707	37,627	7,871,250
16.52	4,690,444	769,352	2,074,874	17,706	37,624	7,871,250
16.53	4,690,668	769,292	2,074,714	17,704	37,621	7,871,250
16.54	4,690,892	769,233	2,074,553	17,703	37,619	7,871,250
16.55	4,691,116	769,174	2,074,393	17,701	37,616	7,871,250
16.56	4,691,340	769,114	2,074,233	17,700	37,613	7,871,250
16.57	4,691,563	769,055	2,074,073	17,699	37,610	7,871,250
16.58	4,691,786	768,996	2,073,914	17,697	37,607	7,871,250
16.59	4,692,008	768,937	2,073,755	17,696	37,604	7,871,250
16.60	4,692,231	768,878	2,073,595	17,695	37,601	7,871,250
16.61	4,692,453	768,819	2,073,436	17,693	37,598	7,871,250
16.62	4,692,675	768,760	2,073,278	17,692	37,595	7,871,250
16.63	4,692,896	768,701	2,073,119	17,691	37,593	7,871,250
16.64	4,693,118	768,643	2,072,961	17,689	37,590	7,871,250
16.65	4,693,339	768,584	2,072,803	17,688	37,587	7,871,250
16.66	4,693,560	768,525	2,072,644	17,687	37,584	7,871,250
16.67	4,693,780	768,467	2,072,487	17,685	37,581	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.68	4,694,001	768,408	2,072,329	17,684	37,578	7,871,250
16.69	4,694,221	768,350	2,072,172	17,683	37,575	7,871,250
16.70	4,694,440	768,292	2,072,014	17,681	37,573	7,871,250
16.71	4,694,660	768,233	2,071,857	17,680	37,570	7,871,250
16.72	4,694,879	768,175	2,071,700	17,679	37,567	7,871,250
16.73	4,695,098	768,117	2,071,544	17,677	37,564	7,871,250
16.74	4,695,317	768,059	2,071,387	17,676	37,561	7,871,250
16.75	4,695,535	768,001	2,071,231	17,675	37,558	7,871,250
16.76	4,695,753	767,943	2,071,075	17,673	37,555	7,871,250
16.77	4,695,971	767,885	2,070,919	17,672	37,553	7,871,250
16.78	4,696,189	767,828	2,070,763	17,671	37,550	7,871,250
16.79	4,696,406	767,770	2,070,607	17,669	37,547	7,871,250
16.80	4,696,624	767,712	2,070,452	17,668	37,544	7,871,250
16.81	4,696,840	767,655	2,070,297	17,667	37,541	7,871,250
16.82	4,697,057	767,597	2,070,142	17,665	37,539	7,871,250
16.83	4,697,273	767,540	2,069,987	17,664	37,536	7,871,250
16.84	4,697,490	767,483	2,069,832	17,663	37,533	7,871,250
16.85	4,697,705	767,425	2,069,678	17,661	37,530	7,871,250
16.86	4,697,921	767,368	2,069,524	17,660	37,527	7,871,250
16.87	4,698,136	767,311	2,069,370	17,659	37,525	7,871,250
16.88	4,698,351	767,254	2,069,216	17,657	37,522	7,871,250
16.89	4,698,566	767,197	2,069,062	17,656	37,519	7,871,250
16.90	4,698,781	767,140	2,068,908	17,655	37,516	7,871,250
16.91	4,698,995	767,083	2,068,755	17,653	37,513	7,871,250
16.92	4,699,209	767,026	2,068,602	17,652	37,511	7,871,250
16.93	4,699,423	766,970	2,068,449	17,651	37,508	7,871,250
16.94	4,699,637	766,913	2,068,296	17,649	37,505	7,871,250
16.95	4,699,850	766,856	2,068,143	17,648	37,502	7,871,250
16.96	4,700,063	766,800	2,067,991	17,647	37,500	7,871,250
16.97	4,700,276	766,743	2,067,839	17,646	37,497	7,871,250
16.98	4,700,488	766,687	2,067,686	17,644	37,494	7,871,250
16.99	4,700,701	766,630	2,067,535	17,643	37,491	7,871,250
17.00	4,700,913	766,574	2,067,383	17,642	37,489	7,871,250

**EXHIBIT J
TO
CONTRIBUTION AGREEMENT
FORM OF LOCK-UP AGREEMENT**

●, 2011

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,

J.P. Morgan Securities LLC
UBS Securities LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

One Bryant Park
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Re: Proposed Public Offering by STAG Industrial, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of STAG Industrial, Inc., a Maryland corporation (the “Company”), and/or holder of units (“OP Units”) in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership and the Company’s operating partnership (the “Operating Partnership”), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), J.P. Morgan Securities LLC (“J.P. Morgan”) and UBS Securities LLC (“UBS” and together with Merrill Lynch and J.P. Morgan, the “Representatives”) propose to enter into an Underwriting Agreement (the “Underwriting Agreement”) with the Company and the Operating Partnership providing for the initial public offering (the “Offering”) of shares (the “Securities”) of the Company’s common stock, par value \$.01 per share (the “Common Stock”). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company and/or holder of OP Units, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named

in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the date that is 12 months from the date of the Underwriting Agreement (subject to extensions as discussed below), the undersigned will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock (including, without limitation, OP Units), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities as follows without the prior written consent of the Representatives, provided that (1) the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

- i. **as a *bona fide* gift or gifts; or**
- ii. **to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or**
- iii. **as a distribution to limited partners, members or stockholders of the undersigned; or**
- iv. **to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned.**

[FOR LOCK-UP TO BE EXECUTED BY STAG INVESTMENTS III, LLC ONLY: Notwithstanding the foregoing, the undersigned STAG Investments III, LLC may pledge any OP Units that it holds that are Lock-Up Securities without the prior written consent of the Representatives pursuant to that certain Pledge Agreement entered into by STAG Investments III, LLC in favor of Bank of America, N.A., as Administrative Agent for the benefit of the Secured Parties thereunder, under that certain Credit Agreement among STAG III Streamwood, LLC, STAG III Mason 2, LLC, STAG III Pomfret, LLC, STAG Investments III, LLC, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent.]

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned on the open market following the Offering if and only if (i) such sales are not required to

be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding the foregoing, if:

(1) during the last 17 days of the 12-month lock-up period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 12-month lock-up period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 12-month lock-up period,

the restrictions imposed by this lock-up agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial 12-month lock-up period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the 12-month lock-up period (as may have been extended pursuant to the previous paragraph) has expired.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's (or any other applicable) transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

For Natural Persons :

(Name)

(Signature)

For Entities :

(Name)

By: _____
Name:
Title:



CONTRIBUTION AGREEMENT

BY AND AMONG

STAG GI INVESTMENTS, LLC

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

AND

STAG INDUSTRIAL, INC.

DATED AS OF APRIL 4, 2011

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CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (including all exhibits and schedules, this “Agreement”) is made and entered into as of April 4, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “Company”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership and a subsidiary of the Company (the “Operating Partnership”), and STAG GI INVESTMENTS, LLC, a Delaware limited liability company (the “Contributor”).

RECITALS

A. The Company, which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “General Partner”), which in turn is the sole general partner of the Operating Partnership, desires to consolidate the ownership of a portfolio of primarily single tenant real estate assets, all of which assets are either owned or ground leased by those certain limited liability companies and limited partnerships set forth on **Exhibit A** attached hereto and incorporated herein (each, a “Participating Entity” and, collectively, the “Participating Entities”) or expected to be acquired or ground leased by the Participating Entities after the date hereof, through the transaction contemplated by this Agreement (the “Formation Transaction”).

B. The Formation Transaction relates to the proposed initial public offering (the “Public Offering”) of the common stock, par value \$0.01, of the Company (the “Common Stock”).

C. The Contributor owns 100% of the membership interests in STAG GI Investments Holdings, LLC, a Delaware limited liability company (“Holdings”), Holdings owns 100% of the membership interests or limited partnership interests, as applicable, in each of the Participating Entities, and Holdings or the Participating Entities own or ground lease or have rights to acquire the properties set forth on **Exhibit B** attached hereto and incorporated herein (each, a “Property” and together, the “Properties”). As used herein, “Participating Entity Agreements” means the articles of organization, certificates of formation, limited liability company agreements, limited partnership agreements, charters and bylaws and other similar organizational documents under which Holdings and each Participating Entity was formed or incorporated (including all amendments and restatements thereto).

D. The Contributor desires to, and the Operating Partnership desires that the Contributor, contribute to the Operating Partnership all of the Contributor’s right, title and interest, free and clear of all Encumbrances, as a member of Holdings, including, without limitation, all of its voting rights and interests in the capital, profits and losses of Holdings or any property distributable therefrom, constituting all of its rights and interests in Holdings (such right, title and interest, the “Holdings Interests”), in exchange for common units of limited partnership interests in the Operating Partnership (the “Units”) in a transaction intended by the parties to qualify as a tax-free contribution to the Operating Partnership pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (the “Code”). As used herein, “Participating Equity Interests” means all of Holdings’ right, title and interest, free and clear of all Encumbrances, as a member of each Participating Entity, including, without limitation, all of its voting rights and interests in the

capital, profits and losses of each such Participating Entity or any property distributable therefrom, constituting all of its rights and interests in each such Participating Entity.

E. The parties acknowledge that the acquisition of the Holdings Interests by the Operating Partnership is in connection with the consummation of the Public Offering and the satisfaction of the conditions set forth herein.

F. Simultaneously herewith, STAG Investments III, LLC, STAG Investments IV, LLC, Net Lease Aggregation Fund, LLC, BSB STAG III, LLC, STAG III Employees, LLC, Innovative Promotions, LLC, NED STAG III Residual LLC, Roseview Capital Partners, LLC, Gregory W. Sullivan and Benjamin S. Butcher (collectively, together with any additional contributor approved by the foregoing, the “Other Contributors” and each, an “Other Contributor”) have entered into Contribution Agreements (collectively, the “Other Agreements” and each, an “Other Agreement”) pursuant to which such Other Contributors have agreed to contribute their respective assets to the Operating Partnership simultaneously with the Contributor’s contribution hereunder (the “Roll-Up”) in exchange for an aggregate number of Units as set forth in the Other Agreements, which aggregate number of Units shall be determined based on the initial offering price of the Common Stock and which, together with the number of Units received by the Contributor hereunder, shall total 7,590,000 Units (and which number of Units received by each Contributor is subject to adjustment as expressly provided herein and in the Other Agreements).

G. The parties intend this Agreement to be a “Contribution Agreement” pursuant to the terms of the Operating Partnership’s Agreement of Limited Partnership (the “Operating Partnership Agreement”).

H. All references in this Agreement to sections, articles, exhibits, schedules, attachments and recitals shall refer to the corresponding sections, articles, exhibits, schedules, attachments and recitals of or to this Agreement. Capitalized terms used and not defined in the body of this Agreement shall have the meanings set forth in **Exhibit G** attached hereto and incorporated herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, and the mutual undertakings set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the foregoing recitals are incorporated into, and made a part of this Agreement, and the parties hereto further agree as follows:

TERMS OF AGREEMENT

ARTICLE 1

CONTRIBUTION OF HOLDINGS INTERESTS IN EXCHANGE FOR UNITS

Section 1.1 Contribution Transactions .

(a) At the Closing and subject to and on the terms and conditions contained in this Agreement, the Contributor shall contribute, transfer, assign, convey and deliver to the Company, all of the Holdings Interests (also sometimes referred to as the “Contributed Assets”).

The contribution of the Holdings Interests to the Operating Partnership shall be evidenced by the execution and delivery of a Contribution and Assumption Agreement in substantially the form of **Exhibit C** attached hereto and incorporated herein.

(b) The parties shall take such additional actions and execute such additional documentation as may be required by the Participating Entity Agreements or as requested in the reasonable judgment of counsel to the Company or the Operating Partnership in order to effect the transactions contemplated hereby.

Section 1.2 Consideration for Holdings Interests . In exchange for the Holdings Interests contributed to the Operating Partnership by the Contributor, the Operating Partnership shall issue a certain number of Units to the Contributor based on the initial public offering price of the Common Stock as set forth below, such number of Units being referred to herein as the Contributor's " Consideration " relating to the Holdings Interests contributed hereunder. If the initial public offering price for the Common Stock is between \$15.00 per share and \$17.00 per share, then the Contributor's Consideration shall be the number of Units set forth in the spreadsheet attached hereto and incorporated herein as **Exhibit K** in the row corresponding with the initial public offering price of the Common Stock and the column entitled "Venture Units". For example, if the initial public offering price for the Common Stock were \$16.50 per share, the Consideration would be 4,689,995 Units. If the initial public offering price is less than \$15.00 per share or more than \$17.00 per share, then the Contributor's Consideration shall be the number of Units determined by dividing the Contributor's Value by the initial public offering price for the Common Stock. " Contributors Value " means, if the initial public offering price for the Common Stock is less than \$15.00 per share, \$74,854,304, and if the initial public offering price for the Common Stock is greater than \$17.00 per share, the sum of (A) \$74,854,304 plus (B) 64.3% of the excess of (i) the product of the total number of Units issued to the Contributor and all Other Contributors in the Roll-Up (i.e., 7,590,000 Units) multiplied by the initial public offering price per share of the Common Stock in the Public Offering over (ii) \$121,440,000, consistent with the allocation of Units when the initial public offering price for the Common Stock is between \$16.01 per share and \$17.00 per share as set forth on **Exhibit K** attached hereto. In the event that, subsequent to the date of this Agreement but before the closing of the Formation Transaction, the Common Stock or the units of limited partnership interest of the Operating Partnership issued and outstanding shall, through a reorganization, recapitalization, stock or unit dividend, stock or unit split or similar change in the capitalization of the Company or the Operating Partnership increase or decrease in number, then an appropriate and proportionate adjustment shall be made to the Consideration.

Section 1.3 Adjusted Consideration; Risk of Loss .

(a) At the Closing, (i) real estate taxes and assessments (including special assessments and, personal property taxes, if any), (ii) rental income (including base rents, additional rents, escalation charges, common area maintenance charges, imposition charges, heating and cooling charges, insurance charges, charges for utilities, percentage rent, and all other rents, charges and commissions paid by tenants to the Participating Entities), (iii) interest payable under loans secured by Permitted Liens, (iv) insurance premiums, (v) utilities serving the Properties, (vi) property management fees, (vii) prepaid charges, payment and accrued charges under any contracts entered into by Holdings or any Participating Entity with respect to

the Properties, and (viii) all other items of income and expense with respect to the Properties shall be prorated between the Contributor, on the one hand, and the Operating Partnership, on the other hand, with all such items attributable to the period prior to the Closing Date (as defined in Section 2.2) to be credited or charged to Contributor, and all such items attributable to the period commencing on the Closing Date to be credited or charged to the Operating Partnership. Except as otherwise provided in this Section 1.3, income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. In addition, at Closing, the Contributor shall receive a credit equal to the amount of any reserves (other than any cash reserves established with the lender with respect to the Allocated Debt (the “Lender Reserves”)) established by Holdings or any Participating Entity with respect to the Properties (the “Reserves”). Notwithstanding the generality of the foregoing, to the extent that any tenant of a Property pays any of the expenses described in clauses (i), (iv), (v), (vi), (vii) or (viii) above directly to an applicable third party (and not as a reimbursement to a Participating Entity), such amounts shall not be prorated at Closing. The prorations to be performed hereunder shall be completed by the Company based on the parties’ estimates as of the Closing, shall be evidenced by a closing statement prepared by the Company, shall be reconciled based on actual amounts when available, but in all events within ninety (90) days of Closing (the “Reconciliation Period”) and shall be implemented through a cash payment from the Operating Partnership to the Contributor to the extent the prorations result in a net credit to the Contributor and a cash payment from the Contributor to the Operating Partnership to the extent the prorations result in a net charge to the Contributor. In addition, immediately prior to Closing, Holdings shall distribute to the Contributor any cash (other than Reserves, any security deposits then held by the Participating Entities under Leases for the Properties and any Acquisition Cash) then held by Holdings or any Participating Entity (to the extent not being transferred with the Contributed Assets as a proration in accordance with this Section 1.3(a)) and such cash shall not be contributed to the Operating Partnership with the Contributed Assets. On the Closing Date, in addition to the Consideration, the Operating Partnership shall pay to the Contributor by wire transfer of immediately available federal funds an amount equal to the Lender Reserves (but only to the extent the Lender Reserves and the obligation to maintain such Lender Reserves are not being released by the lender to the Contributor in connection with the Closing). The parties acknowledge that preparation of the closing statement will involve substantial time and effort because of the number of Properties and hereby agree that the closing statement shall be prepared by the Company based on assumptions that the Closing takes place on the Estimated Closing Date and that all of the Committed Properties that are, under the terms of the applicable Purchase Contracts, scheduled to close by the Estimated Closing Date are in fact owned or ground leased by Holdings or the Participating Entities on said date. If the Closing actually takes place on a day other than the Estimated Closing Date and/or not all of such Committed Properties are owned or ground leased by Holdings or the Participating Entities on the Closing Date, then, during the Reconciliation Period, the prorations shall be recalculated as of the actual Closing Date, with respect to the Properties owned or ground leased by Holdings or the Participating Entities as of the actual Closing Date based on actual amounts and the Company shall prepare a revised closing statement, and to the extent such revised closing statement reveals that the Contributor received more or less cash than it should have received had the prorations included in the original closing statement not been based on estimated amounts and the Closing occurring on the Estimated Closing Date, then the Operating Partnership (if the Contributor received less cash than it should have received) or the Contributor (if the Contributor received

more cash than it should have received), as applicable, shall make a cash payment to the other as necessary to make the cash received by the Contributor correct based on the revised closing statement. If the Allocated Debt is greater than or less than the Estimated Allocated Debt Amount, the difference (as well as any interest accruals or other charges or payments of the Allocated Debt for the period after the Allocated Debt Determination Date and until the Closing Date) will be prorated and credited (to the extent the Allocated Debt is less than the Estimated Allocated Debt Amount) or charged (to the extent the Allocated Debt is greater than the Estimated Allocated Debt Amount) to the Contributor and adjusted in cash during the proration reconciliation process. Finally, the Contributor shall receive a credit in the amount of any refundable deposits made by Holdings or a Participating Entity under any non-binding purchase agreement as well as a credit for any third party costs paid by Holdings or a Participating Entity in connection with due-diligence on any property subject to any such non-binding purchase agreement. For the avoidance of doubt, any such non-binding purchase agreement shall not be deemed a "Purchase Contract" for purposes of this Agreement. As used herein, "Acquisition Cash" means an amount equal to the gross purchase price for each Committed Property, plus the estimated transaction costs and closing costs payable by Holdings or its subsidiary, as purchaser, for such Committed Property to the extent incurred and not paid as of Closing and/or expected to be incurred from and after the Closing, less the amount of the purchase price to be financed. On the Closing Date, in addition to the Consideration, the Operating Partnership shall pay to the Contributor by wire transfer of immediately available federal funds an amount equal to the refundable deposit paid under any purchase contracts with respect to real properties that are not Committed Properties, together with all due diligence and transaction costs with respect to such purchase contracts and real properties.

(b) The risk of loss relating to the Holdings Interests and the underlying Properties contributed hereunder prior to Closing shall be borne by the Contributor to the extent set forth in this Section 1.3(b). If, prior to the Closing, any Property is destroyed or materially damaged by fire or other casualty or taken by condemnation or similar proceeding, then the Company shall (a) cause the Operating Partnership to acquire the Holdings Interests (including, the Contributor's indirect interests in any such Participating Entity that directly or indirectly owns the affected Property), (b) direct the Contributor to cause the Participating Entity or Participating Entities, as applicable, to pay or cause to be paid to the Operating Partnership any sums collected under any policies of insurance relating to such casualty or condemnation proceeds, as applicable, and otherwise assign to the Operating Partnership all rights to collect such sums as may then be uncollected, and (c) adjust or settle any insurance claim or condemnation proceeding. Under such circumstances, the pro rata share of the amount of any deductibles under the applicable insurance policies or award (except to the extent such deductibles are the responsibility of tenants under leases), plus all reasonable costs of collection shall be a proration item charged to the Contributor and adjusted in cash after the Closing during the proration reconciliation process in accordance with Section 1.3(a).

Section 1.4 Allocation of Consideration . In connection with the Closing, the Consideration shall be allocated for tax and accounting purposes among the Participating Entities (and to the extent necessary, among the Properties owned by a Participating Entity) as reasonably determined by the Company (in consultation with its independent public accountants). Each of the Contributor, the Company and the Operating Partnership agree to (a) be bound by such allocations, (b) act in accordance with the allocation in the preparation of

financial statements and filing of all tax returns and in the course of any tax audit, tax review or tax litigation relating thereto, and (c) take no position, and cause their Affiliates to take no position, inconsistent with such allocations for income tax purposes.

Section 1.5 Tax Treatment of Contribution. The contribution, transfer, conveyance and assignment of the Holdings Interests, Participating Equity Interests and/or Properties to the Operating Partnership from the Contributor is intended to be treated as a transaction qualifying under Section 721(a) of the Code.

Section 1.6 Section 704(c) Method . The Operating Partnership shall use the “traditional method” described in Treas. Reg. § 1.704-3(b) with respect to the contributed Holdings Interests and the related Participating Entity Interests and underlying Properties, with no “curative allocation” of income or gain to offset any “shortfall” in depreciation that results by reason of the use of the “traditional method,” following any “Book-Up Event” (i.e., a subsequent issuance of OP Units (as defined in the Operating Partnership Agreement), an in-kind contribution of property to the Operating Partnership in exchange for OP Units, or a redemption of OP Units).

ARTICLE 2

CLOSING

Section 2.1 Conditions Precedent . The effectiveness of the Company’s Registration Statement on Form S-11 relating to the Public Offering (as amended from time to time, the “Registration Statement”) and the consummation of the Public Offering are conditions precedent to the obligations of all parties to this Agreement to effect the transactions contemplated by this Agreement on the Closing Date. These conditions may not be waived by any party to this Agreement.

(a) The obligations of the Company and the Operating Partnership to effect the Formation Transaction shall be subject to the following additional conditions precedent:

(i) the representations and warranties of the Contributor contained in this Agreement shall have been true and correct in all material respects on the date such representations and warranties were made and shall be true and correct on the Closing Date as if made at and as of the Closing Date, subject to changes that would not reasonably be expected to have a Material Adverse Effect;

(ii) each obligation to be performed by the Contributor shall have been duly performed by the Contributor on or before the Closing Date, and the Contributor shall not have materially breached any of its covenants contained herein;

(iii) concurrently with the Closing, the Contributor shall have executed and delivered to the Company or the Operating Partnership, as applicable, the documents required to be delivered pursuant to Section 2.3;

(iv) all necessary consents or approvals of governmental authorities or third parties (including, without limitation, lenders to the Contributor, Holdings or any

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Participating Entity) to the consummation of the transactions contemplated herein shall have been obtained, other than the consents or approvals of lenders whose loans are to be repaid before or immediately after the Closing;

(v) there shall not have occurred between the date hereof and the Closing Date any material adverse change in any of the assets, business, financial condition, results or prospects of operation of the Properties that has, or could reasonably be expected to have, a Material Adverse Effect;

(vi) no order, statute, rule, regulation, executive order, injunction, stay, decree or restraining order shall have been enacted, entered, promulgated or enforced by any court of competent jurisdiction or governmental or regulatory authority or instrumentality that prohibits the consummation of the transactions contemplated herein, and no litigation or governmental proceeding seeking such an order shall be pending or threatened in writing;

(vii) subject to Section 4.2(c), no new matters with respect to any Property which the Company would be required to disclose in the Registration Statement shall have arisen or occurred; and

(viii) all of the Other Contributors (other than the Company and the Operating Partnership) shall have made the contributions under their respective Other Agreements.

Any of the foregoing conditions in this Section 2.1(a) may be waived by the Company in its sole and absolute discretion.

(b) The obligations of the Contributor to effect the Formation Transaction shall be subject to the following conditions precedent, either of which may be waived by Contributor in its sole discretion:

(i) All Other Contributors shall have made the contributions described in their respective Other Agreements; and

(ii) Each of Benjamin Butcher, Gregory Sullivan, Stephen C. Mecke, Kathryn Arnone and David King shall have entered into employment agreements with the Company or its subsidiary with respect to post-Closing employment on terms and conditions consistent with the descriptions contained in the Registration Statement.

Section 2.2 Date, Time and Place of Closing . The time, place and date of the Formation Transaction shall be at 10:00 a.m. in the office of DLA Piper LLP (US), 33 Arch Street, 26th Floor, Boston, Massachusetts on the day on which the Company receives the proceeds from the Public Offering from the underwriters thereof (the “Closing” or “Closing Date”); provided, however, that the Contributor shall deliver the Closing Documents into a closing escrow established by the Company and the Operating Partnership one (1) business day prior to the expected Closing Date.

Section 2.3 Closing Deliveries . At the Closing, each party shall make, execute, acknowledge and deliver the legal documents and other items (collectively, the “Closing”

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Documents”) necessary to carry out the intention of this Agreement, which Closing Documents and other items shall include, without limitation, the following:

- (a) a Contribution and Assumption Agreement substantially in the form attached hereto as **Exhibit C**;
- (b) for the Contributor, a certificate from the Operating Partnership that effective at the Closing the books and records of the Operating Partnership will indicate that the Contributor is the holder of a number of Units equal to the Consideration;
- (c) an affidavit from the Contributor in the form of **Exhibit D**, stating, under penalty of perjury, the Contributor’s United States Taxpayer Identification Number and that the Contributor is not a foreign person pursuant to section 1445(b)(2) of the Code and a comparable affidavit satisfying Massachusetts’ and any other state’s withholding requirements, if any;
- (d) all title insurance policies, leases, lease files, letters of credit, contracts, stock certificates, original promissory notes held by Holdings or a Participating Entity and other indicia of ownership with respect to Holdings and each Participating Entity that are in the Contributor’s possession or that can be obtained through reasonable efforts in the Contributor’s capacity as indirect owner of any Participating Entity shall be delivered or made available to the Company;
- (e) a certificate from the Contributor affirming that the representations and warranties made by the Contributor pursuant to this Agreement remain true and correct in all material respects as of the Closing Date;
- (f) the Operating Partnership Agreement;
- (g) an Ownership Limit Waiver substantially in the form attached hereto as **Exhibit E**;
- (h) a lockup agreement in the form attached hereto as **Exhibit L**;
- (i) a Registration Rights Agreement substantially in the form attached hereto as **Exhibit F**;
- (j) a Voting Agreement substantially in the form attached hereto as **Exhibit H**;
- (k) a letter agreement in the form attached hereto as **Exhibit J**, with respect to permitted transfers of Units by the Contributor;
- (l) if requested by the Company, certified copies of all organizational documents for the Contributor, together with certified copies of all appropriate limited liability company actions authorizing the execution, delivery and performance by the Contributor of this Agreement, any related documents and the Closing Documents;

(m) evidence reasonably satisfactory to the Company that the lender of any borrowed money secured by a mortgage or deed of trust disclosed in the Title Reports, other than those lenders whose loans are being repaid before or immediately after the Closing, has consented to the transaction as required by any loan document, deed of trust, mortgage or other evidence of indebtedness related to any Property;

(n) any other documents reasonably requested by the Company or the Operating Partnership to assign, transfer, convey, contribute and deliver the Holdings Interests, free and clear of all Encumbrances, and effectuate the transactions contemplated hereby; and

(o) all state and local transfer tax returns and any filings to be made in any applicable governmental jurisdiction in which the Company or the Operating Partnership reasonably believes that it is required to file its organizational documentation or in which the recording of the Contribution and Assumption Agreement is required.

Section 2.4 Closing Costs. At Closing, the Company shall pay all costs associated with the Public Offering and the Roll-Up and the transactions in connection therewith (collectively, the “Transaction”), including, without limitation, the fees of the Company’s legal counsel in preparing documents related to the Transaction (including the legal fees of DLA Piper LLP (US) with respect to only the Transaction (*i.e.* , not the formation of the Contributor, Holdings or any Participating Entity, the acquisition of Properties by the Contributor, Holdings or any Participating Entity or any Allocated Debt (the “Excluded Work”)), the fees of the Company’s accountants, filing fees, underwriting fees, and transfer or documentary stamp taxes triggered by the Transaction, other than Allocated Debt Transfer Costs and costs associated with the Excluded Work, all of which costs are collectively referred to herein as the “Transaction Costs” and the Company shall reimburse the Contributor for all Transaction Costs previously paid by the Contributor. For the avoidance of doubt, the Contributor hereby agrees to be solely responsible for all assumption costs, debt transfer costs, consent fees, prepayment fees or other charges payable with respect to the transfer of its Contributed Assets subject to the Allocated Debt (the “Allocated Debt Transfer Costs”).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES AND INDEMNITIES

Section 3.1 Representations and Warranties of the Company and the Operating Partnership . The Operating Partnership and the Company, jointly and severally, hereby represent and warrant to, and covenant with, the Contributor that:

(a) **Organization; Authority .** Each of the Company and the Operating Partnership has been duly formed and is validly existing under the laws of the jurisdiction of its incorporation or formation with requisite corporate or limited partnership power and authority, as applicable, to enter this Agreement and all agreements contemplated hereby. The persons and entities executing this Agreement and all agreements contemplated hereby on behalf of the Company and the Operating Partnership have the power and authority to enter into this Agreement and such other contemplated agreements.

(b) **No Violation** . Assuming the truth and accuracy of the representations and warranties of the Contributor in Section 3.2, (i) the execution, delivery and performance by the Company and the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby will not contravene any provision of applicable law, the certificate of incorporation and bylaws of the Company or the certificate of limited partnership or Operating Partnership Agreement, or any material agreement or other material instrument binding upon the Company or the Operating Partnership, or any applicable law, judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or the Operating Partnership, and (ii) no consent, approval, authorization or order of or qualification with any governmental body or agency is required for the performance by the Company or the Operating Partnership of its obligations under this Agreement and all other agreements contemplated hereby, which, if not obtained, would cause a Material Adverse Effect.

(c) **No Brokers** . Except as set forth on Schedule 3.2(k), neither the Company nor the Operating Partnership has entered into, nor will either of them enter into, any agreement, arrangement or understanding with any person or firm that will result in the obligation of the Contributor or any of the Contributor's equity holders or beneficiaries (as such) to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

(d) **Valid Issuance of Units** . The Units, when issued and delivered in compliance with the provisions of the Agreement will be duly authorized, validly issued, fully paid and, except as provided in the Operating Partnership Agreement and except as affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, non-assessable. The Units will be free of any Encumbrances created by the Company or the Operating Partnership; provided, however, that the Units are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth in the Operating Partnership Agreement. The Units will not be issued in violation of any preemptive rights or rights of first refusal granted by the Company or the Operating Partnership.

(e) **Tax Status of the Operating Partnership**. The Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, and each subsidiary of the Operating Partnership has at all times during its existence been properly treated as either a "disregarded entity" or a partnership and not as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, other than STAG Industrial TRS, Inc., a wholly-owned subsidiary of the Operating Partnership that is taxable as a corporation for federal tax purposes as a taxable REIT subsidiary.

(f) **REIT Status** .

(i) The Company intends to qualify as a real estate investment trust ("REIT") under the Code, and the Company will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and its proposed ownership and method of operation will enable it to continue to qualify as a REIT under the Code for the Company's taxable years ending December 31, 2011 and thereafter.

(ii) The Common Stock will be registered pursuant to Section 12(b) of the Securities Act of 1934, as amended, and will be listed on the New York Stock Exchange.

(g) **Litigation** . Except as set forth in the Registration Statement, there is no Action pending against the Company or the Operating Partnership and for which service has occurred or, to the Knowledge of the Company, threatened in writing that would, in the reasonable judgment of the Company, if determined adversely to the Company or the Operating Partnership, as applicable, have a Material Adverse Effect. Except as set forth in the Registration Statement, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Company or the Operating Partnership that in any such case would impair the Company's or the Operating Partnership's ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(h) **Investment Company Act of 1940**. Neither the Company nor the Operating Partnership is and, after giving effect to the Public Offering, neither the Company nor the Operating Partnership will be, an "investment company," as defined in the Investment Company Act of 1940, as amended.

(i) **Valid Issuance of Common Stock**. The outstanding shares of Common Stock are, and when issued and duly delivered against payment therefor as contemplated in the applicable underwriting agreement, the shares of Common Stock issued in the Public Offering will be, duly authorized, validly issued, fully paid and non-assessable.

Section 3.2 Representations and Warranties of the Contributor . The Contributor represents and warrants to the Company and the Operating Partnership as set forth below in this Section 3.2 with respect to Holdings, each Participating Entity and the Properties. Unless otherwise expressly provided in this Agreement, the Contributor makes no representation, warranty, covenant or agreement to indemnify any Indemnified Company Party (as defined in Section 3.3(b)).

(a) **Title** . (i) Each Participating Entity or Holdings owns (A) fee title to the Property or Properties identified as owned on **Exhibit B**, and (B) the leasehold estate in any Property or Properties identified as ground leased on **Exhibit B** and (C) the purchaser's interest under a purchase contract to purchase each Property identified on **Exhibit B** as a Property to be acquired (collectively, the "Committed Properties"), provided that each such contract (a "Purchase Contract") is binding on the purchaser and the seller thereunder and pursuant to which (1) the Contributor (or its subsidiary) has made an earnest money deposit that is subject to loss if the purchaser fails to close, (2) there are no conditions to closing in favor of the parties other than the truth and accuracy of the parties' representations and warranties, compliance with the parties' covenants and other closing conditions customary for a binding purchase and sale agreement for real estate after completion of the purchaser's due diligence and (3) not later than the commencement of the road show relating to the Public Offering, Contributor shall have funded to Holdings the Acquisition Cash; and (ii) the fee ownership of, or ground leasehold interest in, such Properties, as applicable, are not subject to any liens other than (x) as specifically set forth in the title reports listed on **Schedule 3.2(a)**, (y) as disclosed in the

Registration Statement or (z) liens created after the date of the title reports listed on **Schedule 3.2(a)**, which liens are specifically identified on **Exhibit B** and are Permitted Liens.

(b) **Organization; Authority** . The Contributor has the full right, authority, power and legal capacity to enter into this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement and to carry out the transactions contemplated hereby and thereby, including, without limitation, the conveyance of the Holdings Interests free and clear of all Encumbrances. The Contributor, Holdings and each Participating Entity is duly formed, validly existing and in good standing (to the extent applicable) under the laws of the jurisdiction of its formation, and has all requisite power and authority to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable law, is qualified to do business and is in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

(c) **Due Authorization** . The execution, delivery and performance of this Agreement and any other agreement, document or instrument to be executed and delivered by the Contributor pursuant to this Agreement has been duly and validly authorized by all necessary action of the Contributor. Each of this Agreement and the agreements, documents and instruments executed and delivered by or on behalf of the Contributor pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Contributor, each enforceable against the Contributor in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws affecting creditors' rights generally, as from time to time in effect, or the application of equitable principles.

(d) **Consents and Approvals** . No consent, waiver, approval or authorization of any third party, including, without limitation, any governmental authority or agency, is required to be obtained by the Contributor, Holdings or the Participating Entities in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby, except any of the foregoing that shall have been satisfied or obtained at or prior to the Closing Date and except for such consents, waivers, approvals and authorizations the failure of which to obtain would not have a Material Adverse Effect or materially and adversely effect the ability of the Contributor to execute and deliver this Agreement and perform its obligations thereunder.

(e) **Ownership of the Interests** . The Contributor is the sole record owner of the Holdings Interests to be transferred by the Contributor, free and clear of any Encumbrances and has good and valid title to such Holdings Interests. Holdings is the sole record owner of the Participating Entity Interests, which are held free and clear of any Encumbrances and for which Holdings has good and valid title. Holdings has not assigned its interest under any Purchase Contract to any Person (other than a Participating Entity).

(f) **Interests** .

(i) The Holdings Interests to be contributed by the Contributor and the Participating Entity Interests constitute all of the issued and outstanding interests owned (directly

or indirectly) by the Contributor in Holdings and the Participating Entities. The Contributor has no equity interest, either direct or indirect, in the Properties, except for the Holdings Interests and the Participating Entity Interests, which are the subject of this Agreement.

(ii) The Holdings Interests owned by the Contributor and the Participating Entity Interests owned by Holdings were validly issued and are duly authorized and fully paid and were not issued in violation of any preemptive rights. The Holdings Interests and the Participating Entity Interests have been issued in compliance with applicable law and the Participating Entity Agreements. There are no rights, subscriptions, warrants, options, conversion rights, preemptive rights or agreements of any kind outstanding to purchase or to otherwise acquire any of the interests that comprise the Holdings Interests, the Participating Entity Interests or any securities or obligations of any kind convertible into any of the interests that comprise the Holdings Interests, the Participating Entity Interests or other equity interests or profit participation of any kind in Holdings or any Participating Entity. At the Closing, upon receipt of the consideration contemplated by this Agreement, the Contributor will have transferred the Holdings Interests to the Operating Partnership free and clear of all Encumbrances.

(g) **No Violation** . Subject to the consent requirements contained in the loan documents for each Property, copies of which have been previously made available to the Company, its agents and underwriters, none of the execution, delivery or performance of this Agreement, the documents required pursuant thereto and the transactions contemplated hereby and thereby does or will, with or without the giving of notice, lapse of time, or both, (a) violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination or cancellation of (i) the organizational documents of the Contributor, (ii) any material agreement, document or instrument to which the Contributor, Holdings or any Participating Entity is a party or by which the Contributor, the Holdings Interests, the Participating Entity Interests or any of its direct or indirect assets or properties are bound or (iii) any applicable law, or term or provision of any judgment, order, writ, injunction, or decree of any governmental or regulatory authority, which is binding on the Contributor, Holdings or any Participating Entity or by which the Contributor or any of its direct or indirect assets or properties are bound or subject or (b) result in the creation of any Encumbrance upon the Holdings Interests, the Participating Entity Interests or any Lien on the Properties. Except as shall have been cured, consented to or waived prior to the Closing, none of the Contributor, Holdings or any Participating Entity is in violation of its organizational documents.

(h) **Non-Foreign Status** . The Contributor is not a “disregarded entity” within the meaning of Treas. Reg. Section 1.1445-2(b)(2)(iii) and is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as defined in the Code), and is, therefore, not subject to the provisions of the Code relating to the withholding of sales proceeds to foreign persons.

(i) **Withholding** . The Contributor shall execute at Closing such certificates or affidavits reasonably necessary to document the inapplicability of any federal or state withholding provisions, including, without limitation, those referred to in Section 3.2(h) above and any similar provisions under Massachusetts law. Notwithstanding anything herein to the contrary, the Company or the Operating Partnership shall be entitled to withhold a portion of any

payments otherwise to be made to the Contributor as required by the Code or any applicable state law, including (without limitation) Massachusetts law.

(j) **Investment Purposes** . The Contributor acknowledges its understanding that the Units to be acquired pursuant to this Agreement and any shares of Common Stock for which the Units may be redeemed are not being registered under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the “ Act ”) and may not be transferred except as provided for in the Registration Rights Agreement executed and delivered by the Operating Partnership or pursuant to the Act or any applicable state blue sky laws pursuant to a specific exemption or exemptions therefrom, and the Operating Partnership’s reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Contributor, including the following:

(i) **Investment** . The Contributor is acquiring the Units solely for its own account for the purpose of investment and not as a nominee or agent for any other Person and not with a view to, or for offer or sale in connection with, any distribution of any thereof. The Contributor agrees and acknowledges that it will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (hereinafter, “ Transfer ”) any of the Units (or shares of Common Stock for which the Units may be redeemed) unless (i) the Transfer is pursuant to an effective registration statement under the Act and qualification or other compliance under applicable blue sky or state securities laws, (ii) if required by the Company, counsel for the Contributor (which counsel shall be reasonably acceptable to the Company and may be DLA Piper LLP (US)) shall have furnished the Company with an opinion, reasonably satisfactory in form and substance to the Company, to the effect that no such registration is required because of the availability of an exemption from registration under the Act and qualification or other compliance under applicable blue sky or state securities laws, or (iii) the Transfer is a redemption of the Units in accordance with the Operating Partnership Agreement.

(ii) **Knowledge** . The Contributor is knowledgeable, sophisticated and experienced in business and financial matters and fully understands the limitations on transfer imposed by the federal securities laws and as described in this Agreement. The Contributor is able to bear the economic risk of holding the Units for an indefinite period and is able to afford the complete loss of the Contributor’s investment in the Units. The Contributor has received and reviewed all information and documents about or pertaining to the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership, and the issuance of the Units and the Common Stock as the Contributor deems necessary or desirable, and has been given the opportunity to obtain any additional information or documents and to ask questions of the proposed management of the Company and the Operating Partnership and receive answers about such information and documents, the Company, the Operating Partnership, the business and prospects of the Company and the Operating Partnership and the Common Stock that the Contributor deems necessary or desirable to evaluate the merits and risks related to the Contributor’s investment in the Units and to conduct its own independent valuation of the purchase of the Units. The Contributor acknowledges that any such questions posed were answered to the Contributor’s satisfaction. The Contributor understands and has taken cognizance of all risk factors related to the purchase of the Units, including, without limitation, the risk factors set forth in the Registration Statement. The Contributor is a sophisticated real estate investor. The Contributor is relying upon its own independent analysis and assessment

(including with respect to taxes), and the advice of the Contributor's advisors (including tax advisors), and not upon that of the Company and Operating Partnership, for purposes of evaluating, entering into, and consummating the transactions contemplated by this Agreement.

(iii) **Holding Period** . The Contributor acknowledges that it has been advised that (i) unless the Units and shares of Common Stock that may be issued upon redemption of the Units are subsequently registered under the Act or an exemption from such registration is available, the Units and the shares, as applicable, must be held (and the Contributor must continue to bear the economic risk of the investment in the Units and the shares of Common Stock) indefinitely, (ii) a restrictive legend in the form hereafter set forth shall be placed on any certificates representing the Units or, if applicable, shares of Common Stock and (iii) stop transfer and other notations shall be made in the appropriate records of the Operating Partnership and the Company and the Company's transfer agent indicating that the Units and the shares of Common Stock are subject to restrictions on transfer.

(iv) **Accredited Investor** . The Contributor is an "accredited investor" (as such term is defined in Rule 501 (a) of Regulation D under the Act).

(v) **Legend** . Each certificate representing the Units or shares of Common Stock for which the Units may be redeemed, may, to the extent applicable, bear the following legend:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS, IF REQUIRED BY THE COMPANY, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

In addition, each certificate representing shares of Common Stock will bear a legend regarding restriction on ownership and transfer related to the Company's status as a real estate investment trust.

(k) **No Brokers** . Except as set forth on **Schedule 3.2(k)**, neither the Contributor nor any of the Contributor's respective managers, trustees, members or beneficiaries, as applicable, has employed or made any agreement with any broker, finder or similar agent or any Person that will result in the obligation of the Company or any of its Affiliates to pay any finder's fee, brokerage fees or commissions or similar payment in connection with the transactions contemplated by this Agreement.

(l) **Taxes** . The Contributor makes the following representations with respect to Holdings and each Participating Entity (the "Contributed Entities"), and with respect to itself as to Section 3.2(l)(viii) below:

(i) (A) All Tax Returns required to be filed by, on behalf of, or with respect to, the Contributed Entities have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on behalf of, or with respect to the Contributed Entities, either directly or otherwise, have been fully and timely paid, except (1) to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of such Contributed Entity (or other applicable entity), and adequate reserves or accruals for Taxes have been provided in the balance sheet of such Contributed Entity (or other applicable entity) with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing and (2) with respect to real estate taxes and assessments for the Properties that are paid directly by the tenants under the Leases and pursuant to such Leases, as to which the Contributor has no knowledge of any tenant's material failure to pay such Taxes and Contributor covenants to use commercially reasonable efforts to enforce the provisions of such Leases with respect to the payment of such Taxes; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Contributed Entities, and (D) each Contributed Entity is, and at all times during its existence has been, a limited liability company that is taxable as a partnership or "disregarded entity" (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation).

(ii) Each Contributed Entity has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees' salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws.

(iii) Each Contributed Entity has made available to the Company, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three years relating to any material Taxes due from or with respect to such Contributed Entity with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Contributed Entities for all periods for which the applicable statute of limitations has yet to lapse and (C) all Company, and Tax rulings, requests for rulings, or closing agreements specifically relating to the Contributed Entities.

(iv) No claim has been made by a taxing authority in a jurisdiction where a Contributed Entity does not file an income or franchise Tax Return that such Contributed Entity is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction.

(v) (A) There are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including any Contributed Entity, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has such Contributed Entity received any notice from any taxing authority that it intends to conduct such an audit or

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investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, such Contributed Entity; and (C) no issue has been raised in writing by any taxing authority in any current or prior examination which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to such Contributed Entity for any subsequent taxable period that could be material.

(vi) Neither any Contributed Entity nor any other person on behalf of such Contributed Entity has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to such Contributed Entity. No amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to any Contributed Entity as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date; or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to any Contributed Entity from any period ending on or before the Closing Date to any period ending after the Closing Date.

(vii) There are no Liens as a result of any unpaid taxes (other than statutory liens for taxes not yet delinquent) upon any of the assets of any Contributed Entity, other than Permitted Liens.

(viii) The Contributor is a United States person within the meaning of Section 7701(a)(30) of the Code.

(ix) No Contributed Entity (or portion thereof) has ever constituted or been taxable as a "corporation" or an "association" (within the meaning of the Code).

(x) No Contributed Entity has engaged in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(xi) The transactions contemplated hereby will not result in any income Tax liability to the Company, the Operating Partnership or any Contributed Entity.

(xii) For purposes of this Agreement,

(A) "Taxes" shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, assessment or governmental charge of

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any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

(B) “**Tax Return**” shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

(m) **Litigation** . Except as set forth on **Schedule 3.2(m)** or in the Registration Statement, there is no Action pending against the Contributor, Holdings, any Participating Entity or any of their Properties or their other assets, and for which service has occurred or, to the Knowledge of the Contributor, threatened in writing that would, in the reasonable judgment of the Contributor, if determined adversely to the Contributor, Holdings or any Participating Entity, as applicable, have a Material Adverse Effect. Except as set forth on **Schedule 3.2(m)**, no outstanding order, writ, injunction or decree of any court, government, governmental entity or authority or arbitration naming or specifically identifying the Contributor, Holdings or any Participating Entity, all or any portion of the Holdings Interests, the Participating Entity Interest, any Purchase Agreement or any Property that in any such case would impair the Contributor’s ability to enter into and perform all of its obligations under this Agreement or would reasonably be expected to have a Material Adverse Effect.

(n) **Leases** . True, correct and complete copies of all leases, subleases and rights of occupancy which are (i) in effect with respect to the Properties as of the date of this Agreement or (ii) fully executed as of the date hereof (the “**Leases**”), together with all amendments and supplements thereto, and a true, complete and correct rent roll for the Properties have been delivered or made available to the Company, its agents and underwriters.

(o) **Other Contracts** . The Contributor has delivered or made available to the Company, its agents and underwriters true, correct and complete in all material respects, copies of each agreement, undertaking or contract (other than the Leases) that materially affects the ownership, use and operation of any Property, including, without limitation, each Purchase Contract. The purchaser and, to the Knowledge of the Contributor, the seller under each Purchase Contract are in compliance with their respective obligations under said Purchase Contract.

(p) **Liabilities; Indebtedness** . Except as disclosed in the Registration Statement, no Participating Entity has incurred any indebtedness related to any of the Properties owned by such Participating Entity except in each instance for the Allocated Debt, debt secured by Permitted Liens, trade payables which are no more than sixty (60) days past due and other customary and ordinary expenses in the ordinary course of business.

(q) **Insurance** . Each Participating Entity, directly or through its tenants, currently maintains or causes to be maintained customary public liability, casualty and other insurance coverage in commercially reasonable amounts with reputable insurance companies (excluding in all cases, earthquake, flood and terrorism insurance coverage) with respect to the

Property or Properties owned by such Participating Entity. Participating Entities shall use diligent efforts to require that the tenants maintain all such insurance coverage in full force and effect through the Closing Date and pay all premiums when due.

(r) **Personal Property** . All equipment, fixtures and personal property that is owned by any Participating Entity and that is located at or on any Property shall remain and not be removed by the Contributor or any Participating Entity prior to the Closing Date, except for such equipment, fixtures and personal property that becomes obsolete or unusable, which may be disposed of or replaced in the ordinary course of business.

(s) **No Other Agreements to Sell** . Except as set forth in the Registration Statement or on **Schedule 3.2(s)**, the Contributor has not entered into any agreement with, and has no obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any of the Holdings Interests or to not sell the Holdings Interests, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to the Holdings Interests that has not been waived or terminated. Except as otherwise set forth in the Registration Statement or on **Schedule 3.2(s)**, none of the Contributor, Holdings or any Participating Entity has made any outstanding agreement with, and has any outstanding obligation (absolute or contingent) to, any other Person (other than the Operating Partnership) to sell, transfer or in any way encumber any Property owned by such Participating Entity or to not sell any Property, or to enter into any agreement with respect to a sale, transfer or encumbrance of or put or call right with respect to any Property owned by such Participating Entity.

(t) **Environmental Reports**. The Contributor has delivered or made available to the Company, its agents and underwriters copies that are true, correct and complete in all material respects of any third-party environmental reports prepared for the Contributor, Holdings, or any Participating Entity during the Participating Entities' period of ownership of their respective properties or in the Contributor's possession or control relating to the Properties, including, without limitation, the Committed Properties.

(u) **Compliance With Laws**. As of the date of this Agreement, except as set forth in **Schedule 3.2(u)** or in the Registration Statement, neither the Contributor nor Holdings nor any Participating Entity has received any written notice from any governmental agency requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal laws, ordinances, rules, regulations, codes, orders and statutes (including, without limitation, those currently relating to fire and safety, conservation, parking, Americans with Disabilities Act, zoning and building laws) except where the failure to be in compliance with such laws would not reasonably be expected to have a Material Adverse Effect.

(v) **Condemnation** . Except as disclosed on **Schedule 3.2(m)** or **Schedule 3.2(v)** or in the Registration Statement, there are no pending or threatened in writing or to the Knowledge of the Contributor, proposed, condemnation, eminent domain or similar proceedings, or negotiations for purchase in lieu of condemnation with respect to any Properties that would reasonably be expected to have a Material Adverse Effect.

(w) **ERISA** . No Participating Entity has any employees.

(x) **Bankruptcy**. (i) There has not been filed any petition or application with respect to, or any proceeding commenced by or against, any of the assets of Holdings or any Participating Entity under any bankruptcy law, and neither Holdings nor any Participating Entity has made any assignment for the benefit of creditors, (ii) none of the Contributor, Holdings or any Participating Entity is “insolvent” within the meaning of any bankruptcy law and (iii) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall render the Contributor insolvent.

(y) **FINRA Disclosures** . No relationship, direct or indirect, exists between or among the Contributor, Holdings or any Participating Entity, on the one hand, and the directors, managers, officers, or to the Contributor’s Knowledge, equity interest holders of the Contributor, Holding or any Participating Entity, on the other hand, which is required by the rules of the Financial Industry Regulatory Authority, Inc. (the “FINRA”) to be described in the Registration Statement, which is not so described.

(z) **Disclosure Schedules** . The Disclosure Schedules are, and except as disclosed to the Company in writing, shall remain as of the Closing Date, true, correct and complete in all material respects.

Section 3.3 Indemnification .

(a) **Survival of Representations and Warranties; Remedy for Breach** .

(i) All representations and warranties contained in this Agreement or in any Schedule or certificate delivered pursuant hereto shall survive the Closing for the period specified in Section 3.3(e).

(ii) Notwithstanding anything to the contrary in this Agreement, none of the Contributor, the Company or the Operating Partnership shall be liable under this Agreement for monetary damages (or otherwise) for breach of any of their respective representations, warranties and covenants contained in Section 3.1 or Section 3.2, as applicable, or this Agreement, or in any Schedule, certificate or affidavit delivered by it pursuant thereto, other than pursuant to the succeeding provisions of this Section 3.3.

(iii) Notwithstanding anything to the contrary in this Agreement, any party may bring suit or pursue any other legal right available to such party as a result of willful misconduct or fraud by any other party to this Agreement.

(b) **General Indemnification** .

(i) The Company and the Operating Partnership shall indemnify and hold harmless the Contributor and its directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Contributor Party”) from and against any and all claims, losses, damages, liabilities and expenses, including, without limitation, amounts paid in settlement, reasonable attorneys’ fees, costs of investigation and remediation, costs of investigative, judicial or administrative

proceedings or appeals therefrom, and costs of attachment or similar bonds (collectively, “Losses”) arising out of or relating to, asserted against, imposed upon or incurred by the Indemnified Contributor Party in connection with (A) any breach of a representation, warranty or covenant of the Company or the Operating Partnership contained in this Agreement, or (B) any Action brought by a third party in the Public Offering against the Contributor relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except in each case in this clause (B) insofar as such Losses arise out of, or are based upon, (1) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein, (2) the Contributor’s breach of a representation, warranty or covenant of this Agreement, or (3) the Contributor’s fraud, willful misconduct or gross negligence.

(ii) The Contributor shall indemnify and hold harmless the Company, the Operating Partnership and their Affiliates and each of their respective directors, managers, officers, employees, agents, representatives, beneficiaries, equity interest holders and Affiliates (each of which is an “Indemnified Company Party”) from and against any and all Losses arising out of or relating to, asserted against, imposed upon or incurred by such Indemnified Company Party in connection with or as a result of (A) any breach of a representation, warranty or covenant of the Contributor contained in this Agreement or in any schedule of certificate delivered pursuant thereto, or (B) any Action brought by a third party in the Public Offering against the Company or the Operating Partnership relating to any alleged federal or state securities laws violations in connection with the Public Offering, including, without limitation, untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or any untrue statement or alleged untrue statement of a material fact contained in the prospectus portion of the Registration Statement or related “issuer free writing prospectus” (as defined in Rule 433 of the Act) or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case in this clause (B) only with respect to Losses that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Contributor or any of its controlling Affiliates furnished to the Company in writing by such Contributor or a controlling Affiliate expressly for use therein.

(c) **Notice and Defense of Claims** . As soon as reasonably practicable after receipt by the Indemnified Company Party or the Indemnified Contributor Party, as applicable (as applicable, an “Indemnified Party”) of notice of any liability or claim incurred by or asserted

against the Indemnified Party that is subject to indemnification by the Contributor or the Company or the Operating Partnership, as applicable, under this Section 3.3 (as applicable, the “Indemnifying Party”), the Indemnified Party shall give notice thereof to the Indemnifying Party, including, without limitation, liabilities or claims to be applied against the indemnification basket established pursuant to Section 3.3(d)(i). The Indemnified Party may at its option demand indemnity under this Section 3.3 from the Indemnifying Party as soon as a claim has been threatened in writing by a third party, regardless of whether an actual Loss has been suffered, so long as the Indemnified Party shall in good faith determine that such claim is not frivolous and that the Indemnified Party may be liable for, or otherwise incur, a Loss as a result thereof and shall give notice of such determination to the Indemnifying Party. The Indemnified Party shall permit the Indemnifying Party, at its option and expense, to assume the defense of any such claim by counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party, and to settle or otherwise dispose of the same; provided, that the Indemnified Party may at all times participate (but not control) in such defense at its expense; provided further, that the Indemnifying Party shall not, in defense of any such claim, except with the prior written consent of the Indemnified Party, in its sole and absolute discretion, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff in question to the Indemnified Party and its Affiliates of a release of all liabilities in respect of such claims, or that does not result only in the payment of money damages; and provided further that in the event of a conflict, the Indemnified Party may choose separate counsel at the Indemnifying Party’s reasonable cost and expense. Notwithstanding the foregoing, if the Company or the Operating Partnership is required to retain counsel, any such counsel shall be selected by the Company (and may include DLA Piper LLP (US)). If the Indemnifying Party shall fail to undertake such defense within 30 days after such notice, or within such shorter time as may be reasonable under the circumstances, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of the Indemnifying Party.

(d) **Limitations on and Threshold for Indemnification .**

(i) Threshold for Contributor. Notwithstanding anything contained herein to the contrary, the Contributor shall not be liable under Section 3.3(b), or this Agreement unless and until the aggregate amount of all Losses recoverable by the Indemnified Company Parties under Section 3.3(b), and this Agreement for which the Contributor would, but for this provision, be liable exceeds on an aggregate basis one percent (1%) of the Consideration (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering) and then only to the extent of such excess.

(ii) Indemnification Limitation. Notwithstanding anything contained herein to the contrary, the Indemnified Company Parties shall look exclusively to the Contributor’s Units for indemnification under this Section 3.3 (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering) and, with respect to any indemnification (other than those claims made with respect to a breach of Sections 3.2(a)(ii)(z), 3.2(b), (c), (e), (f) and (j) (the “Full Value Representations.”)), the aggregate recovery that may be sought or obtained under this Agreement or under applicable law for all breaches or claims for indemnification hereunder shall not exceed twenty-five percent (25%) of the Consideration (valuing each Unit at the initial public offering price of the Common Stock in the Public Offering).

Offering) (the “ Maximum Liability ”). Without limiting the generality of the foregoing, the Contributor acknowledges that its indemnification liability for any breach of the Full Value Representations shall be up to the value of its Units (valuing each Unit at the per-share initial public offering price of the Common Stock in the Public Offering). Notwithstanding anything contained herein to the contrary, no Indemnified Party shall have the right to receive or recover incidental, special, consequential or punitive damages against the Indemnifying Party by reason of any breach under or in connection with this Agreement or any schedule, exhibit, certificate or affidavit or any other document delivered by the Contributor or the Company or the Operating Partnership, as applicable, pursuant to this Agreement (unless such incidental, special or consequential (but not punitive) damages are incurred by an Indemnified Party as a result of a third party claim for Losses), and each Indemnified Party hereby waives any and all rights to receive such damages.

(e) **Limitation Period .**

(i) Notwithstanding the foregoing, any claim for indemnification under Section 3.3(b) must be asserted in writing by the Indemnified Company Party, stating the nature of the Losses and the basis for indemnification therefor. Any claim for indemnification against the Company or the Operating Partnership and any claim against the Contributor with respect to any representations or warranties contained in this Agreement or in any schedule or certificate delivered pursuant hereto must be brought within one (1) year after the Closing. Any such claim for indemnification not so asserted in writing within one year after the Closing shall not thereafter be asserted and shall forever be waived.

(ii) If so asserted in writing within one year after the Closing (or the expiration of such later applicable period described in Section 3.3(e) (i)), such claims for indemnification shall survive until resolved by mutual agreement between the Contributor and the Indemnified Company Party or by judicial determination.

(f) **Reservation of Contributor Rights .** Notwithstanding anything else in this Section 3.3 or this Agreement to the contrary, the Contributor reserves unto itself all rights and remedies (including, without limitation, rights to seek contribution) against any third party indemnitors and prior property owners or occupants for liabilities with respect to which the Company or the Operating Partnership has been indemnified by the Contributor hereunder.

(g) **No Effect on Insurance .** Nothing contained in this Section 3.3 or this Agreement shall be construed to release or otherwise relieve any insurer of the Contributor, Indemnified Company Party or any Affiliate thereof from paying any of its claims or otherwise performing any of its duties and obligations pursuant to the terms and provisions of any policy of insurance which insures the Contributor, Indemnified Company Party or the Property. If any claims as to which an Indemnified Company Party would be entitled to indemnification under Section 3.3(b) are covered by the insurance, the indemnification obligations shall be reduced by, but only by, the amount paid by the insurance company and not by any deductible or other amount reimbursed to the insurance company by an Indemnified Company Party.

Section 3.4 No Reliance, Properties As Is . Each of the Company and the Operating Partnership acknowledge that, except for the Contributor’s representations set forth in

Section 3.2, it has not relied upon any statements, representations or warranties by the Contributor or any agent of the Contributor. Without limiting the generality of the foregoing, each of the Company and the Operating Partnership acknowledge and agree that any environmental, physical condition or other reports provided or made available to it by the Contributor or the Contributor's agents are provided or made available without any representation or warranty of any kind, express or implied, as to the completeness or accuracy of the facts, presumptions, conclusions or other matters contained therein. Except for the Contributor's representations set forth in Section 3.2, each of the Company and the Operating Partnership agree that (i) the Properties shall be contributed to the Operating Partnership (through the contribution of the Holdings Interests) and that the Company and the Operating Partnership shall accept possession of the Properties on the Closing Date strictly on an "AS IS, WHERE IS" and "WITH ALL FAULTS, LIABILITIES, AND DEFECTS, LATENT OR OTHERWISE, KNOWN OR UNKNOWN" basis, with no right of set-off or reduction in the Consideration, and (ii) such contribution shall be without representation or warranty of any kind, express or implied, including any warranty of income potential, operating expenses, conformance of financial information to generally accepted accounting principles, uses, merchantability or fitness for a particular purpose and that the Contributor has, by executing this Agreement, disclaimed and renounced any such representation or warranty.

ARTICLE 4

COVENANTS OF CONTRIBUTOR

Section 4.1 Negative Covenants .

(a) **Interests.** From the date hereof through the Closing, except as described in the Registration Statement, the Contributor shall not, without the prior written consent of the Company:

(i) sell, transfer or otherwise dispose (or agree to sell, transfer or otherwise dispose) of, or cause or allow the sale, transfer or disposition of (or agree to do any of the foregoing) all or any portion of the Holdings Interests, or

(ii) encumber or pledge (or permit to become encumbered or pledged) all or any portion of its Holdings Interests.

(b) **Participating Entity Operations.** From the date hereof through the Closing, the Contributor agrees that it shall cause Holdings and each Participating Entity to conduct its business in the ordinary course, consistent with past practices. It is specifically agreed by the parties that Holdings and the Participating Entities may exercise options to purchase, rights under pending purchase and sale agreements and rights of first refusal with respect to properties described in the Registration Statement prior to Closing without the consent of the Company or the Operating Partnership. Except as described or as will be described in the Registration Statement or the Disclosure Schedules, the Contributor shall not permit Holdings or any Participating Entity without the prior written consent of the Company to:

(i) enter into a transaction not in the ordinary course of business;

- (ii) sell, transfer or dispose of, or cause the sale, transfer or disposition of (or agree to do any of the foregoing) any assets of Holdings or such Participating Entity, except for distributions that are not prohibited by clause (viii) below;
- Permitted Liens;
- (iii) mortgage, pledge or encumber (or permit to become encumbered) any assets of Holdings or such Participating Entity, except for
- (iv) amend, modify or terminate any Lease with annual rental payments in excess of \$500,000, except for such amendments or modifications which do not decrease the aggregate rent paid thereunder or reduce the current term thereof;
- (v) amend or modify in any material respect or terminate any Purchase Contract;
- (vi) terminate or amend any existing property insurance policies affecting the Properties carried by Holdings or such Participating Entity that results in a material reduction in insurance coverage for one or more Properties;
- (vii) knowingly cause or permit Holdings or such Participating Entity to violate any applicable laws;
- (viii) materially alter the manner of keeping Holdings' or such Participating Entity's books, accounts or records or the accounting practices therein reflected; or
- (ix) make any distribution to its beneficiaries or equity interest holders, except as contemplated in Section 1.3;
- (x) make or change any tax election, settle or compromise any Tax liability or claim any refund for Taxes, file any amended Tax Return or any other similar action relating to the filing of any Tax Return or the payment or refund of any Tax, in each case, with respect to Holdings or any Participating Entity;
- (xi) incur any new indebtedness (other than trade payables in the ordinary course of business or indebtedness that will be repaid in full at or prior to Closing) or guaranty the indebtedness of any other entity, except for amounts payable with respect to Permitted Liens that are not delinquent or that are being contested in good faith by appropriate proceedings diligently pursued, and provided further that the principal amounts of the Allocated Debt shall not increase above the Estimated Allocated Debt Amount (other than new Allocated Debt associated with the acquisition of Committed Properties); or
- (xii) make any payments which reduce the outstanding principal balance of the Allocated Debt other than regular amortization payments or payments upon maturity, in each case, in accordance with the documents governing the Allocated Debt as of the date hereof.

Section 4.2 Affirmative Covenants .

- (a) From the date hereof through the Closing, the Contributor, Company and Operating Partnership shall each use its diligent efforts to obtain any approvals, waivers or other consents of third parties, governmental authorities and agencies required to effect the Formation Transaction. Nothing herein shall obligate the Company or the Operating Partnership to pursue or complete the Public Offering, which decision shall be made by the Company in its sole discretion.
- (b) Without limiting the obligations of the Contributor set forth in this Agreement, from the date hereof through the Closing, the Contributor shall use its diligent efforts (i) to prevent the breach of any representation or warranty of the Contributor hereunder, (ii) to satisfy all covenants of the Contributor hereunder, provided, however, that subsequent to the Closing the Contributor shall use its diligent efforts to satisfy all covenants of the Contributor hereunder that survive the Closing and (iii) to promptly cure any breach of a representation, warranty or covenant of the Contributor hereunder upon its learning of same. Compliance with this covenant shall not limit the Contributor's liability for a breach of, or failure to perform, any other representation, warranty or covenant herein unless the Company knows of such breach of representation prior to Closing and completes the Closing.
- (c) Each party hereto will give written notice to the other parties of any material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. In addition, five business days before each amendment to the Registration Statement filed with the Securities and Exchange Commission (other than any amendment filed solely for the purpose of filing exhibits) (each such date, a " Permitted Supplement Date "), the Contributor may supplement in writing any existing Disclosure Schedule or create a new Disclosure Schedule, to any representation or warranty in Section 3.2 and further agrees, on each Permitted Supplement Date, to give the Company written notice if it has any Knowledge that any representation or warranty made by the Contributor in this Agreement was untrue in any material respect when made or that would be untrue in any material respect if made as of such date (other than representations and warranties relating to a specified date). Any such disclosure by the Contributor pursuant to this Section 4.2(c), made before the filing with the Securities and Exchange Commission of the last amendment to the Registration Statement before the commencement of the road show relating to the Public Offering, shall be deemed to amend and supplement each applicable Schedule or shall be deemed to constitute a new Schedule, and cure any misrepresentation or breach of warranty or covenant to the extent such information would cure the misrepresentation or breach of warranty or covenant.
- (d) From the date hereof and subsequent to the Closing, the Contributor agrees to provide the Company with such tax information relating to the Holdings Interests, the Participating Entity Interests and the Properties that is in the Contributor's possession or control and that is reasonably requested by the Company and not otherwise in the Company's or the Operating Partnership's possession or control and to cooperate with the Company and the Operating Partnership with respect to the filing of their respective tax returns, including, without limitation, the depreciation and amortization schedules for Properties, as kept for both book and tax purposes, showing original basis and accumulated depreciation or amortization as of the Closing Date and basis information as of the Closing Date (computed for both book and tax

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purposes, if different) for all non-depreciable, non-amortizable assets held by any of the Contributed Entities. The Contributor further agrees to notify the Company and the Operating Partnership, in writing, of any audits that could affect the amounts shown on the returns of the Company or the Operating Partnership for any taxable period. The provisions of this Section 4.2(d), shall survive the Closing.

- (e) Contributor shall, or shall cause Holdings or its subsidiaries to, timely perform such party's obligations under each Purchase Contract required to be performed prior to Closing, and to enforce all obligations of the seller under each Purchase Contract required to be performed at or before Closing.
- (f) Not later than the commencement of the road show relating to the Public Offering, Contributor shall fund the Acquisition Cash to Holdings or its subsidiaries.

ARTICLE 5

RELEASES AND WAIVERS

Each of the releases and waivers enumerated in this Article 5 shall become effective only upon the Closing.

Section 5.1 General Release of Company . As of the Closing, the Contributor irrevocably waives, releases and forever discharges the Company, the Operating Partnership, Holdings, the Participating Entities and each of their respective directors, managers, officers, employees, agents, equity interest holders, attorneys, affiliates, successors and assigns of and from, any and all losses of any nature whatsoever existing as of the closing (collectively, " Contributor Claims "), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities or the Properties, except for Contributor Claims arising from the breach of any express representation, warranty, covenant or obligation of the Company or the Operating Partnership under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership, subject to the obligations of the Company and the Operating Partnership under this Agreement.

Section 5.2 General Release of Contributor . As of the Closing, the Company and the Operating Partnership irrevocably waives, releases and forever discharges the Contributor and each of the Contributor's directors, managers, officers, employees, agents, equity interest holders, attorneys, Affiliates, successors and assigns of and from, any and all Losses of any nature whatsoever existing as of the Closing (collectively, " Company Claims "), known or unknown, suspected or unsuspected, arising out of or relating to the Participating Entity Agreements, Holdings, the Participating Entities, the Properties or any other matter which exists at the Closing, except for Company Claims arising from the breach of any express representation, warranty, covenant or obligation of the Contributor under this Agreement, any agreement contemplated hereby or entered into in connection herewith, or the governing documents of the Company or the Operating Partnership for which the Contributor has an indemnification obligation under this Agreement.

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Section 5.3 Attorney-in-Fact . Contributor hereby irrevocably appoints the Company (or its designee) and any successor thereof from time to time (the Company or such designee or any such successor of any of them acting in the Contributor's capacity as attorney-in-fact pursuant hereto, the "Attorney-in-Fact") as the true and lawful attorney-in-fact and agent of Contributor, to act in the name, place and stead of Contributor to make, execute, acknowledge and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, consents, letters and other writings relating to the transactions contemplated by this Agreement (including, without limitation, the execution of any Closing Documents or other documents) relating to the acquisition by the Company of the Contributor's Holdings Interests, all in accordance with the terms and conditions of this Agreement, as well as the organizational documents of the Company and the Operating Partnership, as they may be amended or revised, any registration rights agreements and any lock-up agreements, and to provide information to the Securities and Exchange Commission and others about the transactions contemplated hereby, as fully as could the Contributor if personally present and acting (the "Power of Attorney"). The Contributor agrees, at the request of the Company, to execute a separate power of attorney and proxy on the same terms as set forth in this Section 5.3, with such execution to be witnessed and notarized.

The Power of Attorney entered into by the Contributor and all authority granted hereby shall be coupled with an interest and therefore shall be irrevocable and shall not be terminated by any act of Contributor, by operation of law or by the occurrence of any other event or events, and if any other such act or event shall occur before the completion of the transactions contemplated by this Agreement, the Attorney-in-Fact shall nevertheless be authorized and directed to complete all such transactions as if such other act or event had not occurred and regardless of notice thereof. Contributor hereby authorizes the reliance of third parties on each of the Power of Attorney. Contributor hereby ratifies and confirms all that the Attorney-in-Fact shall lawfully do or cause to be done by virtue of the exercise of the powers granted to it by Contributor hereunder.

Contributor acknowledges that the Company has, and any designee or successor thereof acting as Attorney-in-Fact may have, an economic interest in the transactions contemplated by this Agreement.

The Power of Attorney contained in this Section 5.3 shall expire on the earlier of the first anniversary of the Closing or the termination of this Agreement. Notwithstanding anything to the contrary, the Attorney-in-Fact may not expand the Contributor's covenants, representations or covenants beyond those contemplated by this Agreement and the other documents and agreements contemplated hereby or modify the provisions of this Agreement pursuant to such Power of Attorney.

Section 5.4 Limitation on Liability . It is understood that the Attorney-in-Fact (but solely in its role as Attorney-in-Fact) assumes no responsibility or liability to any person or entity by virtue of the Power of Attorney granted by Contributor hereby. Other than as specifically set forth in this Agreement, the Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Formation Transactions or the Public Offering or the acquisition of the Holdings Interests by the Company or the Operating Partnership and shall not be liable for any error or judgment or for any act done or omitted or for any mistake of

fact or law except for actions by the Attorney-in-Fact that constitute gross negligence or bad faith. Contributor agrees that the Attorney-in-Fact may consult with counsel of its own choice (who may be counsel for the Company, the Operating Partnership, the Contributors or any of their successors or Affiliates), and it shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. It is understood that the Attorney-in-Fact may, without breaching any express or implied obligation to the Contributor hereunder, release, amend or modify any other power of attorney or proxy granted by any other person or entity under any related agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Further Assurances . Each of the Contributor, Company and Operating Partnership agrees to take such other actions and execute and deliver such additional documents following the Closing as the Contributor, Company or the Operating Partnership may reasonably request in order to effect the transactions contemplated hereby.

Section 6.2 Counterparts . This Agreement may be executed in one or more counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 6.3 Governing Law, Venue . This Agreement shall be governed by the internal laws of the State of New York, without regard to the choice of laws provisions thereof. Any action to enforce, which arises out of or in any way relates to, any of the provisions of this Agreement or the instruments, agreements and other documents contemplated hereby shall be brought and prosecuted in the state or federal courts located in the State of New York, New York County. Each party irrevocably: (a) submits to the exclusive jurisdiction of the aforesaid courts, and (b) waives any objection which it may have at any time to the laying of venue of any suit, action or proceeding (“Proceedings”) brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 6.14. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 6.4 Amendment; Waiver . Any amendment hereto shall be in writing and signed by all parties hereto. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

Section 6.5 Entire Agreement . This Agreement, all related agreements referred to herein and that certain Master Roll-Up Agreement among Contributor, the Other Contributors, the Company and the Operating Partnership dated as of July 21, 2010 (as the same was amended as of December 21, 2010 and as of the date hereof and as the same may be further modified or amended from time to time) constitute the entire agreement and supersede conflicting provisions set forth in all other prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. In the event of a conflict between the provisions

of this Agreement and any other agreement referred to herein, the provisions of this Agreement shall control.

Section 6.6 Assignability . This Agreement shall be binding upon, and shall be enforceable by and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, that this Agreement may not be assigned (except by operation of law) by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void and of no effect, except that the Company may assign this Agreement, the Closing Documents, and its rights and obligations hereunder and thereunder to a direct or indirect subsidiary of the Company without the consent of the Contributor.

Section 6.7 Titles . The titles and captions of the Articles, Sections and paragraphs of this Agreement are included for convenience of reference only and shall have no effect on the construction or meaning of this Agreement.

Section 6.8 Third Party Beneficiary . Other than the indemnification provisions in favor of the parties' owners, directors, officers, employees, agents, attorneys and Affiliates, no provision of this Agreement is intended, nor shall it be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any customer, Affiliate, stockholder, partner, member, director, officer or employee of any party hereto or any other person or entity.

Section 6.9 Severability . If any provision of this Agreement, or the application thereof, is for any reason held to any extent to be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons, entities or circumstances will be interpreted so as reasonably to affect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision and to execute any amendment, consent or agreement deemed necessary or desirable by the parties to effect such replacement.

Section 6.10 Equitable Remedies . Each party hereby agrees that irreparable damage would occur to the other parties in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that any of them shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any others of them and to enforce specifically the terms and provisions hereof in any federal or state court located in Massachusetts (as to which the parties agree to submit to jurisdiction for the purposes of such action), this being in addition to any other remedy to which the non-breaching party is entitled under this Agreement or otherwise at law or in equity.

Section 6.11 Time of the Essence . Time is of the essence with respect to all obligations under this Agreement.

Section 6.12 Reliance . Each party to this Agreement acknowledges and agrees that it is not relying on tax advice or other advice from the other party to this Agreement and that it has or will consult with its own tax advisors for purposes of determining the tax implications of

entering into this Agreement and the transactions contemplated herein, and understands the consequences thereof. Notwithstanding anything to the contrary herein, each party agrees that it shall bear any tax liability associated with or attributable to the terms of this Agreement, and nothing in this Agreement shall be construed as a guarantee by the Company or any party of the tax consequences to any other party of entering into this Agreement.

Section 6.13 Survival . It is the express intention and agreement of the parties hereto that certain of the representations, warranties and covenants of the Contributor and of the Company and the Operating Partnership set forth in this Agreement shall survive the consummation of the transactions contemplated hereby; provided, that the representations and warranties of the Contributor shall survive only for the period specified in Section 3.3. The provisions of this Agreement that contemplate performance after the Closing shall survive the Closing and shall not be deemed to be merged into or waived by the instruments of Closing.

Section 6.14 Notice . Any notice to be given hereunder by any party to the other parties shall be given in writing by personal delivery, by registered or certified mail, postage prepaid, return receipt requested or by any nationally-recognized overnight carrier, and shall be deemed communicated as of the date of personal delivery (including delivery by overnight courier). Mailed notices shall be addressed as set forth below, but any party may change the address set forth below by written notice to other parties in accordance with this paragraph.

To Contributor:	STAG GI Investments LLC c/o STAG Capital Partners, LLC 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

With a copy to:	GI Partners 2180 Sand Hill Road, Suite 210 Menlo Park, CA 94025 Attn: Alexander Fraser

To the Company or the Operating Partnership:	STAG Industrial, Inc. 99 High Street, 28th Floor Boston, MA 02110 Attn: Benjamin S. Butcher

Section 6.15 Termination . This Agreement shall terminate if the Closing shall not have occurred on or prior to May 3, 2011 . In addition, this Agreement may be terminated before Closing by a document signed by the Company, Operating Partnership and the Contributor. Upon such termination, this Agreement shall become void and have no effect, and no party hereto shall have any liability to the other parties hereto.

Section 6.16 Confidentiality . All press releases or other public communications of any kind relating to the Public Offering or the transactions contemplated herein, and the method and timing of release for publication there, will be subject to the prior approval of the Company.

Section 6.17 Joint Preparation. The parties acknowledge that this Agreement was jointly prepared by them, by and through their legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against any of the parties, but otherwise according to the application of the rules on interpretation of contracts.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

STAG Industrial, Inc., a Maryland corporation

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

OPERATING PARTNERSHIP:

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

CONTRIBUTOR:

STAG GI Investments, LLC, a Delaware limited liability company

By: STAG Manager, LLC, its manager

By: /s/ Benjamin S. Butcher
Benjamin S. Butcher
President

(Signature Page to STAG GI Investments Contribution Agreement)

**EXHIBIT A
TO
CONTRIBUTION AGREEMENT
PARTICIPATING ENTITIES**

Entity Name	State of Formation
STAG GI O'Fallon, LLC	Delaware
STAG GI New Jersey, LLC	Delaware
STAG GI Goshen, LLC	Delaware
STAG GI Charlotte, LLC	Delaware
STAG GI Charlotte 2, LLC	Delaware
STAG GI Madison, LLC	Delaware
STAG GI Walker, LLC	Delaware
STAG GI Streetsboro, LLC	Delaware
STAG GI Vonore, LLC	Delaware
STAG GI Rogers, LLC	Delaware
STAG GI Salem, LLC	Delaware
STAG GI Mooresville, LLC	Delaware
STAG GI Cleveland, LLC	Delaware

**EXHIBIT B
TO
CONTRIBUTION AGREEMENT**

LIST OF PROPERTIES

OWNED PROPERTIES

Entity Name	Property Address
STAG GI O'Fallon, LLC	3801 Lloyd King Drive, O'Fallon Missouri
STAG GI New Jersey, LLC	190 Strykers Road, Lopatcong, New Jersey
STAG GI Goshen, LLC	251 Circle Drive North, Piscataway, New Jersey
STAG GI Charlotte, LLC	2600 College Avenue, Goshen, Indiana
STAG GI Charlotte 2, LLC	10701 Nations Ford Road, Charlotte, North Carolina
STAG GI Madison, LLC	3700 Display Drive, Charlotte, North Carolina
STAG GI Walker, LLC	538 Myatt Drive, Madison, Tennessee
STAG GI Streetsboro, LLC	2640 Northridge Drive NW, Walker, Michigan
STAG GI Vonore, LLC	9777 Mopar Drive, Streetsboro, Ohio
STAG GI Rogers, LLC	90 Deer Crossing, Vonore, Tennessee
STAG GI Salem, LLC	19850 Diamond Lake Road, Rogers, Minnesota
STAG GI Mooresville, LLC	4050/4060 Fairview Industrial Drive, Salem, Oregon
STAG GI Mooresville, LLC	1313 Mooresville Blvd., Mooresville, North Carolina

GROUND LEASED PROPERTIES

Entity Name	Property Address
N/A	N/A

COMMITTED PROPERTIES

Entity Name	Property Address
STAG GI Cleveland, LLC	4405 Michigan Avenue Road, Cleveland, Tennessee

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**EXHIBIT C
TO
CONTRIBUTION AGREEMENT**

CONTRIBUTION AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby assigns, transfers, contributes and conveys to STAG Industrial Operating Partnership, LP, a Delaware limited partnership (the “Company”), its entire legal and beneficial right, title and interest in and to STAG GI Investments Holdings, LLC, a Delaware limited liability company (“Holdings”), which owns 100% of the ownership interests in the entities listed on **Attachment 1** hereto (each, a “Participating Entity” and collectively, the “Participating Entities”), including, without limitation, (a) all right, title and interest, if any, of the undersigned in and to the assets and liabilities of Holdings and the Participating Entities (b) the right to receive distributions of money, profits and other assets from Holdings and the Participating Entities from and after Closing, and (c) the obligations of Holdings and the Participating Entities, in each case whether arising before or after the Closing, presently existing or hereafter at any time arising or accruing (such right, title and interest are hereinafter collectively referred to as the “Participating Entity Interests”), TO HAVE AND TO HOLD the same unto the Company, its successors and assigns, forever.

Upon the execution and delivery hereof, the Company assumes all obligations in respect of the Participating Entity Interests.

This Contribution and Assumption Agreement is in respect of the real property described in **Attachment 1** attached hereto.

Executed: _____, 2011

STAG GI Investments, LLC, a Delaware limited liability company

By: STAG Manager, LLC, its manager

By: _____
Name:
Title:

STAG Industrial Operating Partnership, L.P., a
Delaware limited partnership

By: STAG Industrial GP, LLC, its general partner

By: _____
Name:
Title:

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**Attachment 1
To
Contribution and Assumption Agreement**

OWNED PROPERTIES

Entity Name	Property Address
STAG GI O'Fallon, LLC	3801 Lloyd King Drive, O'Fallon Missouri
STAG GI New Jersey, LLC	190 Strykers Road, Lopatcong, New Jersey
	251 Circle Drive North, Piscataway, New Jersey
STAG GI Goshen, LLC	2600 College Avenue, Goshen, Indiana
STAG GI Charlotte, LLC	10701 Nations Ford Road, Charlotte, North Carolina
STAG GI Charlotte 2, LLC	3700 Display Drive, Charlotte, North Carolina
STAG GI Madison, LLC	538 Myatt Drive, Madison, Tennessee
STAG GI Walker, LLC	2640 Northridge Drive NW, Walker, Michigan
STAG GI Streetsboro, LLC	9777 Mopar Drive, Streetsboro, Ohio
STAG GI Vonore, LLC	90 Deer Crossing, Vonore, Tennessee
STAG GI Rogers, LLC	19850 Diamond Lake Road, Rogers, Minnesota
STAG GI Salem, LLC	4050/4060 Fairview Industrial Drive, Salem, Oregon
STAG GI Mooresville, LLC	1313 Mooresville Blvd., Mooresville, North Carolina
STAG GI Cleveland, LLC(1)	4405 Michigan Avenue Road, Cleveland, Tennessee

GROUND LEASED PROPERTIES

Entity Name	Property Address
N/A	N/A

COMMITTED PROPERTIES

Entity Name	Property Address
N/A	N/A

(1) This property is identified as an owned property on this Attachment because on the date this document is signed and delivered (i.e., the Closing Date), the property will be owned by STAG GI Cleveland, LLC.

**EXHIBIT D
TO
CONTRIBUTION AGREEMENT**

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”), that the withholding of tax is not required upon the contribution of Interests by STAG GI Investments, LLC, a Delaware limited liability company (the “Contributor”) to the Operating Partnership in exchange for common units of limited partnership in the Operating Partnership, which transfer occurred on _____, 2011, the undersigned hereby certifies the following on behalf of Contributor:

1. Contributor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);
2. Contributor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).
3. Contributor’s employer identification number (or Contributor’s social security number, if Contributor is an individual) is _____; and
4. Contributor’s address is:

c/o STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the Operating Partnership and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Contributor.

By: STAG GI Investments, LLC

By: STAG Manager, LLC, its manager

By: _____

Name:

Title:

Date: _____, 2011

**EXHIBIT E
TO
CONTRIBUTION AGREEMENT
OWNERSHIP LIMIT WAIVER**

See Attached

E-1

Ownership Limit Waiver

1. The Board of Directors (the “Board”) of STAG Industrial, Inc., a real estate investment trust for United States federal income tax purposes (the “Company”), has the authority to grant an exemption from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit (each as defined in Section 6.1 of the amended and restated charter of the Company (the “Charter”)) applicable to holders of shares of common stock of the Company, \$0.01 par value per share (the “Common Shares”), and/or shares of preferred stock of the Company, \$0.01 par value per share (the “Preferred Shares” and together with the Common Shares, the “Shares”), provided that certain conditions are met. Capitalized terms used but not otherwise defined in this Ownership Limit Waiver have the meanings ascribed to such terms in the Charter.
2. In connection with the Company’s initial public offering and related formation transactions, STAG GI Investments, LLC (the “Investor”) holds common units of limited partnership interest in STAG Industrial Operating Partnership, L.P., for which, upon a permitted redemption, the Investor may receive Common Shares with respect to which the Investor will be treated as a Beneficial Owner or Constructive Owner under the Charter and with respect to which GI Partners Fund III, L.P. or GI STAG Investco LLC (together, the “Investor Owners”) may be treated as a Beneficial Owner or Constructive Owner under the Charter by virtue of their ownership interests in the Investor.
3. The Investor has requested that the Board grant the Investor and the Investor Owners an exemption from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit in connection with the Investor’s potential receipt of Common Shares upon redemption of the common units of limited partnership interest referenced above.
4. Based on the terms and conditions set forth herein, the Board has approved and granted an exemption from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit for the Investor and the Investor Owners in an aggregate amount of up to **[INSERT NUMBER OF UNITS RECEIVED IN THE FORMATION TRANSACTIONS/TOTAL NUMBER UNITS AND SHARES OUTSTANDING IMMEDIATELY POST IPO]** % of the outstanding Common Shares.
5. Each of the Investor and the Investor Owners represents and warrants to the Company:
 - a. None of the Investor and the Investor Owners is an “individual” within the meaning of Section 542(a)(2) of the Internal Revenue Code of 1986, as amended (the “Code”).
 - b. No “individual” within the meaning of Section 542(a)(2) of the Code holding an ownership interest in any of the Investor and the Investor Owners, directly or indirectly, Beneficially Owns or Constructively Owns more than 9.8% (in number or value, whichever is more restrictive) of the outstanding Common Shares or of the outstanding shares of any class or series of Preferred Shares by reason of the Beneficial Ownership or Constructive Ownership of Shares by any of the Investor and the Investor Owners.
 - c. None of the Investor and the Investor Owners, nor any Person owning a direct or indirect interest in any of the Investor and the Investor Owners, owns, actually or

constructively, an interest in any tenant of the Company (or a tenant of an entity owned or controlled by the Company) that would cause the Company to own, actually or constructively, more than a 9.8% ownership interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant unless such tenant is a taxable REIT subsidiary (as defined in Section 856(l) of the Code) of the Company.

6. Each of the Investor and the Investor Owners agrees with the Company that none of the Investor and the Investor Owners (or any Person owning a direct or indirect interest in any of the Investor and the Investor Owners) will take or allow any action (within its control) after the date of this Ownership Limit Waiver that will cause the foregoing representations or warranties to fail to be true and accurate.
7. Each of the Investor and the Investor Owners acknowledges and agrees that (i) the Board is relying on the continuing truth and accuracy of, and compliance with, the representations, warranties and agreements of the Investor and the Investor Owners in this Ownership Limit Waiver in granting the exemption from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit to the Investor and the Investor Owners and that such exemption will be void and ineffective if any of the representations and warranties is not true and accurate at any time or any of the agreements is violated, and (ii) such exemption is solely for the Investor and the Investor Owners and only with respect to Common Shares received and held by the Investor upon redemption of the common units of limited partnership interest referenced above, and not for any other Person or for any "individual" within the meaning of Section 542(a)(2) of the Code.
8. Each of the Investor and the Investor Owners further acknowledges and agrees that if such exemption is void or ineffective, Shares deemed to be Beneficially Owned or Constructively Owned by any of the Investor and the Investor Owners in excess of the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit will be subject to the provisions of Section 6.2 of the Charter, which provide that Shares held in excess of the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit shall be deemed transferred to a Charitable Trust as of the close of business on the business day prior to the date of the purported transfer or other event resulting in a stockholder's ownership of Shares exceeding the Aggregate Stock Ownership Limit or the Common Stock Ownership Limit.
9. The Company will reasonably consider a request to grant a similar exemption from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit to a Person acquiring the common units of limited partnership interest referenced above or the Common Shares issued upon redemption of such units, provided such Person is acquiring, and will hold, such units and Common Shares in the ordinary course of its business and not with the purpose nor with the effect of changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) under the Securities Exchange Act of 1934.
10. Notwithstanding anything herein to the contrary, the Company reserves its right to increase the exemption granted herein in the sole and absolute discretion of the Board, and the Investor and the Investor Owners shall be deemed to have made a request for any such increase, all subject to the provisions of Section 6.2.7 of the Charter.

11. This Ownership Limit Waiver shall become effective upon the acceptance of the terms and conditions hereof by the Investor.

(signature page follows)

IN WITNESS WHEREOF , the undersigned have executed this Ownership Limit Waiver as of [INSERT DATE] .

STAG INDUSTRIAL, INC.

By: _____
Benjamin S. Butcher,
President and Chief Executive Officer

99 High Street, 28th Floor
Boston, MA 02110

STAG GI INVESTMENTS, LLC

By: STAG Manager, LLC,
its manager

By: _____
Benjamin S. Butcher,
President

99 High Street, 28th Floor
Boston, MA 02110

cc: GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Rick Magnuson

GI PARTNERS FUND III, L.P.

By: _____
Its: _____

2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Rick Magnuson

GI STAG INVESTCO LLC

By: _____
Its: _____

2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Rick Magnuson

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**EXHIBIT F
TO
CONTRIBUTION AGREEMENT
REGISTRATION RIGHTS AGREEMENT**

See Attached

F-1

**REGISTRATION RIGHTS AGREEMENT
BY AND AMONG
STAG INDUSTRIAL, INC.,
STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.
AND THE CONTRIBUTORS**

DATED AS OF , 2011

F-2

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (including all exhibits and schedules, this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), and the contributors whose names are set forth on the signature pages hereto (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. In connection with the initial public offering of shares of the Company’s common stock, par value \$0.01 per share (the “**Common Stock**”), the Company, the Operating Partnership and the Contributors will engage in certain formation transactions (the “**Formation Transactions**”) whereby:

- (i) the Contributors will contribute to the Operating Partnership their interests in entities owning certain real estate properties and other assets (the “**Properties**”); and
- (ii) the Contributors will receive common units of limited partnership in the Operating Partnership (“**OP Units**”) in exchange for their respective indirect interests in the Properties, and a subsidiary of the Company will be the general partner of the Operating Partnership.

B. Pursuant to the Partnership Agreement (as defined below), the OP Units will be redeemable for cash or, at the sole and absolute discretion of the Company, exchangeable for shares of Common Stock upon the terms and subject to the conditions contained in the Partnership Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.1 Definitions . In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

“**Affiliate**” of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Business Day**” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York or Boston, Massachusetts are authorized or required by law, regulation or executive order to close.

“ **Charter** ” means the amended and restated charter of the Company as filed with the State Department of Assessments and Taxation of Maryland on _____, 2011, as the same may be amended, modified or restated from time to time.

“ **Commission** ” means the Securities and Exchange Commission.

“ **Confidential Information** ” means Confidential Information as defined in Section 2.13(a).

“ **Demand Registration** ” means a Demand Registration as defined in Section 2.2.

“ **Demand Registration Statement** ” means a Demand Registration Statement as defined in Section 2.2.

“ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

“ **Family Member** ” of any individual means such individual’s spouse, ex-spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters and inter vivos or testamentary trusts of which only such Person and his spouse, ancestors, descendants (whether by blood or by adoption), brothers and sisters are beneficiaries.

“ **GI Entities** ” means GI STAG Investco, LLC, STAG GI Investments, LLC, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

“ **Holder** ” means any Initial Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) to the extent (x) permitted under the Partnership Agreement, the Charter or a separate written agreement between the Holder and the Company, as applicable, and (y) (1) the Company is furnished with written notice of the name and address of such assignee or transferee and the securities with respect to which such registration rights are being assigned and (2) such assignee or transferee agrees in writing to be bound by all the provisions hereof, unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

“ **Indemnified Party** ” means an Indemnified Party as defined in Section 2.9.

“ **Indemnifying Party** ” means an Indemnifying Party as defined in Section 2.9.

“ **Indemnatee** ” means Indemnatee as defined in Section 2.7.

“ **Initial Holder** ” means (i) any Contributor, (ii) any partner, member or stockholder of any Contributor and any of their respective partners, members or stockholders (and continuing to any and all other partners, members or stockholders that receive a permitted distribution of OP

Units or Registrable Securities), (iii) any Affiliate of any such partner, member or stockholder, and (iv) any Family Member of any of the foregoing.

“ **Initial Public Offering** ” means the offering of Common Stock pursuant to the Form S-11 Registration Statement (No. 333-) filed by the Company with the Commission under the Securities Act.

“ **Inspectors** ” means Inspectors as defined in Section 2.5(g).

“ **Losses** ” means Losses as defined in Section 2.7.

“ **Market Value** ” means, with respect to the Common Stock, the average of the daily market price for the ten (10) consecutive trading days immediately preceding the date of a written request for registration pursuant to Section 2.2. The market price for each such trading day shall be:

(i) if the Common Stock is listed or admitted to trading on any securities exchange, the closing price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system,

(ii) if the Common Stock is not listed or admitted to trading on any securities exchange, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Company, or

(iii) if the Common Stock is not listed or admitted to trading on any securities exchange and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than (10) days prior to the date in question) for which prices have been so reported;

provided that if there are no bid and asked prices reported during the ten (10) days prior to the date in question, the Market Value of the Common Stock shall be determined by the Board of Directors of the Company acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

“ **Notice Period** ” means the Notice Period as defined in Section 2.2(a).

“ **Partnership Agreement** ” means the Amended and Restated Agreement of Limited Partnership of the Operating Partnership dated as of , 2011, as the same may be amended, modified or restated from time to time.

“ **Person** ” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“ **Piggy-Back Registration** ” means a Piggy-Back Registration as defined in Section 2.3 .

“ **Records** ” means Records as defined in Section 2.5(g) .

“ **Registrable Securities** ” means shares of Common Stock at any time owned, either of record or beneficially, by any Holder and issued in the Formation Transactions or upon exchange of OP Units received in the Formation Transactions and any additional Common Stock issued as a dividend, distribution or exchange for, or in respect of such shares until

- (i) a registration statement covering such shares has been declared effective by the Commission and such shares have been disposed of pursuant to such effective registration statement;
- (ii) such shares shall have ceased to be outstanding;
- (iii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met;
- (iv) such shares held may be sold pursuant to Rule 144 under the Securities Act (or any similar rule or regulation then in effect) without limitation as to volume or manner of sale; or
- (v) such shares have been sold or otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act;

provided, however, that “Registrable Securities” for purposes of the indemnification obligations contained in Section 2.7 and Section 2.8 shall mean all shares that are registered on the applicable Shelf Registration, Demand Registration or Piggy-Back Registration, notwithstanding that such shares may not otherwise be “Registrable Securities” by operation of clause (iv) above.

“ **Registration Expenses** ” means Registration Expenses as defined in Section 2.6 .

“ **Securities Act** ” means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“ **Selling Holder** ” means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act.

“ **Shelf Registration Statement** ” means a Shelf Registration statement as defined in Section 2.1 .

“ **STAG Parties** ” means STAG Investments III, LLC and STAG Investments IV, LLC.

“ **Suspension** ” means a Suspension as defined in Section 2.14 .

“ **Suspension Notice** ” means a Suspension Notice as defined in Section 2.14.

“ **Underwriter** ” means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer’s market-making activities.

ARTICLE 2

REGISTRATION RIGHTS

Section 2.1 Shelf Registration . Within two weeks after the anniversary of the consummation date of the Initial Public Offering, subject to Section 2.13 and Section 2.14, the Company shall prepare and file a “shelf” registration statement with respect to the resale (except as provided in the next sentence) of the Registrable Securities on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (together with any amendments or supplements thereto, the “ **Shelf Registration Statement** ”) and shall use its commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective on or as soon as practicable thereafter, and to keep such Shelf Registration Statement continuously effective for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities. With respect to Holders other than Affiliates of the Company (including as an Affiliate of the Company, for purposes of this Section 2.1, the GI Entities), the Company may, at its option, satisfy its obligation in this Section 2.1 to register on a Shelf Registration Statement the resale of the Registrable Securities by instead registering on a Shelf Registration Statement the issuance of the Registrable Securities by the Company to such Holders, provided such issuance Shelf Registration Statement is initially filed within the time period required by the staff of the Commission. In the event that the Company fails to file, or if filed fails to maintain the effectiveness of, a Shelf Registration Statement, the Holders may participate in a Piggy-Back Registration (as defined below) pursuant to Section 2.3 herein; provided, further, that if and so long as a Shelf Registration Statement is on file and effective, then the Company shall have no obligation to allow participation in a Piggy-Back Registration. Notwithstanding anything to the contrary contained herein, the Company shall not be obligated to file a Shelf Registration Statement unless the Company is eligible to file a registration Statement on Form S-3 or any successor form.

Section 2.2 Demand Registration

(a) Request for Registration. Commencing on or after the date which is one year after the consummation date of the Initial Public Offering, Holders (which may include the GI Entities and the STAG Entities), the GI Entities (so long as they are Holders) or the STAG Entities (so long as they are Holders) may, subject to Section 2.13 and Section 2.14, deliver to the Company a written request that the Company prepare and file with the Commission a registration statement on an appropriate form under the Securities Act (together with any amendments or supplements thereto, a “ **Demand Registration Statement** ”), registering under the Securities Act all or part of its or their Registrable Securities (a “ **Demand Registration** ”). For purposes of this Agreement, a Demand Registration requested by the Holders is referred to as a “ **Holder Demand Registration** ,” a Demand Registration requested by the GI Entities is referred to a “ **GI Demand Registration** ,” and a Demand Registration requested by the STAG Entities is referred to as a “ **STAG Demand Registration** .” Notwithstanding the foregoing, (i)

the Company shall not be obligated to effect more than six Demand Registrations in total, one GI Demand Registration in total or one STAG Demand Registration in total or more than one Demand Registration in any twelve month period, except that a GI Demand Registration may occur six months before or after a Holder Demand Registration or a STAG Demand Registration, and (ii) in the case of a Holder Demand Registration, the number of shares of Registrable Securities proposed to be sold by the Holders making such written request shall have a Market Value of at least \$20,000,000. Any request for a Demand Registration will specify the number of Registrable Securities proposed to be sold and will also specify the intended method of disposition thereof. Within five (5) Business Days after receipt of such request, the Company will give written notice of such registration request to all other Holders and include in such registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) Business Days after the mailing of the Company's notice to the applicable Holder (the "**Notice Period**"). Each such request will also specify the number of shares of Registrable Securities to be registered and the intended method of disposition thereof (which may include an underwritten offering).

(b) Effective Registration. A registration will not count as a Demand Registration until it has become effective. For purposes of this Agreement, an offering on a Demand Registration Statement is deemed to be effected on the effective date thereof and has remained effective and available for at least 180 days.

(c) Selling Holders Become Party to Agreement. Each Holder acknowledges that by asserting or participating in its registration rights pursuant to this Article II, he or she may become a Selling Holder and thereby will be deemed a party to this Agreement and will be bound by each of its terms.

(d) Underwritten Demand Registrations. If the Holders of a majority of shares of the Registrable Securities to be registered in a Demand Registration so elect by written notice to the Company, the offering of such Registrable Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. The Company shall select the book-running managing Underwriter in connection with any such Demand Registration; provided that such managing Underwriter must be reasonably satisfactory to (i) in the case of a Holder Demand Registration, the Holders of a majority of the shares of the Registrable Securities to be registered on such Demand Registration and, as long as the GI Entities register on such Demand Registration Registrable Securities with a Market Value of at least \$5,000,000, the GI Entities, (ii) in the case of a GI Demand Registration, the GI Entities and (iii) in the case of a STAG Demand Registration, the STAG Entities. The Company may select any additional investment banks and managers to be used in connection with the offering; provided that such additional investment bankers and managers must be reasonably satisfactory to a majority of the Holders of the Registrable Securities initiating such Demand Registration.

Section 2.3 Piggy-Back Registration .

(a) Subject to Section 2.1 hereof, if the Company proposes to file a registration statement under the Securities Act (or a prospectus supplement to effect a takedown from an effective shelf registration statement) with respect to an underwritten equity offering by the Company for its own account or for the account of any of its respective security holders of

any class of security (other than (i) any registration statement filed by the Company under the Securities Act relating to an offering of Common Stock for its own account as a result of the exercise of the exchange rights set forth in the Partnership Agreement, (ii) any registration statement filed in connection with a demand registration other than a Demand Registration under this Agreement or (iii) a registration statement on Form S-4 or S-8 (or any substitute form that may be adopted by the Commission) or filed in connection with an exchange offer or offering of securities solely to the Company's existing security holders), then the Company shall give written notice of such proposed filing to the Holders as soon as practicable (but in no event less than ten (10) Business Days before the anticipated filing date), and such notice shall offer such Holders the opportunity to register such number of shares of Registrable Securities as each such Holder may request (a " **Piggy-Back Registration** "). The Company shall use commercially reasonable efforts to cause the managing Underwriter or Underwriters of a proposed underwritten offering to permit the Registrable Securities requested to be included in a Piggy-Back Registration to be included on the same terms and conditions as any similar securities of the Company included therein.

(b) The Company shall select the lead underwriter or underwriters and any co-manager or co-managers to administer any offering of Registrable Securities pursuant to a Piggy-Back Registration. In the event the Company gives the Holders notice of its intention to effect an offering pursuant to a Piggy-Back Registration and subsequently declines to proceed with such offering, the Holders shall have no rights in connection with such offering; provided, however, that, subject to Section 2.13 and Section 2.14, at the request of the Holders, the Company shall proceed with such offering with respect to the Registrable Securities included therein, which offering shall be deemed a Demand Registration for all purposes hereunder. The Holders shall participate in any offering of Registrable Securities pursuant to a Piggy-Back Registration (or deemed Demand Registration, if applicable) in accordance with the same plan of distribution for such Piggy-Back Registration as the Company or the holder or holders of Common Stock that proposed such Piggy-Back Registration, as the case may be.

Section 2.4 Reduction of Offering . Notwithstanding anything contained herein, if the managing Underwriter or Underwriters of an offering described in Section 2.2 or Section 2.3 hereof advise the Company and the Holders of the Registrable Securities included in such offering that, in their judgment, (i) the size of the offering that the Holders, the Company and such other Persons intend to make or (ii) in the case of a Piggy-Back Registration only, the kind of securities that the Holders, the Company and/or any other Persons intend to include in such offering are such that the marketability of the offering would be adversely affected by inclusion of the Registrable Securities requested to be included, then

(A) if the size of the offering is the basis of such Underwriter's advice, the amount of securities to be offered for the accounts of Holders shall be reduced pro rata (according to the number of Registrable Securities proposed for registration) to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing Underwriter or Underwriters; provided, that, in the case of a Demand Registration, the number of Registrable Securities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a GI Demand Registration, the number of Registrable Securities of the GI Entities to be included in such Demand Registration shall not be reduced unless all other

securities are first entirely excluded from such underwriting; provided further, that, in the case of a STAG Demand Registration, the number of Registrable Securities of the STAG Entities to be included in such Demand Registration shall not be reduced unless all other securities are first entirely excluded from such underwriting; provided further, that, in the case of a Piggy-Back Registration, if securities are being offered for the account of other Persons as well as the Company, then the Company shall include in such offering:

- (1) first, securities that the Company proposes to offer;
- (2) second, securities requested to be included therein by the Holders, pro rata;
- (3) third, securities that any other Person proposes to offer pursuant to contractual rights of such holder or holders, pro rata; and
- (4) fourth, any other securities; and

(B) if the combination of securities to be offered is the basis of such Underwriter's advice, (x) the Registrable Securities to be included in such offering shall be reduced as described in clause (A) above (subject to the provisos in clause (A)) or (y) if the actions described in clause (x) would, in the judgment of the managing Underwriter or Underwriters, be insufficient to substantially eliminate the adverse effect that inclusion of the Registrable Securities requested to be included would have on such offering, such Registrable Securities will be excluded from such offering; provided that no Registrable Securities will be excluded from an offering pursuant to this clause (B) in the case of a Demand Registration.

Section 2.5 Registration Procedures; Filings; Information . In connection with any Shelf Registration Statement under Section 2.1 or whenever Holders request that any Registrable Securities be registered pursuant to Section 2.2 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof (which in the case of a Demand Registration but not in the case of a Shelf Registration Statement may include an underwritten offering) as quickly as practicable, and in connection with any such request:

(a) Subject to Section 2.13, the Company will as expeditiously as possible within the time periods set forth in Sections 2.1 and 2.2 but in any event no later than 30 days after the Notice Period for a Demand Registration, prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of the Registrable Securities to be registered thereunder in accordance with the intended method of distribution thereof, and use its commercially reasonable efforts to cause such filed registration statement to become and remain effective: (i) in the case of a Shelf Registration Statement filed pursuant to Section 2.1 hereof, for a period ending when all shares of Common Stock covered by the Shelf Registration Statement are no longer Registrable Securities; and (ii) in the case of a Demand Registration Statement filed pursuant to Section 2.2 hereof, for at least 180 days.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each

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Underwriter, if any, of the Registrable Securities covered by such registration statement copies of such registration statement as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, such number of conformed copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption does not apply) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities in such jurisdictions; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will immediately notify each Selling Holder, at any time when a preliminary prospectus, prospectus or prospectus supplement relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and promptly make available to each Selling Holder any such supplement or amendment.

(f) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as the Selling Holders reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, in the case of a GI Demand Registration or a STAG Demand Registration and to the extent reasonably requested by the lead or managing Underwriters, sending appropriate officers of the Company to attend "roadshows" scheduled in reasonable number and at reasonable times.

(g) The Company will make available for inspection by any Selling Holder, any Underwriter participating in any disposition pursuant to such registration statement and any

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attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the “ **Inspectors** ”), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the “ **Records** ”) as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company’s officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public. Each Selling Holder further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(h) The Company will furnish to each Selling Holder and to each Underwriter, if any, a signed counterpart, addressed to such Selling Holder or Underwriter, of (i) an opinion or opinions of counsel to the Company and (ii) if eligible under applicable accounting standards, a comfort letter or comfort letters from the Company’s independent public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the Holders of a majority of the Registrable Securities included in such offering or the managing Underwriter or Underwriters therefore reasonably requests.

(i) The Company will otherwise comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within three months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(j) So long as Common Stock is listed or quoted on any United States securities exchange or quotation system, the Company will use its commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

The Company may require each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Section 2.6 Registration Expenses . In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the “**Registration Expenses**”): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company (including the expenses of any legal opinions or comfort letters or costs associated with the delivery by counsel or independent certified public accountants, as applicable, of an opinion or opinions or comfort letter or comfort letters requested pursuant to Section 2.5(h) hereof), and (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; provided, that the Company shall not be required to pay any expenses of any registration proceeding begun pursuant to **Section 2.2** if the registration request is subsequently withdrawn (other than if such withdrawal (i) is the result of any change, or development that would reasonably be expected to have a change, in the financial markets in the United States or in national financial or economic conditions that would adversely affect the marketability of the offering or (ii) is the result of any change, or development that would reasonably be expected to have a change, in the financial condition or results of operations of the Company that would adversely affect the marketability of the offering, and, in either case, such withdrawal is made with reasonable promptness following such change or development) at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration). If such Holders shall fail to reimburse the Company for such expenses, the Company shall not be obligated to file another Demand Registration Statement for a period of 12 months from the date such registration statement was withdrawn. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, any fees and expenses of counsel to the Underwriters attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

Section 2.7 Indemnification by the Company . The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each an “**Indemnatee**”) from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (collectively, “**Losses**”) caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Losses are caused by any such untrue statement or omission or alleged untrue statement or omission

included or omitted in conformity with information furnished in writing to the Company by such Indemnatee or on such Indemnatee's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.7. The indemnity provided for in this Section 2.7 shall remain in full force and effect regardless of any investigation made by or on behalf of any Selling Holder.

Section 2.8 Indemnification by Selling Holders . Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to Losses caused by any untrue statement or omission included or omitted in conformity with information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement contemplated by this Agreement or any related preliminary prospectus, prospectus or prospectus supplement relating to the Registrable Securities (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto). In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.7. Each Selling Holder also agrees to indemnify and hold harmless Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 2.8. The liability of any Selling Holder pursuant to this Section 2.8 may not, in any event, exceed the net proceeds received by such Selling Holder from sales of Registrable Securities giving rise to the indemnification obligations of such Selling Holder.

Section 2.9 Conduct of Indemnification Proceedings . In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to Section 2.7 or Section 2.8, such person (an “ **Indemnified Party** ”) shall promptly notify the person against whom such indemnity may be sought (an “ **Indemnifying Party** ”) in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them and, in all such cases, the Indemnifying Party shall only be responsible for the reasonable fees and expenses of such counsel. It is understood that the Indemnifying Party shall not, in

connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties not having actual or potential differing interests among them, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.7 hereof, the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.8, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any Loss (to the extent stated above) resulting from such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding and does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

Section 2.10 Contribution . If the indemnification provided for in Section 2.7 or Section 2.8 hereof is unavailable to an Indemnified Party or insufficient in respect of any Losses referred to herein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the prospectus. The relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement

of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Indemnifying Party shall not be required to contribute pursuant to this Section 2.10 if there has been a settlement of any proceeding effected without its written consent.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the Losses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.10, no Underwriter shall be required to contribute any amount in excess of the amount by which the total commissions and discounts received by such Underwriter in connection with the sale of the securities underwritten by it and distributed to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder's obligations to contribute pursuant to this Section 2.10 are several in proportion to the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

Section 2.11 Participation in Underwritten Registrations . No Person may participate in any underwritten registration hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, custodian agreements and other documents reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

Section 2.12 Rule 144 . Until such date as no Holder owns any Registrable Securities, the Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 2.13 Holdback Agreements .

(a) Temporary Suspension of Rights to Sell Based on Confidential Information or Material Transaction . If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 or a Demand Registration under Section 2.2 hereof or the use of any related preliminary prospectus, prospectus or prospectus supplement (i) would require the public disclosure of previously non-public material information that the Company has a bona fide business purpose for preserving as confidential that the Company is not otherwise required by applicable securities laws or regulations to disclose (the “ **Confidential Information** ”) or (ii) would materially interfere with any good faith proposal or plan by the Company or any of its Affiliates to engage in any material acquisition, merger, consolidation, tender offer, securities offering or other material transaction, and upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended until the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.13(a) is no longer necessary; provided, however, in no event shall any such suspension be for more than an aggregate of 120 days in any rolling twelve month period or for more than 90 consecutive days. The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. Nothing in this Section 2.13(a) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(b) Temporary Suspension of Rights to Sell Based on Exchange Act Reports Not Yet Filed or Regulation S-X . (i) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, (ii) if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Act, or (iii) if the Company has acquired or proposes to acquire one or more properties which in the aggregate are significant for purposes of Rule 3-14 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement or a Demand Registration shall be suspended (to the extent required under the Securities Act or the Exchange Act) until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required. The Company agrees to use its commercially reasonable efforts to file such reports or obtain and file the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement or Demand Registration Statement as promptly as practicable. Nothing in this Section 2.13(b) shall prevent a Holder from offering, selling or distributing pursuant to Rule 144 at any time.

(c) Restrictions on Public Sale by Holder of Registrable Securities. With respect to underwritten offerings prior to the second anniversary of the date of this Agreement, for so long as the Holder beneficially owns one percent or more of the outstanding Common Stock (assuming conversion of such Holder's OP Units or other convertible securities but not any other OP Units or convertible securities), each Holder agrees not to sell, offer for sale or otherwise transfer any Registrable Securities during any of the following periods:

(i) unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated effective date of a registration statement for any underwritten public offering of Common Stock (or any securities convertible into or exchangeable or exercisable for the Common Stock) and ending 90 days after such effectiveness; and

(ii) in the case of a Rule 415 registration statement, unless the lead Underwriter administering the offering otherwise agrees, the period commencing five days prior to the anticipated date of the Company's notice of commencement of distribution in connection with such offering and ending 90 days after the commencement of such distribution.

(d) Notwithstanding the provisions of Section 2.13(c):

(i) any applicable period shall terminate on such earlier date as the Company gives notice to the Holders that the Company declines to proceed with any such offering set forth in Section 2.13(c);

(ii) all executive officers and directors of the Company then holding shares of Common Stock or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company shall enter into similar agreements for not less than the entire time period required of the Holders hereunder; and

(iii) the Holders shall be allowed any concession or proportionate release allowed to any executive officer or director that entered into similar agreements.

Section 2.14 Suspension Rights . In the event of:

(a) any request by the Commission or any other federal or state governmental authority during the period of effectiveness of a registration statement contemplated by this Agreement for amendments or supplements to such registration statement or related preliminary prospectus, prospectus or prospectus supplement or for additional information;

(b) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of any registration statement contemplated by this Agreement or the initiation of any proceedings for that purpose;

(c) the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or

(d) any event or circumstance that necessitate the making of any changes in a registration statement contemplated by this Agreement or related preliminary prospectus, prospectus or prospectus supplement, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a registration statement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that, in the case of a preliminary prospectus, prospectus or prospectus supplement, it will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

then the Company shall deliver a written notice to the Holders with Registrable Securities covered by such registration statement or related preliminary prospectus, prospectus or prospectus supplement (the “ **Suspension Notice** ”) to the effect of the foregoing (which do not disclose the content of any material non-public information and will indicate the date of the beginning and end of the intended suspension, if known), and, upon receipt of such Suspension Notice, such Holders will refrain from selling any Registrable securities pursuant to such registration statement (a “ **Suspension** ”) until such Holder’s receipt of copies of a supplemented or amended preliminary prospectus, prospectus or prospectus supplement prepared and filed by the Company, or until it is advised in writing by the Company that the current preliminary prospectus, prospectus or prospectus supplement may be used, and has received copies of any additional or supplement filings that are incorporated or deemed incorporated by reference in any such preliminary prospectus, prospectus or prospectus supplement. In the event of any Suspension, the Company will use commercially reasonable efforts to cause the use of the preliminary prospectus, the prospectus or the prospectus supplement so suspended to be resumed as soon as reasonably practicable after delivery of a Suspension Notice to such Holders, subject to Section 2.13. The Suspension and Suspension Notice shall be held in confidence and not disclosed by such Holders, except as required by law.

Section 2.15 Other Registration Rights . Nothing herein shall prohibit the Company from granting to any Person the right to cause the Company to register any securities of the Company under the Securities Act; provided, that the Company shall not enter into any agreement (or amendment or waiver of the provisions of any agreement) with any holder or prospective holder of any securities of the Company that would grant such holder registration rights that are *pari passu* or senior to the registration rights provided in this Agreement to the Holders or any other rights that conflict with the rights of the Holders under this Agreement or otherwise limits or reduces such rights. The Company shall cause each other holder of Common Stock (or any security convertible or exchangeable into Common Stock) who obtains the right, after the date of this Agreement, to propose a registration giving rise to a Piggy-Back Registration, if any, to agree not to transfer any shares of Common Stock or securities convertible into or exchangeable for Common Stock, for the applicable periods set forth in Section 2.13(c).

Section 2.16 Survival . The obligations of the Company and the Holders under Section 2.7, Section 2.8, Section 2.9 and Section 2.10 hereof shall survive the completion of any offering of Registrable Securities and the termination or expiration of this Agreement.

ARTICLE 3
MISCELLANEOUS

Section 3.1 Remedies . In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

Section 3.2 Amendments and Waivers . Except as otherwise provided herein, the provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, in each case without the written consent of the Company and the Holders of a majority of the Registrable Securities then outstanding. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

Section 3.3 Notices . All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery to the address set forth on the signature page hereto, or to such other address and to such other Persons as any party hereto may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Section 3.4 Successors and Assigns . Except as expressly provided in this Agreement, the rights and obligations of the Initial Holders under this Agreement shall not be assignable by any Initial Holder to any Person that is not an Initial Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

Section 3.5 Counterparts . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.6 Governing Law . This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

Section 3.7 Severability . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or

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unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

Section 3.8 Entire Agreement . This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.9 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.10 No Third Party Beneficiaries . Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG Industrial, Inc., a Maryland corporation

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

OPERATING PARTNERSHIP

STAG Industrial Operating Partnership, L.P., a Delaware limited partnership

By: STAG Industrial GP, LLC, a Delaware limited liability company, its
general partner

By: _____

Name:

Title:

99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its manager

By: _____

Name:

Title:

Address:

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____

Name:

Title:

Address:

NET LEASE AGGREGATION FUNDS, LLC

By: _____

Name:

Title:

Address:

INNOVATIVE PROMOTIONS LLC

By:

Name:

Title:

Address:

GREGORY W. SULLIVAN

Address:

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ROSEVIEW CAPITAL PARTNERS LLC

By:

Name:

Title:

Address:

BSB STAG III, LLC

By:

Name:

Title:

Address:

STAG III EMPLOYEES, LLC

By:

Name: _____

Title: _____

Address: _____

NED STAG III RESIDUAL LLC

By:

Name: _____

Title: _____

Address: _____

BENJAMIN S. BUTCHER

Address: _____

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**EXHIBIT G
TO
CONTRIBUTION AGREEMENT**

DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below.

Actions : Means all actions, litigation, written claims, complaints, charges, written accusations, investigations, petitions, suits, arbitrations, mediations or other proceedings, whether civil or criminal, at law or in equity, judicial or administrative or before any arbitrator or governmental body or agency.

Affiliate : Means a Person who as to another Person controls, is controlled by, or is under common control with, such other Person.

Allocated Debt : Means the debt allocated or related to the Properties that is assumed by the Operating Partnership as of the Closing Date by virtue of its ownership of Holdings and the Participating Entities. The aggregate outstanding principal amount of the Allocated Debt as of Allocated Debt Determination Date is \$104,131,235.00 (the “ Estimated Allocated Debt Amount ”), which includes \$7,350,000 with respect to the Property located at 1313 Mooresville Blvd., Mooresville, North Carolina (“ Carolina Beer & Beverage ”) and \$3,075,000 with respect to the Committed Property located at 4405 Michigan Avenue Road, Cleveland, Tennessee (“ Renfro ”)

Allocated Debt Determination Date : means (a) with respect to any Property that was owned by Holdings or a Participating Entity on December 31, 2010, December 31, 2010, (b) with respect Carolina Beer & Beverage, February 28, 2011, and (c) with respect to Renfro, the closing date of the acquisition of such Committed Property, currently scheduled for April 6, 2011.

Claims : Means claims, disputes or Actions pending, threatened in writing or, to the Contributor’s Knowledge, otherwise threatened that directly or indirectly affect any of the Contributor, Holdings, one or more Participating Entities, the Holdings Interests, the Participating Entity Interests or the Properties.

Disclosure Schedules : Means the Disclosure Schedule dated of even date herewith and delivered by the Contributor to the Company and the Operating Partnership, which Disclosure Schedule is attached hereto and incorporated herein and contains **Schedule 3.2(a)** through **Schedule 3.2(v)** .

Encumbrances : Means, with respect to the subject personal property, each of the following: all pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, rights of others, licenses, or other similar arrangement or interest in personal property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the personal property in question.

Estimated Closing Date : Means April 13, 2011.

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Knowledge: Means, with respect to any representation or warranty so indicated, the actual knowledge of Benjamin S. Butcher, without any duty of inquiry or investigation.

Liens: Means, with respect to the subject real property, each of the following, other than any of the following that would constitute Permitted Liens: all mortgages, deeds of trust, pledges, liens, options, charges, security interests, restrictions, prior assignments, encumbrances, covenants, encroachments, assessments, rights of others, licenses, easements, or other similar arrangement or interest in real property of any kind or nature whatsoever, direct or indirect, including, without limitation, interests in or claims to revenues generated by the real property in question and mortgages, deeds of trust and other instruments securing the Allocated Debt.

Material Adverse Effect: Means any material adverse effect on the assets, business, financial condition, prospects or results of operations of the Company, the Operating Partnership and the Participating Entities (including the Properties) taken as a whole.

Permitted Liens: Means

- (i) Liens, or deposits made to secure the release of such Liens, securing taxes, the payment of which is not delinquent or the payment of which is actively being contested in good faith by appropriate proceedings diligently pursued, but only to the extent such Liens have been disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (ii) zoning laws and ordinances generally applicable to the districts in which the Properties are located;
- (iii) Liens imposed by laws, such as carriers', warehousemen's, carriers' and mechanics' liens, and other similar liens arising in the ordinary course of business that are being contested in good faith by appropriate proceedings diligently pursued (provided that adequate reserves or accruals for payments of such contested liens have been provided in the balance sheet of the Participating Entity) or as disclosed in the Title Reports, Disclosure Schedules or the Registration Statement;
- (iv) easements for public utilities and other access and use easements that do not have a Material Adverse Effect upon the Properties;
- (v) leases and licenses (and purchase rights contained therein) that are identified in the Disclosure Schedules or the Registration Statement or that have otherwise been delivered or made available to Company, its agents and underwriters; and
- (vi) any exceptions contained in the Title Reports or otherwise set forth in **Schedule 3.2(a)**.

Person: Means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental entity.

Road Show Prospectus Filing Date: Means the date of filing with the Securities Exchange Commission of an amendment to the Company's S-11 that contains the definitive form of preliminary prospectus anticipated to be used for the "road show" of the Public Offering, which preliminary prospectus includes the offering price range, the number of shares to be offered to the public and the value, based on the mid-point of the offering range, of the Units to be delivered to the Contributor and Other Contributors hereunder and under the Other Agreements.

Title Reports. Means those title insurance policies issued in the name of the Participating Entities with respect to the Properties, as described on **Schedule 3.2(a)**.

Valuation Date: Means as of the date of this Agreement.

**EXHIBIT H
TO
CONTRIBUTION AGREEMENT
VOTING AGREEMENT**

See Attached

H-1

VOTING AGREEMENT

THIS VOTING AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2011, by and among STAG INDUSTRIAL, INC., a Maryland corporation (the “**Company**”), STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Operating Partnership**”), GI STAG INVESTCO, LLC, a Delaware limited liability company (“**GISI**”) and the undersigned contributors (each a “**Contributor**” and collectively, the “**Contributors**”).

RECITALS

A. **WHEREAS**, on _____, 2011, the Company and the Operating Partnership entered into several contribution agreements (the “**Contribution Agreements**”) with the Contributors, which provide for the contribution of various portfolios of primarily single-tenant real estate assets (the “**Contributions**”) in connection with a proposed initial public offering (the “**Public Offering**”) and together with the Contributions, the “**Formation Transactions**”) of shares of common stock, par value \$0.01 per share, of the Company (the “**Common Stock**”);

B. **WHEREAS**, each Contributor is the record owner or beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) of, and has the right to direct the voting or disposition of, the number of shares of Common Stock, or common units of limited partnership in the Operating Partnership (“**OP Units**”), indicated on the signature page of this Agreement (such shares of common stock and shares of Common Stock issuable upon redemption of the OP Units, the “**Shares**”); and

C. **WHEREAS**, as an inducement for (i) GISI to enter into the limited liability company agreement (the “**JV Agreement**”) of STAG GI INVESTMENTS, LLC, a Delaware limited liability company (“**STAG GI**”), and (ii) each of the Contributors to enter into such Contributor’s Contribution Agreement with the Company and the Operating Partnership, and as part of the conditions to the consummation of the Formation Transactions, the Company desires to agree to provide GISI the right to select up to two individuals to be nominated to serve on the Board of Directors of the Company (the “**Board**”), and each Contributor desires to agree to vote the Shares over which the Contributor has voting power as described below;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Initial Board of Directors.

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then immediately following the Public Offering, the Board shall consist of seven directors, at least five of whom will be Independent Directors (as defined below), each of whom will serve a one-year term and two of whom shall have been selected by GISI. Of the two directors to be selected by GISI, both must be Qualified Nominees (as defined below) and at least one must qualify as an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson

of one of the aforesaid committees; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange. GISI agrees to notify the Company of its proposed appointments for the initial Board at least one week in advance of the expected filing of the first amendment to the registration statement for the Public Offering, together with any information regarding such appointees as the Company reasonably requests.

(b) “ **Independent Director** ” means an individual who qualifies as an “independent director” under the requirements of the New York Stock Exchange.

(c) “ **Qualified Nominee** ” means an individual (i) who is not a competitor of the Company or any of its subsidiaries or an affiliate of a competitor of the Company or any of its subsidiaries, as reasonably determined by the Board, (ii) who does not have a material conflict of interest in serving as a member of the Board or would be unable to comply with the Company’s code of business conduct and ethics and corporate governance guidelines, as reasonably determined by the Board, (iii) with respect to whom none of the events described in Item 401(f) of Regulation S-K under the Securities Act of 1933, as amended (or any successor regulation), has occurred in the prior 10 years and (iv) whose nomination and recommendation by the Board, in the good faith determination of the Board, would not be inconsistent with the Board’s duties to the Company and its stockholders. For purposes of this definition, a managing director or director of GI Partners shall not be deemed to be a competitor or an affiliate of a competitor of the Company or any of its subsidiaries or to have a material conflict of interest in serving as a member of the Board by reason of such position or any ownership interest in GI Partners or its subsidiaries.

2. Agreement to Nominate Directors .

(a) If GISI, through its interest in STAG GI, receives beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 10% or more of the total OP Units issued by the Operating Partnership in the Contributions, then from the date hereof until the Expiration Date (defined below) and subject to the terms and conditions in this Agreement, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, the Company shall cause two individuals selected by GISI (both of whom must be Qualified Nominees and at least one of whom must be an Independent Director and qualify to serve as chairperson of at least one of the compensation, audit, nominating and investment committees of the Board and will be required to serve as chairperson of one of the aforesaid committees) to be nominated for election to the Board; provided, however, the composition of the Board and each committee thereof shall satisfy all listing requirements of the New York Stock Exchange.

(b) If at any time while the Company’s obligations under this Section 2 are in effect, the Board shall be classified with the result that directors serve for terms of greater than one year, the Company shall not be required to make any nominations otherwise required under this Section 2, except at an annual meeting at which the term of an individual nominated pursuant to this Section 2 and elected to the Board in connection with such nomination (a “ **GI Director** ”), is scheduled to expire; provided that if the Board shall be classified, the GI Directors shall be placed in different classes.

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the nomination of directors other than the limited rights set forth in this Section 2.

3. Agreement to Vote Shares.

(a) From the date hereof until the Expiration Date, at every annual meeting of the stockholders of the Company relating to the election of members of the Board, each of GISI and the Contributors (in the capacity as a stockholder) shall appear at the meeting or otherwise cause the Shares, if any, to be present for purposes of establishing a quorum and shall vote the Shares, if any, in favor of the election of the nominee or nominees, as applicable, for the Board selected by GISI pursuant to, and in accordance with, this Agreement.

(b) If GISI or a Contributor is the beneficial owner, but not the record holder, of the Shares, GISI or such Contributor, as applicable, agrees to take all reasonable actions necessary to cause the record holder and any nominees to vote all of the Shares, if any, in the manner provided in Section 3(a).

(c) This Agreement shall not, and shall not be construed to, grant any other rights with regard to the voting of the Shares, if any, other than the limited rights set forth in this Section 3. None of GISI and the Contributors shall have any right to influence in any manner the voting of the Shares, if any, on any other matters that may come before the stockholders of the Company.

(d) This Agreement shall not, and shall not be construed to, restrict the ability of GISI or any Contributor to sell or dispose of any Shares or other securities of the Company or the Operating Partnership, in the open market or otherwise.

4. Action in Stockholder Capacity Only. None of GISI and the Contributors makes any agreement or understanding herein as director or officer of the Company or as a fiduciary of, or participant in, any compensation plan of the Company. Each of GISI and the Contributors has entered into this Agreement solely in an individual capacity as a record holder and/or beneficial owner of Shares and OP Units, and nothing herein shall limit or affect any actions taken in a capacity as an officer or director of the Company or as a fiduciary of, or participant in, any compensation plan of the Company.

5. Representations and Warranties of the Company and the Operating Partnership. The Company and the Operating Partnership represent and warrant as follows:

(a) The Company and the Operating Partnership have full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by the Company and the Operating Partnership and constitutes a valid and binding agreement of the Company and the Operating Partnership enforceable against them in accordance with its terms.

(b) The execution and delivery of this Agreement and the performance by the Company and the Operating Partnership of their agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of

any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which the Company or the Operating Partnership is a party or by which they (or any of their assets) is bound.

6. Representations and Warranties of Contributor. Each Contributor severally and not jointly represents as follows:

(a) As of the date of this Agreement, Contributor is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and Contributor does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. Contributor has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by Contributor and constitutes a valid and binding agreement of Contributor enforceable against such Contributor in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, Contributor has full legal power, authority and right to vote or to direct the voting of all of the Shares then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, Contributor has not entered into any voting agreement (other than this Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting such Contributor's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by Contributor of such Contributor's agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which Contributor is a party or by which Contributor (or any of such Contributor's assets) is bound.

7. Representations and Warranties of GISI. GISI represents and warrants as follows:

(a) As of the date of this Agreement, GISI is the beneficial or record owner of the Shares and OP Units indicated on the signature page of this Agreement, and GISI does not beneficially own any securities of the Company other than (i) the Shares and OP Units set forth on the signature page of this Agreement and (ii) any Common Stock beneficially owned under any compensation plan of the Company. GISI has full power and authority to make, enter into and carry out the terms of this Agreement. This Agreement has been duly and validly executed and delivered by GISI and constitutes a valid and binding agreement of GISI enforceable against GISI in accordance with its terms.

(b) Except for this Agreement or as otherwise permitted by this Agreement, GISI has full legal power, authority and right to vote or to direct the voting of all of the Shares

then owned of record or beneficially as described in this Agreement, without the consent or approval of, or any other action on the part of, any other person or entity (subject to the terms of the JV Agreement with respect to Shares owned through STAG GI). Without limiting the generality of the foregoing, GISI has not entered into any voting agreement (other than this Agreement and the JV Agreement) with any person or entity with respect to any of the Shares, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the Shares, deposited any of the Shares in a voting trust, or entered into any arrangement or agreement with any person or entity limiting or affecting GISI's legal power, authority or right to vote the Shares on any matter.

(c) The execution and delivery of this Agreement and the performance by GISI of its agreements and obligations hereunder will not result in any breach or violation of or be in conflict with or constitute a default under any term of any agreement, judgment, injunction, order, decree, law, regulation or arrangement to which GISI is a party or by which GISI (or any of its assets) is bound.

(d) GISI is controlled by GI Partners.

8. Termination.

(a) This Agreement shall terminate if:

(i) at any time immediately following a transfer by GISI or any of the GI Controlled Affiliates of any interest in the Formation Securities, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis immediately following such transfer (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock), or

(ii) at any time on or after the third anniversary of the Public Offering, GISI and the GI Controlled Affiliates no longer beneficially own (within the meaning of Rule 13d-3 under the Exchange Act), 10% or more of the total shares of Common Stock of the Company outstanding on a fully diluted basis (assuming all securities convertible or exchangeable into shares of Common Stock, including all OP Units not held directly or indirectly by the Company, are converted or exchanged into or redeemed for shares of Common Stock) (the earlier to occur of the events in clause (i) and (ii), the “**Expiration Date**”).

(b) Upon such termination, no party shall have any further obligations or liabilities hereunder; provided that such termination shall not relieve any party from liability for any breach of this Agreement prior to such termination.

(c) For purposes of this Agreement, (i) “**transfer**” means any transfer, sale, assignment, gift, exchange or redemption (other than an exchange or redemption of OP Units for shares of Common Stock), distribution or any other disposition by law or otherwise; (ii)

“ **Formation Securities** ” means the OP Units issued to GISI (through STAG GI) in the Formation Transactions and shares of Common Stock issued upon redemption of any such OP Units (or any securities issued as a dividend or distribution on, or in exchange for such OP Units or shares of Common Stock); and (iii) “ **GI Controlled Affiliates** ” means, so long as they are controlled by GI Partners, GI Partners Fund III-A L.P., GI Partners Fund III-B L.P., GI Partners Fund III L.P., GI STAG UBTI Blocker, Inc. and GI STAG ECI Blocker, Inc.

9. Miscellaneous Provisions.

- (a) Amendments, Modifications and Waivers. No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by the Company, the Operating Partnership, GISI and the Contributors.
- (b) Entire Agreement. This Agreement constitutes the entire agreement among the parties to this Agreement and supersede all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.
- (c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.
- (d) Assignment and Successors. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto. This Agreement and all the provisions hereof are personal to each of the parties hereto, shall not inure to a party's respective successors and may not be assigned, other than to one of the GI Controlled Affiliates, by a party without the prior written consent of the other parties. Any assignment in violation of the foregoing shall be void and of no effect.
- (e) No Third Party Rights. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the parties hereto) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (f) Cooperation. Each of the parties hereto agrees to cooperate fully with the other parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by another party to evidence or reflect the transactions contemplated by this Agreement and to carry out the intent and purpose of this Agreement. Each of the parties hereto agrees that the other parties may publish and disclose each party's identity and ownership of Shares, OP Units and other securities of the Company or the Operating Partnership and the nature of each party's commitments, arrangements and understandings under this Agreement as may be required by applicable law in any filing made by a party with the Securities and Exchange Commission.
- (g) Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

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- (h) Specific Performance; Injunctive Relief. Each party hereto acknowledges that the other parties may be irreparably harmed and that there may be no adequate remedy at law for a breach of any of the covenants or agreements of a party's set forth in this Agreement. Therefore, each party hereto hereby agree that, in addition to any other remedies that may be available upon any such breach, each party shall have the right to seek specific performance, injunctive relief or any other remedies available to such party at law or in equity without posting any bond or other undertaking in order to enforce such covenants and agreements.
- (i) Notices. All notices, consents, requests, claims, demands and other communications under this Agreement shall be in writing (which shall include communications by e-mail) and shall be delivered (a) in person or by courier or overnight service, or (b) by e-mail with a copy delivered as provided in clause (a). If to a Contributor, to Contributor's address or e-mail address shown below Contributor's signature on the signature pages hereof, and

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

DLA Piper LLP (US)
33 Arch Street, 26th Floor
Boston, MA 02110
Attn: John L. Sullivan, Esq.
Fax: 617-406-6100
E-mail: john.sullivan@dlapiper.com

If to the Company and the Operating Partnership:

STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

If to GISI:

GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025

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Attention: Alexander Fraser
Fax: 650-233-3601
E-mail: alexander@gipartners.com

with a copy (which shall not constitute notice) to:

STAG Capital Partners, LLC
99 High Street, 28th Floor
Boston, MA 02110
Attention: General Counsel
Fax: 617-514-0052
E-mail: karnone@stagcapital.com

with a further copy (which shall not constitute notice) to:

Paul, Hastings, Janofsky & Walker LLP
695 Town Center Drive, Seventeenth Floor Costa Mesa, CA 92626
Attn: John Simonis, Esq.
Fax: 714-668-6336
E-mail: johnsimonis@paulhastings.com

or to such other address or facsimile number as the parties hereto may designate in writing to the other in accordance with this Section 9(i). Any party may change the address or facsimile number to which notices are to be sent by giving written notice of such change of address or number to the other parties in the manner above provided for giving notice. If delivered personally or by courier, the date on which the notice, request, instruction or document is delivered shall be the date on which such delivery is made and if delivered by facsimile or e-mail transmission or mail as aforesaid, the date on which such notice, request, instruction or document is received shall be the date of delivery.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart.

(k) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

[Signatures on the Following Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY

STAG INDUSTRIAL, INC., a Maryland corporation

By: _____
Name:
Title:

OPERATING PARTNERSHIP

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P., a Delaware limited partnership

By: STAG INDUSTRIAL GP, LLC, a Delaware limited liability company,
its general partner

By: _____
Name:
Title:

GISI

GI STAG INVESTCO, LLC, a Delaware limited liability company

By: _____
Name:
Title:

Shares Beneficially Owned (ownership is through STAG GI Investments, LLC and duplicative of the “Shares Beneficially Owned” indicated for STAG GI Investment, LLC below):

shares of Common Stock
OP Units

CONTRIBUTORS

STAG GI INVESTMENTS, LLC

By: STAG MANAGER, LLC, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS III, LLC

By: STAG MANAGER III, LLC, a Delaware limited liability company, its manager

By: _____
Name: _____
Title: _____

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

STAG INVESTMENTS IV, LLC

By: STAG MANAGER, LLC, a Delaware limited liability company, its
manager

By: _____
Name:
Title:

Address:

Shares Beneficially Owned:

shares of Common Stock
OP Units

NET LEASE AGGREGATION FUNDS, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units
owned through STAG GI Investments, LLC, STAG Investments III, LLC or
STAG Investment IV, LLC):

shares of Common Stock
OP Units

INNOVATIVE PROMOTIONS LLC

By:

Name:

Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

GREGORY W. SULLIVAN

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

ROSEVIEW CAPITAL PARTNERS LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BSB STAG III, LLC

By: _____
Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

STAG III EMPLOYEES, LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

NED STAG III RESIDUAL LLC

By:

Name:
Title:

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

BENJAMIN S. BUTCHER

Address:

Shares Beneficially Owned (excludes any shares of Common Stock or OP Units owned through STAG GI Investments, LLC, STAG Investments III, LLC or STAG Investment IV, LLC):

shares of Common Stock
OP Units

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**EXHIBIT I
TO
CONTRIBUTION AGREEMENT

INTENTIONALLY OMITTED**

I-1

**EXHIBIT J
TO
CONTRIBUTION AGREEMENT
LETTER AGREEMENT**

See Attached

J-1

STAG Industrial GP, LLC
c/o STAG Industrial, Inc.
99 High Street, 28th Floor
Boston, MA 02110

, 2011

STAG GI Investments, LLC
c/o STAG Capital Partners, LLC
99 High Street
Boston, MA 02110
Attention: Benjamin S. Butcher

Re: Transfer of Common Units of Limited Partnership Interests in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”)

Dear Mr. Butcher:

Reference is hereby made to (i) that certain Contribution Agreement dated on or about the date hereof (the “Contribution Agreement”) by and among STAG GI Investments, LLC, a Delaware limited liability company (the “Company”), the Operating Partnership and STAG Industrial, Inc., a Maryland corporation (the “REIT”), (ii) that certain Amended and Restated Limited Partnership Agreement of the Operating Partnership (the “Partnership Agreement”) by and among the undersigned, as general partner (the “General Partner”), the REIT, STAG Investments III, LLC, a Delaware limited liability company, the Company, and the other persons whose names appear on Exhibit A of the Partnership Agreement, as limited partners, (iii) that certain Voting Agreement referred to in the Contribution Agreement and by and among the Company, the REIT and other parties and (iv) that certain Registration Rights Agreement referred to in the Contribution Agreement and by and among the Company, the REIT and other parties. Capitalized terms used in this letter and not otherwise defined herein shall have the meanings given to them in the Partnership Agreement or the Contribution Agreement, as applicable.

In connection with the Company’s contribution of its entire legal and beneficial right, title and interest in and to Holdings to the Operating Partnership in exchange for Units pursuant to the Contribution Agreement, the General Partner hereby consents, in its capacity as general partner of the Operating Partnership, pursuant to Section 3.3(c)(iii), Section 11.3, Section 11.4 and Section 12.4 of the Partnership Agreement, to the following:

1. After the expiration of the lockup agreement made by the Company to the REIT at the request of the underwriters of the REIT’s initial public offering but subject in all cases to Sections 11.3(d), (e) and (f) of the Partnership Agreement (which Sections shall apply notwithstanding this consent) (a) the Company may distribute the Units to its direct or

indirect members as of the date hereof (and such member may in turn distribute the Units to its direct or indirect members as of the date hereof) so long as each such distributee first (i) makes in writing substantially the same representations and warranties to the REIT as are contained in Section 3.2(j) of the Contribution Agreement, *mutatis mutandis*, and (ii) executes and delivers to the Partnership a counterpart to the Partnership Agreement and to the REIT a counterpart to the Registration Rights Agreement and, unless waived by the REIT, the Voting Agreement, and (b) upon their receipt of the Units, the Company's members (or its direct or indirect members' members, as the case may be) shall be admitted into the Operating Partnership as Substituted Limited Partners in accordance with Section 11.4 of the Partnership Agreement; provided that the total number of direct and indirect distributees of the Company (through GI STAG Investco, LLC) may not exceed 30 (including for purposes of this proviso those Persons indirectly owning an interest in the Operating Partnership through the Company or a distributee that is a partnership, limited liability company, S corporation or grantor trust (such entity, a "flow through entity"), but only if more than 50% of the value of such Person's interest in the Company or flow through entity is attributable to the Company's or flow through entity's interest (direct or indirect) in the Operating Partnership).

2. After the expiration of the lockup agreement made by the Company to the REIT at the request of the underwriters of the REIT's initial public offering and, if later, the one year anniversary of the issuance of the Units but subject in all cases to Sections 11.3(d) and (e) of the Partnership Agreement (which Sections shall apply notwithstanding this consent), the Company or any permitted distributee under paragraph 1. above may make a bona fide pledge of the Units to a bona fide third-party financial institution to secure borrowings by the Company (or such permitted distributee, as the case may be) from such institution, so long as such institution first (i) agrees in writing to offer to redeem (and, without further action, shall be deemed to have irrevocably been redeemed) for the Cash Amount or, in the sole and absolute discretion of the REIT, the REIT Shares Amount any Unit in which such institution holds a security interest simultaneously with the time at which such institution would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such institution under Section 752 of the Internal Revenue Code of 1986, as amended, and (ii) provides in writing such representations, covenants and undertakings as the Board of Directors deems appropriate to conclude that the REIT may deliver such institution the REIT Shares Amount upon a redemption of the pledged Units without jeopardizing the REIT's status as a real estate investment trust under the Code.

If the foregoing fairly represents our understanding, please so acknowledge by placing your authorized signature and the date below, and return the original to my attention, retaining the enclosed copy for your records.

Very truly yours,

STAG Industrial GP, LLC

By: STAG Industrial, Inc., its sole member

By: _____

Its: _____

Agreed:

STAG GI Investments, LLC

STAG Manager, LLC, its manager

By: _____

Its: _____

cc: GI Partners
2180 Sand Hill Road, Suite 210
Menlo Park, CA 94025
Attention: Rick Magnuson

**EXHIBIT K
TO
CONTRIBUTION AGREEMENT
CONSIDERATION SPREADSHEET**

See Attached

Appendix A-1
Determination of Number of Units

OP Units to Contributing Entities
Differing Initial Share Price

Share Price	\$15	\$16	\$17
STAG III	689,793	772,549	766,574
STAG IV	1,860,311	2,083,497	2,067,383
Venture	4,990,287	4,678,394	4,700,913
SCP	15,875	17,779	17,642
SCP III	33,734	37,781	20,288
Total	7,871,250	7,871,250	7,854,049

Estimated Allocated Debt

STAG III	208,338,671
STAG IV	86,587,368
Venture	104,131,235
SCP	1,435,000
SCP III	2,983,000

Note: Contributors receive the number of Units set forth below based on the final IPO share price. As price increases above \$17.00/share, Venture receives 64.3% of the increased value over the value at \$16.00/share and STAG III, STAG IV, SCP and SCP III share the remainder pro rata. If the price decreases below \$15.00/share, Venture will receive the necessary number of OP Units to maintain a value of \$74,854,304 and STAG III, STAG IV, SCP and SCP III share the remainder pro rata.

		3	5	6	7A	7B	
		Units					
Share Price		Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
\$	15.00	4,990,287	689,793	1,860,311	15,875	33,734	7,871,250
	15.01	4,986,962	690,675	1,862,690	15,895	33,777	7,871,250
	15.02	4,983,642	691,556	1,865,066	15,915	33,820	7,871,250
	15.03	4,980,326	692,436	1,867,439	15,935	33,863	7,871,250
	15.04	4,977,015	693,315	1,869,809	15,956	33,906	7,871,250
	15.05	4,973,708	694,192	1,872,175	15,976	33,949	7,871,250
	15.06	4,970,405	695,069	1,874,538	15,996	33,992	7,871,250
	15.07	4,967,107	695,944	1,876,899	16,016	34,034	7,871,250
	15.08	4,963,813	696,818	1,879,256	16,036	34,077	7,871,250
	15.09	4,960,524	697,691	1,881,609	16,056	34,120	7,871,250
	15.10	4,957,239	698,562	1,883,960	16,076	34,162	7,871,250
	15.11	4,953,958	699,433	1,886,308	16,096	34,205	7,871,250
	15.12	4,950,681	700,302	1,888,652	16,117	34,248	7,871,250
	15.13	4,947,409	701,170	1,890,994	16,136	34,290	7,871,250
	15.14	4,944,142	702,037	1,893,332	16,156	34,332	7,871,250
	15.15	4,940,878	702,903	1,895,668	16,176	34,375	7,871,250
	15.16	4,937,619	703,768	1,898,000	16,196	34,417	7,871,250
	15.17	4,934,364	704,632	1,900,329	16,216	34,459	7,871,250
	15.18	4,931,114	705,494	1,902,655	16,236	34,501	7,871,250
	15.19	4,927,867	706,355	1,904,978	16,256	34,544	7,871,250
	15.20	4,924,625	707,216	1,907,298	16,276	34,586	7,871,250
	15.21	4,921,388	708,075	1,909,615	16,295	34,628	7,871,250
	15.22	4,918,154	708,933	1,911,929	16,315	34,670	7,871,250
	15.23	4,914,925	709,789	1,914,239	16,335	34,712	7,871,250
	15.24	4,911,700	710,645	1,916,547	16,355	34,753	7,871,250
	15.25	4,908,479	711,500	1,918,852	16,374	34,795	7,871,250
	15.26	4,905,262	712,353	1,921,154	16,394	34,837	7,871,250
	15.27	4,902,050	713,206	1,923,452	16,413	34,879	7,871,250
	15.28	4,898,842	714,057	1,925,748	16,433	34,920	7,871,250
	15.29	4,895,638	714,907	1,928,041	16,453	34,962	7,871,250
	15.30	4,892,438	715,756	1,930,330	16,472	35,003	7,871,250
	15.31	4,889,243	716,604	1,932,617	16,492	35,045	7,871,250
	15.32	4,886,051	717,451	1,934,901	16,511	35,086	7,871,250
	15.33	4,882,864	718,296	1,937,182	16,531	35,128	7,871,250
	15.34	4,879,681	719,141	1,939,459	16,550	35,169	7,871,250
	15.35	4,876,502	719,984	1,941,734	16,569	35,210	7,871,250
	15.36	4,873,327	720,827	1,944,006	16,589	35,251	7,871,250
	15.37	4,870,156	721,668	1,946,275	16,608	35,292	7,871,250
	15.38	4,866,990	722,508	1,948,541	16,628	35,334	7,871,250
	15.39	4,863,827	723,347	1,950,804	16,647	35,375	7,871,250
	15.40	4,860,669	724,185	1,953,064	16,666	35,416	7,871,250
	15.41	4,857,515	725,022	1,955,321	16,685	35,456	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
15.42	4,854,365	725,858	1,957,575	16,705	35,497	7,871,250
15.43	4,851,219	726,693	1,959,826	16,724	35,538	7,871,250
15.44	4,848,077	727,527	1,962,075	16,743	35,579	7,871,250
15.45	4,844,939	728,359	1,964,320	16,762	35,620	7,871,250
15.46	4,841,805	729,191	1,966,563	16,781	35,660	7,871,250
15.47	4,838,675	730,021	1,968,802	16,800	35,701	7,871,250
15.48	4,835,549	730,851	1,971,039	16,820	35,742	7,871,250
15.49	4,832,428	731,679	1,973,273	16,839	35,782	7,871,250
15.50	4,829,310	732,506	1,975,504	16,858	35,822	7,871,250
15.51	4,826,196	733,332	1,977,732	16,877	35,863	7,871,250
15.52	4,823,087	734,157	1,979,957	16,896	35,903	7,871,250
15.53	4,819,981	734,981	1,982,180	16,915	35,944	7,871,250
15.54	4,816,879	735,804	1,984,399	16,934	35,984	7,871,250
15.55	4,813,782	736,626	1,986,616	16,952	36,024	7,871,250
15.56	4,810,688	737,447	1,988,830	16,971	36,064	7,871,250
15.57	4,807,598	738,267	1,991,040	16,990	36,104	7,871,250
15.58	4,804,512	739,086	1,993,249	17,009	36,144	7,871,250
15.59	4,801,431	739,903	1,995,454	17,028	36,184	7,871,250
15.60	4,798,353	740,720	1,997,656	17,047	36,224	7,871,250
15.61	4,795,279	741,536	1,999,856	17,065	36,264	7,871,250
15.62	4,792,209	742,350	2,002,053	17,084	36,304	7,871,250
15.63	4,789,143	743,164	2,004,247	17,103	36,344	7,871,250
15.64	4,786,081	743,976	2,006,438	17,122	36,383	7,871,250
15.65	4,783,023	744,788	2,008,626	17,140	36,423	7,871,250
15.66	4,779,968	745,598	2,010,812	17,159	36,463	7,871,250
15.67	4,776,918	746,407	2,012,995	17,178	36,502	7,871,250
15.68	4,773,871	747,216	2,015,175	17,196	36,542	7,871,250
15.69	4,770,829	748,023	2,017,352	17,215	36,581	7,871,250
15.70	4,767,790	748,829	2,019,527	17,233	36,621	7,871,250
15.71	4,764,755	749,635	2,021,698	17,252	36,660	7,871,250
15.72	4,761,724	750,439	2,023,867	17,270	36,699	7,871,250
15.73	4,758,697	751,242	2,026,033	17,289	36,739	7,871,250
15.74	4,755,674	752,044	2,028,197	17,307	36,778	7,871,250
15.75	4,752,654	752,845	2,030,357	17,326	36,817	7,871,250
15.76	4,749,639	753,646	2,032,515	17,344	36,856	7,871,250
15.77	4,746,627	754,445	2,034,671	17,363	36,895	7,871,250
15.78	4,743,619	755,243	2,036,823	17,381	36,934	7,871,250
15.79	4,740,615	756,040	2,038,973	17,399	36,973	7,871,250
15.80	4,737,614	756,836	2,041,120	17,418	37,012	7,871,250
15.81	4,734,618	757,631	2,043,264	17,436	37,051	7,871,250
15.82	4,731,625	758,425	2,045,406	17,454	37,090	7,871,250
15.83	4,728,636	759,218	2,047,545	17,472	37,129	7,871,250
15.84	4,725,651	760,010	2,049,681	17,491	37,168	7,871,250
15.85	4,722,669	760,802	2,051,814	17,509	37,206	7,871,250
15.86	4,719,691	761,592	2,053,945	17,527	37,245	7,871,250
15.87	4,716,717	762,381	2,056,073	17,545	37,283	7,871,250
15.88	4,713,747	763,169	2,058,199	17,563	37,322	7,871,250
15.89	4,710,781	763,956	2,060,322	17,581	37,360	7,871,250
15.90	4,707,818	764,742	2,062,442	17,600	37,399	7,871,250
15.91	4,704,859	765,527	2,064,559	17,618	37,437	7,871,250
15.92	4,701,904	766,311	2,066,674	17,636	37,476	7,871,250
15.93	4,698,952	767,095	2,068,786	17,654	37,514	7,871,250
15.94	4,696,004	767,877	2,070,895	17,672	37,552	7,871,250
15.95	4,693,060	768,658	2,073,002	17,690	37,590	7,871,250
15.96	4,690,119	769,438	2,075,106	17,708	37,629	7,871,250
15.97	4,687,182	770,217	2,077,208	17,726	37,667	7,871,250
15.98	4,684,249	770,996	2,079,307	17,743	37,705	7,871,250
15.99	4,681,320	771,773	2,081,403	17,761	37,743	7,871,250
16.00	4,678,394	772,549	2,083,497	17,779	37,781	7,871,250
16.01	4,678,633	772,486	2,083,326	17,778	37,778	7,871,250
16.02	4,678,872	772,422	2,083,155	17,776	37,775	7,871,250
16.03	4,679,110	772,359	2,082,984	17,775	37,771	7,871,250
16.04	4,679,349	772,296	2,082,814	17,773	37,768	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.05	4,679,587	772,233	2,082,643	17,772	37,765	7,871,250
16.06	4,679,824	772,170	2,082,473	17,770	37,762	7,871,250
16.07	4,680,062	772,107	2,082,304	17,769	37,759	7,871,250
16.08	4,680,299	772,044	2,082,134	17,768	37,756	7,871,250
16.09	4,680,535	771,981	2,081,965	17,766	37,753	7,871,250
16.10	4,680,772	771,918	2,081,795	17,765	37,750	7,871,250
16.11	4,681,008	771,856	2,081,626	17,763	37,747	7,871,250
16.12	4,681,244	771,793	2,081,458	17,762	37,744	7,871,250
16.13	4,681,479	771,731	2,081,289	17,760	37,741	7,871,250
16.14	4,681,715	771,668	2,081,121	17,759	37,738	7,871,250
16.15	4,681,950	771,606	2,080,953	17,757	37,735	7,871,250
16.16	4,682,184	771,544	2,080,785	17,756	37,732	7,871,250
16.17	4,682,419	771,481	2,080,617	17,755	37,729	7,871,250
16.18	4,682,653	771,419	2,080,449	17,753	37,725	7,871,250
16.19	4,682,887	771,357	2,080,282	17,752	37,722	7,871,250
16.20	4,683,120	771,295	2,080,115	17,750	37,719	7,871,250
16.21	4,683,353	771,233	2,079,948	17,749	37,716	7,871,250
16.22	4,683,586	771,172	2,079,781	17,747	37,713	7,871,250
16.23	4,683,819	771,110	2,079,615	17,746	37,710	7,871,250
16.24	4,684,051	771,048	2,079,448	17,745	37,707	7,871,250
16.25	4,684,284	770,987	2,079,282	17,743	37,704	7,871,250
16.26	4,684,515	770,925	2,079,117	17,742	37,701	7,871,250
16.27	4,684,747	770,864	2,078,951	17,740	37,698	7,871,250
16.28	4,684,978	770,802	2,078,785	17,739	37,695	7,871,250
16.29	4,685,209	770,741	2,078,620	17,738	37,692	7,871,250
16.30	4,685,440	770,680	2,078,455	17,736	37,689	7,871,250
16.31	4,685,670	770,619	2,078,290	17,735	37,686	7,871,250
16.32	4,685,900	770,558	2,078,125	17,733	37,683	7,871,250
16.33	4,686,130	770,497	2,077,961	17,732	37,680	7,871,250
16.34	4,686,360	770,436	2,077,797	17,731	37,677	7,871,250
16.35	4,686,589	770,375	2,077,633	17,729	37,674	7,871,250
16.36	4,686,818	770,314	2,077,469	17,728	37,671	7,871,250
16.37	4,687,047	770,253	2,077,305	17,726	37,668	7,871,250
16.38	4,687,275	770,193	2,077,142	17,725	37,666	7,871,250
16.39	4,687,503	770,132	2,076,978	17,724	37,663	7,871,250
16.40	4,687,731	770,072	2,076,815	17,722	37,660	7,871,250
16.41	4,687,959	770,011	2,076,653	17,721	37,657	7,871,250
16.42	4,688,186	769,951	2,076,490	17,719	37,654	7,871,250
16.43	4,688,413	769,891	2,076,327	17,718	37,651	7,871,250
16.44	4,688,640	769,831	2,076,165	17,717	37,648	7,871,250
16.45	4,688,866	769,771	2,076,003	17,715	37,645	7,871,250
16.46	4,689,092	769,711	2,075,841	17,714	37,642	7,871,250
16.47	4,689,318	769,651	2,075,680	17,712	37,639	7,871,250
16.48	4,689,544	769,591	2,075,518	17,711	37,636	7,871,250
16.49	4,689,769	769,531	2,075,357	17,710	37,633	7,871,250
16.50	4,689,995	769,471	2,075,196	17,708	37,630	7,871,250
16.51	4,690,219	769,412	2,075,035	17,707	37,627	7,871,250
16.52	4,690,444	769,352	2,074,874	17,706	37,624	7,871,250
16.53	4,690,668	769,292	2,074,714	17,704	37,621	7,871,250
16.54	4,690,892	769,233	2,074,553	17,703	37,619	7,871,250
16.55	4,691,116	769,174	2,074,393	17,701	37,616	7,871,250
16.56	4,691,340	769,114	2,074,233	17,700	37,613	7,871,250
16.57	4,691,563	769,055	2,074,073	17,699	37,610	7,871,250
16.58	4,691,786	768,996	2,073,914	17,697	37,607	7,871,250
16.59	4,692,008	768,937	2,073,755	17,696	37,604	7,871,250
16.60	4,692,231	768,878	2,073,595	17,695	37,601	7,871,250
16.61	4,692,453	768,819	2,073,436	17,693	37,598	7,871,250
16.62	4,692,675	768,760	2,073,278	17,692	37,595	7,871,250
16.63	4,692,896	768,701	2,073,119	17,691	37,593	7,871,250
16.64	4,693,118	768,643	2,072,961	17,689	37,590	7,871,250
16.65	4,693,339	768,584	2,072,803	17,688	37,587	7,871,250
16.66	4,693,560	768,525	2,072,644	17,687	37,584	7,871,250
16.67	4,693,780	768,467	2,072,487	17,685	37,581	7,871,250

Share Price	Units					
	Venture Units	STAG III Units	STAG IV Units	SCP Units	SCP III Units	Total Units
16.68	4,694,001	768,408	2,072,329	17,684	37,578	7,871,250
16.69	4,694,221	768,350	2,072,172	17,683	37,575	7,871,250
16.70	4,694,440	768,292	2,072,014	17,681	37,573	7,871,250
16.71	4,694,660	768,233	2,071,857	17,680	37,570	7,871,250
16.72	4,694,879	768,175	2,071,700	17,679	37,567	7,871,250
16.73	4,695,098	768,117	2,071,544	17,677	37,564	7,871,250
16.74	4,695,317	768,059	2,071,387	17,676	37,561	7,871,250
16.75	4,695,535	768,001	2,071,231	17,675	37,558	7,871,250
16.76	4,695,753	767,943	2,071,075	17,673	37,555	7,871,250
16.77	4,695,971	767,885	2,070,919	17,672	37,553	7,871,250
16.78	4,696,189	767,828	2,070,763	17,671	37,550	7,871,250
16.79	4,696,406	767,770	2,070,607	17,669	37,547	7,871,250
16.80	4,696,624	767,712	2,070,452	17,668	37,544	7,871,250
16.81	4,696,840	767,655	2,070,297	17,667	37,541	7,871,250
16.82	4,697,057	767,597	2,070,142	17,665	37,539	7,871,250
16.83	4,697,273	767,540	2,069,987	17,664	37,536	7,871,250
16.84	4,697,490	767,483	2,069,832	17,663	37,533	7,871,250
16.85	4,697,705	767,425	2,069,678	17,661	37,530	7,871,250
16.86	4,697,921	767,368	2,069,524	17,660	37,527	7,871,250
16.87	4,698,136	767,311	2,069,370	17,659	37,525	7,871,250
16.88	4,698,351	767,254	2,069,216	17,657	37,522	7,871,250
16.89	4,698,566	767,197	2,069,062	17,656	37,519	7,871,250
16.90	4,698,781	767,140	2,068,908	17,655	37,516	7,871,250
16.91	4,698,995	767,083	2,068,755	17,653	37,513	7,871,250
16.92	4,699,209	767,026	2,068,602	17,652	37,511	7,871,250
16.93	4,699,423	766,970	2,068,449	17,651	37,508	7,871,250
16.94	4,699,637	766,913	2,068,296	17,649	37,505	7,871,250
16.95	4,699,850	766,856	2,068,143	17,648	37,502	7,871,250
16.96	4,700,063	766,800	2,067,991	17,647	37,500	7,871,250
16.97	4,700,276	766,743	2,067,839	17,646	37,497	7,871,250
16.98	4,700,488	766,687	2,067,686	17,644	37,494	7,871,250
16.99	4,700,701	766,630	2,067,535	17,643	37,491	7,871,250
17.00	4,700,913	766,574	2,067,383	17,642	37,489	7,871,250

**EXHIBIT L
TO
CONTRIBUTION AGREEMENT
FORM OF LOCK-UP AGREEMENT**

•, 2011

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,

J.P. Morgan Securities LLC
UBS Securities LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

One Bryant Park
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o UBS Securities LLC
299 Park Avenue
New York, New York 10171

Re: Proposed Public Offering by STAG Industrial, Inc.

Dear Sirs:

The undersigned, a stockholder, officer and/or director of STAG Industrial, Inc., a Maryland corporation (the "Company"), and/or holder of units ("OP Units") in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership and the Company's operating partnership (the "Operating Partnership"), understands that Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), J.P. Morgan Securities LLC ("J.P. Morgan") and UBS Securities LLC ("UBS" and together with Merrill Lynch and J.P. Morgan, the "Representatives") propose to enter into an Underwriting Agreement (the "Underwriting Agreement") with the Company and the Operating Partnership providing for the initial public offering (the "Offering") of shares (the "Securities") of the Company's common stock, par value \$.01 per share (the "Common Stock"). In recognition of the benefit that such an offering will confer upon the undersigned as a stockholder, officer and/or director of the Company and/or holder of OP Units, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending on the

date that is 12 months from the date of the Underwriting Agreement (subject to extensions as discussed below), the undersigned will not, without the prior written consent of the Representatives, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock (including, without limitation, OP Units), whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities as follows without the prior written consent of the Representatives, provided that (1) the Representatives receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers:

as a *bona fide* gift or gifts; or

to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or

as a distribution to limited partners, members or stockholders of the undersigned; or

to the undersigned's affiliates or to any investment fund or other entity controlled or managed by the undersigned.

[FOR LOCK-UP TO BE EXECUTED BY STAG INVESTMENTS III, LLC ONLY: Notwithstanding the foregoing, the undersigned STAG Investments III, LLC may pledge any OP Units that it holds that are Lock-Up Securities without the prior written consent of the Representatives pursuant to that certain Pledge Agreement entered into by STAG Investments III, LLC in favor of Bank of America, N.A., as Administrative Agent for the benefit of the Secured Parties thereunder, under that certain Credit Agreement among STAG III Streamwood, LLC, STAG III Mason 2, LLC, STAG III Pomfret, LLC, STAG Investments III, LLC, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent.]

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned on the open market following the Offering if and only if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

Notwithstanding the foregoing, if:

(1) during the last 17 days of the 12-month lock-up period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the 12-month lock-up period, the Company announces that it will release earnings results or becomes aware that material news or a material event will occur during the 16-day period beginning on the last day of the 12-month lock-up period,

1) the restrictions imposed by this lock-up agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

2)

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial 12-month lock-up period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the 12-month lock-up period (as may have been extended pursuant to the previous paragraph) has expired.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's (or any other applicable) transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

For Natural Persons :

(Name)

(Signature)

Article I.

For Entities :

(Name)

By: _____
Name:
Title:



PURCHASE OPTION AGREEMENT

THIS PURCHASE OPTION AGREEMENT (the “**Agreement**”) is made as of the day of [, 2010], by **STAG INVESTMENTS III, LLC**, a Delaware limited liability company (the “**Fund**”), in favor of **STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.**, a Delaware limited partnership (the “**Operating Partnership**”).

BACKGROUND:

A. STAG Industrial, Inc., a Maryland corporation (the “**REIT**”), which is the sole member of STAG Industrial GP, LLC, a Delaware limited liability company (the “**General Partner**”), which in turn is the sole general partner of the Operating Partnership, and the Operating Partnership are engaging in various related transactions, including the initial public offering of the REIT’s common stock (the “**IPO**”), the net proceeds of which will be contributed to the Operating Partnership, and the Contribution Transaction (defined below), to consolidate the ownership of a portfolio of primarily single tenant real estate assets.

B. On or about the date hereof, the Fund (i) created a new, wholly owned subsidiary, STAG III Properties, LLC, a Delaware limited liability company (“**Retained Holdings**”), (ii) caused STAG Investments Holdings III, LLC, a Delaware limited liability company (“**Holdings**”), to create a new, wholly-owned subsidiary, STAG III Mason 2, LLC, a Delaware limited liability company (“**Mason 2**”), (iii) through Holdings, caused STAG III Mason, LLC to convey the property described on Exhibit C-1 to Mason 2, and (iv) caused Holdings to transfer 100% of the ownership interests in Mason 2 and each of the special purpose entities listed on Exhibit A attached hereto and incorporated herein (collectively, the “**Property Entities**” and each, a “**Property Entity**”) to Retained Holdings.

C. Each Property Entity holds title to the real estate asset listed to the right of its name on Exhibit A (collectively, the “**Real Estate Assets**” and each, a “**Real Estate Asset**”), which Real Estate Assets (i) are located on the parcels of land described in Exhibits C-1 through C-3 (such tracts or parcels of land, together with the rights and appurtenances pertaining to each parcel or tract of land, including any right, title and interest in and to adjacent streets, alleys or rights-of-way, the “**Land**”), (ii) include the buildings, structures, fixtures and other improvements on the Land (the “**Improvements**”) and the tangible and intangible personal property owned by the Property Entities used or useful in connection with the businesses being carried out on the Land and in the Improvements (the “**Personal Property**”), and (iii) are affected by each lease and other occupancy agreement for any portion of the Land or the Improvements (the “**Leases**”), including all deposits and escrows held in connection therewith, and each other contract relating to the operation or use of the Land and Improvements [(other than any property management agreements)] (the “**Other Contracts**”). The Land, Improvements, Personal Property, Leases and Other Contracts related to a given Real Estate Asset shall be referred to herein collectively as a “**Property**”.

D. On or about the date hereof, the Fund will contribute 100% of the membership interests in Holdings to the Operating Partnership (the “**Contribution Transaction**”) in

exchange for common units of limited partnership interests in the Operating Partnership (“ **OP Units** ”) pursuant to that certain Contribution Agreement (the “ **Contribution Agreement** ”), dated as of [, 2010], by and among the Fund, the Operating Partnership and the REIT.

E. In connection with the transfer of the ownership interests in the Property Entities to Retained Holdings and the Contribution Transaction, Bank of America, N.A., for itself and certain other lenders (collectively, the “ **Lender** ”) has made a loan to Retained Holdings and the Property Entities in the principal amount of approximately \$22,755,511 (the “ **Loan** ”), which is secured by first mortgages on the Properties. The proceeds of the Loan were used to repay a portion of a loan made by Lender to Holdings, the Property Entities and others that was secured in part by the Properties and to obtain the release of the Properties from mortgages securing said loan.

F. The Fund desires to grant the Operating Partnership (or its designee) an option to acquire 100% of the ownership interests in each of the Property Entities, on the terms and conditions set forth herein.

A G R E E M E N T:

Now, therefore, in consideration of the execution and delivery of the Contribution Agreement and the payment by the Operating Partnership of Ten and 00/100 Dollars (\$10.00) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Definitions** . The following capitalized terms used in this Agreement but not otherwise defined in this Agreement have the meanings set forth below:

“ **Affiliate** ” means, with respect to any specified person, a person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with the specified person.

“ **Appraisal** ” means an Approved Appraiser’s determination of a given Property’s fair market value at the time of such determination.

“ **Approved Appraiser** ” means a Qualified Appraiser selected by the Fund (the “ **Proposed Appraiser** ”) and approved by the Operating Partnership, which approval shall not be unreasonably withheld, conditioned or delayed. If, within five (5) business days of receiving written notice of a Proposed Appraiser from the Fund, the Operating Partnership has not responded to such notice with specific concerns about the Proposed Appraiser, the Proposed

Appraiser shall be deemed an Approved Appraiser. For purposes of the exercise of an Option in connection with the liquidation or dissolution of the Fund, a Qualified Appraiser who prepared the last appraisal shall be deemed an Approved Appraiser.

“ **Control** ” (including, with correlative meanings, the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.

“ **Encumbrances** ” means any pledge, claim, lien, option, charge, security interest, restriction, mortgage, deed of trust, encumbrance, right of assignment, purchase right, license or other rights of any nature whatsoever of any third party.

“ **Offer** ” means a bona fide offer from a User for the purchase of any Property or the ownership interests in any Property Entity that the Fund would be willing to accept, which bona fide offer sets forth the purchase price and all other material terms of the transaction.

“ **Offer Property** ” means a Property that is the subject of an Offer.

“ **Option Exercise Notice** ” means a Stabilization Option Exercise Notice, User Sale Option Exercise Notice or a Liquidation Option Exercise Notice, as applicable.

“ **Option Notice** ” means a Stabilization Notice, a User Sale Notice or a Liquidation Notice, as applicable.

“ **Permitted Encumbrance** ” means (i) any lien securing taxes, the payment of which is not delinquent or the payment of which is actively being contested in good faith by appropriate proceedings diligently pursued; (ii) zoning laws and ordinances generally applicable to the district in which a Property is located; (iii) liens imposed by laws, such as carriers’, warehousemen’s, carriers’ and mechanics’ liens, and other similar liens arising in the ordinary course of business that secure payment of obligations not more than 93 days past due or that are being contested in good faith by appropriate proceedings diligently pursued; (iv) easements for public utilities and other access and use easements that do not have a material adverse effect upon a Property; (v) the Leases; and (vi) any exceptions listed on Exhibit D attached hereto and incorporated herein.

“ **Purchase and Sale Agreement** ” means, with respect to any Property, a Purchase and Sale Agreement in the form attached hereto as Exhibit E modified to include specific information regarding said Property (e.g., address and legal description) and to reflect other changes that are customary or necessary for the jurisdiction in which the Property is located. Nothing in this Agreement shall preclude a Purchase and Sale Agreement from addressing more than one Property.

“ **Qualified Appraiser** ” means an appraiser, who is not Affiliated with the Fund or its

Affiliates, who has at least ten (10) years of commercial real estate appraising experience in the geographic area of the applicable Property and with respect to properties of a similar type as the Property and who is MAI certified.

“ **Stabilization** ” means, with respect to any Property, that eighty-five percent (85%) of the rentable square feet of the building(s) on said Property is subject to one or more leases, each with a term of no less than two (2) years then remaining.

“ **User** ” means a person or entity that is not an Affiliate of the Fund that submits a written offer to purchase a Property and intends that it or its Affiliates will occupy substantially all of the Property once any existing leases have expired.

2. **Grant of Option**. Subject to the terms and conditions contained herein, the Fund hereby grants to the Operating Partnership (or its designee) the right and option (the “ **Option** ”) to purchase each Property (via the transfer of ownership interests in the applicable Property Entity) (each, an “ **Option Property** ” and collectively, the “ **Option Properties** ”), in its “as-is”, condition free and clear of any Encumbrances, except the Permitted Encumbrances, for the Option Price (defined below). Except as otherwise provided in this Agreement, upon the Operating Partnership’s exercise of the Option in accordance with Section 3, the Fund shall be unconditionally obligated to cause Retained Holdings to sell the ownership interests in the applicable Property Entity to the Operating Partnership (or its designee) for the Option Price. The closing of such sale (the “ **Closing** ”) shall occur on the date that is seventy-five (75) days after the Fund’s receipt of an Option Exercise Notice or if such date is not a business day, the next business day (the “ **Closing Date** ”); provided, however, that the parties may agree in writing upon an earlier date. If the Fund fails to cause Retained Holdings to sell the ownership interests in the applicable Property Entity to the Operating Partnership (or its designee) as and when required by this Agreement, then, in addition to its other remedies, the Operating Partnership shall be entitled to specific performance of the Fund’s obligations hereunder. If not previously exercised, the Option granted hereunder shall automatically terminate on the date that is five (5) years after the Effective Date (the “ **Expiration Date** ”); provided however that if, as of the Expiration Date there shall be an outstanding Stabilization Notice, User Sale Notice or Liquidation Notice and the Operating Partnership’s applicable election period thereunder (as set forth in Section 3(b) below) shall not have expired, the Expiration Date shall be extended until the business day after the expiration of such election period and provided further that if the Operating Partnership timely delivers an Option Exercise Notice within such election period, the Expiration Date shall be further extended until the date that is the earlier of (a) ninety (90) days after the delivery of the Option Exercise Notice or (b) the scheduled Closing Date.

3. **Method and Terms of Exercise**.

(a) **Notice**.

(i) Within thirty (30) days of a Property achieving Stabilization, the Fund shall send written notice to the Operating Partnership of such Stabilization (the “ **Stabilization Notice** ”), which notice shall include the name of the Proposed Appraiser and a copy of the

Purchase and Sale Agreement. Upon the Operating Partnership's approval or deemed approval of the Proposed Appraiser, the Fund shall, at its sole cost and expense, engage the Approved Appraiser to prepare an Appraisal for said Property. The Fund shall, within ten (10) days of receipt of the Appraisal, send a copy of the Appraisal to the Operating Partnership.

(ii) Within ten (10) days of receipt of an Offer, the Fund shall provide written notice to the Operating Partnership of said Offer (the “ **User Sale Notice** ”), which notice shall include a copy of the Offer and a copy of the Purchase and Sale Agreement.

(iii) If the Fund's member(s) elect to terminate and dissolve the Fund while the Fund still owns any Property that is subject to the provisions of this Agreement, the Fund shall provide written notice to the Operating Partnership of its decision to terminate and dissolve (the “ **Liquidation Notice** ”), which notice shall include evidence of the termination or liquidation election, a list of the Properties still subject to this Agreement, a copy of the most recent Appraisal for any Property that remains subject to this Agreement and a copy of the Purchase and Sale Agreement.

(b) Exercise of Option. Upon receipt of an Option Notice, the Operating Partnership shall have ninety (90) days from receipt of a Stabilization Notice and thirty (30) days from receipt of a User Sale Notice or a Liquidation Notice to send written notice to the Fund of its intention to exercise the Option with respect to the ownership interests in any Property Entity owning a Property that is the subject to said notice (any such notice sent by the Operating Partnership to the Fund being referred to herein as a “ **Stabilization Option Exercise Notice** ”, a “ **User Sale Option Exercise Notice** ”, or a “ **Liquidation Option Exercise Notice** ”, as applicable and each, an “ **Option Exercise Notice** ”), a signed counterpart of the Purchase and Sale Agreement and a non-refundable earnest money deposit equal to five percent (5%) of the Option Price (the “ **Deposit** ”). The Fund shall deliver a signed counterpart of the Purchase and Sale Agreement to the Operating Partnership upon confirmation from the escrow agent identified in the Purchase and Sale Agreement that the Deposit has been received. The parties agree that if the Option Price is not known at the time of delivery of a Liquidation Option Exercise Notice, the purchase price set forth in the Purchase and Sale Agreement shall be the Operating Partnership's reasonable estimate of the fair market value of the applicable Property and the Deposit shall be five percent (5%) of said estimated fair market value, provided that once the Appraisals for the applicable Properties are received, the parties shall promptly enter into an amendment to the Purchase and Sale Agreement that changes the purchase price to an amount equal to the fair market value of the Properties as set forth in the Appraisals.

(c) No Exercise of Option. If the Fund does not receive a Stabilization Option Exercise Notice or a User Sale Option Exercise Notice, as applicable, within the applicable election period, the Option with respect to the ownership interests in the Property Entity owning the Stabilized Property or the Offer Property, as applicable, shall automatically terminate. If the Fund does not receive a Liquidation Option Exercise Notice within the thirty (30) day election period, this Agreement shall automatically terminate. If the Fund receives a Liquidation Option Exercise Notice with respect to some but not all of the Properties that remain subject to this Agreement, the Option with respect to the ownership interests in the Property Entities that are

not identified in the Liquidation Option Exercise Notice shall automatically terminate. Notwithstanding the foregoing, in the event that the Fund does not receive a User Sale Option Exercise Notice within the thirty (30) day election period, the Fund shall have the right, during the period commencing on the expiration of said thirty (30) day election period and ending on the later of: (i) sixty (60) days after the closing date set forth in the Offer or (ii) one hundred eighty (180) days after the date of said Offer (the “**Offer Property Sale Period**”), to sell the Offer Property to the User or any other person on terms that are no more favorable to the buyer than those set forth in the Offer, except the purchase price can be as low as ninety percent (90%) of the purchase price set forth in the Offer; provided that if the Fund is unable to sell the Offer Property during the Offer Property Sale Period on terms no more favorable to the buyer than those set forth in the Offer (other than purchase price), the Option with respect to the ownership interests in the Property Entity owning said Offer Property shall automatically revive and thereafter be subject to the terms and conditions of this Agreement. If the sale of the Offer Property happens as set forth in the Offer, the Operating Partnership or its designee shall receive from the Fund, in cancellation of such Option, twenty-five percent (25%) of the portion of the sale price that exceeds the sum of the Fund’s undepreciated cost of the Property and the sale closing costs (e.g., attorneys’ fees, recording fees, escrow fees and other closing costs incurred by the Fund).

(d) Inspection. So long as the Operating Partnership has an Option with respect to a Property, the Fund shall permit the Operating Partnership and its agents, on at least forty-eight (48) hours advance notice, to enter upon said Property, subject to the rights of any tenants, during regular business hours, to make such surveys, inspections and tests as may reasonably be reasonably necessary in connection with its examination of the Property. The Operating Partnership shall repair any damage it or its agents may cause to the Property as a result of any such inspections or tests or any other related damage caused by the Operating Partnership or its agents, and further shall indemnify, defend and hold the Fund, Retained Holdings and the applicable Property Entity and their respective owners, managers, directors, officers, employees, licensees and invitees harmless from and against any and all claims, losses, damages and expenses, including, without limitation, reasonable attorneys’ fees, suffered by the Fund, Retained Holdings, the applicable Property Entity or their respective owners, managers, directors, officers, employees, licensees or invitees (collectively, the “**Fund Indemnified Parties**”) as a direct result of the entry by the Operating Partnership or its agents upon, or acts upon, any Property in connection with any such inspections or tests or any other related damage to the Property caused by the Operating Partnership or its agents; provided, however, in no event shall the Operating Partnership be liable for punitive damages resulting from its inspections, tests or entry or for any damages solely attributable to the willful misconduct or gross negligence of any Fund Indemnified Party. Notwithstanding the foregoing, upon the effectiveness of a Purchase and Sale Agreement, the Operating Partnership’s (or its designee’s) right to inspect the applicable Property shall be governed by the terms of the Purchase and Sale Agreement.

(e) Information. So long as the Operating Partnership has an Option with respect to the ownership interests in a Property Entity, the Fund (i) shall permit (and shall cause Retained Holdings and the applicable Property Entity to permit) the Operating Partnership and its agents to review all books, records, leases, service contracts, environmental reports, soil reports,

engineering reports, surveys and other documentation with respect to said Property that are in the possession and control of the Fund, Retained Holdings or the applicable Property Entity and reasonably requested by the Operating Partnership, [and (ii) shall provide (or cause to be provided), upon written request from the Operating Partnership, a report regarding the status of said Property, on a quarterly basis, which report shall include unaudited financial statements and such other information and data as the Operating Partnership may reasonably request regarding said Property (to the extent such information and data is in the possession and control of the Fund, Retained Holdings or the applicable Property Entity). The parties agree that to the extent the Operating Partnership or any of its Affiliates is providing administrative or management services to the Fund, Retained Holdings or a Property Entity with respect to any Property, the Fund shall be deemed to have satisfied its obligation under this Section 3(e) to the extent that the information requested under this Section 3(e) is available to the Operating Partnership or its Affiliates in connection with the performance of such administrative or management services, and such information shall be deemed to have been delivered by the Fund to the Operating Partnership pursuant to this Section 3(e).] Notwithstanding the foregoing, upon the effectiveness of a Purchase and Sale Agreement, the Operating Partnership's (or its designee's) rights to review books, records, leases, service contracts, environmental reports, soil reports, engineering reports, surveys and other documentation with respect to the applicable Property and to receive reports regarding the status of the applicable Property shall be governed by the terms of the Purchase and Sale Agreement.

(f) [Revocation. Notwithstanding anything to the contrary contained in this Agreement or the applicable Purchase and Sale Agreement, the Operating Partnership may decide at any time after delivery of an Option Exercise Notice, but before the Closing Date for the Option Property, not to proceed with the acquisition of said Option Property by delivering written notice to the Fund prior to the Closing Date. If the Operating Partnership revokes its Option Exercise Notice in accordance with this Section 3(f), the Option with respect to the Option Property specified in such Option Exercise Notice shall terminate and the Fund shall be entitled to retain the Deposit.]

4. **Option Price; Payment of Option Price; Taxes; Closing Costs; Prorations.**

(a) Option Price. The purchase price (the "**Option Price**") for the Option Property shall be: (a) with respect to a Property being purchased under a Stabilization Option Exercise Notice, the fair market value set forth in the Appraisal for the applicable Property; (b) with respect to a Property being purchased under a User Sale Option Exercise Notice, the purchase price set forth in the Offer; and (c) with respect to a Property being purchased under a Liquidation Option Exercise Notice, the fair market value as set forth in the Appraisal for the applicable Property; provided, however, for purposes of this clause (c), if the Appraisal for said Property is more than six (6) months old as of the date the Fund receives the Liquidation Option Exercise Notice, then, within forty-five (45) days of receiving the Liquidation Option Exercise Notice, the Fund shall, at its sole cost and expense, have the fair market value of such Property determined by a Qualified Appraiser and deliver a copy of such Appraisal to the Operating Partnership promptly (but in no event later than three (3) business days) after receiving the same.

(b) Payment of Option Price. On the Closing Date, the Option Price shall be payable by the Operating Partnership (or its designee) in accordance with the terms of the Purchase and Sale Agreement.

(c) Taxes. If the transactions contemplated by this Agreement are consummated, then the following regarding taxes shall apply:

(i) If the Option Price consists all or in part of OP Units, the transfer, assignment and exchange contemplated by this Agreement shall constitute a "Capital Contribution" to the Operating Partnership under the Operating Partnership Agreement and is intended to be governed by Section 721(a) of the Code to the extent the Option Price consists of OP Units, and the Fund and the Operating Partnership shall report this transaction consistent with such treatment.

(ii) The Fund, on the one hand, and the Operating Partnership, on the other hand, shall provide each other with such cooperation and information relating to an Option Property as the parties reasonably may request in (A) filing any tax return, amended tax return or claim for tax refund, (B) determining any liability for taxes or a right to a tax refund, or (C) conducting or defending any proceeding in respect of taxes. From the date hereof and subsequent to the Closing, the Fund agrees to provide the Operating Partnership with such tax information relating to the Properties and the Property Entities that is in the Fund's possession or control and that is reasonably requested by the Operating Partnership and to cooperate with the Operating Partnership with respect to the filing of its tax returns, including, without limitation, the depreciation and amortization schedules for Properties, as kept for both book and tax purposes, showing original basis and accumulated depreciation or amortization as of the Closing Date and basis information as of the Closing Date (computed for both book and tax purposes, if different) for all non-depreciable, non amortizable assets held by any of the Property Entities. The Fund further agrees to notify the Operating Partnership, in writing, of any audits that could affect the amounts shown on the returns of the Operating Partnership for any taxable period. The provisions of this section shall survive the Closing. Any time after the Closing Date, the Operating Partnership shall promptly notify the Fund in writing upon receipt by the Operating Partnership or any of its Affiliates of notice of (y) any pending or threatened tax audits or assessments with respect to an Option Property, and (z) any pending or threatened federal, state, local or foreign tax audits or assessments of the Operating Partnership or any of its Affiliates, in each case which may affect the liabilities for taxes of the Fund with respect to any tax period ending on or before the Closing Date. The Fund shall promptly notify the Operating Partnership in writing upon receipt by the Fund of notice of any pending or threatened federal, state, local or foreign tax audits or assessments relating to the income, properties or operations of the Fund. The Operating Partnership, on the one hand, and the Fund, on the other hand, may participate at its own expense in the prosecution of any claim or audit with respect to taxes attributable to any taxable period ending on or before the Closing Date, provided, that the Fund shall have the right to control the conduct of any such audit or proceeding or portion thereof for which the Fund has acknowledged liability for the payment of additional tax liability, and the Operating Partnership shall have the right to control any other audits and proceedings. Notwithstanding the foregoing, neither the Operating Partnership, on the one hand, nor the Fund, on the other hand, may settle or

otherwise resolve any such claim, suit or proceeding which could have an adverse tax effect on the other party or its direct or indirect owners without the written consent of the other party, such written consent not to be unreasonably withheld or delayed. The Operating Partnership and the Fund shall retain all tax returns, schedules and work papers, and all material records and other documents relating thereto, until the expiration of the statute of limitations (and, to the extent notified by any party, any extensions thereof) of the taxable years to which such tax returns and other documents relate and until the final determination of any tax in respect of such years.

(iii) With respect to an Option Property that is, in whole or in part, directly or indirectly contributed to the Operating Partnership as provided in Section 4(c)(i), the Operating Partnership shall use the “traditional method”, as described in Treasury Regulation Section 1.704-3(b), to make allocations of taxable income and loss among the partners of the Operating Partnership.

(iv) The Operating Partnership shall pay the cost of all documentary transfer taxes or other transfer or recording taxes arising from the sale of an Option Property pursuant to the exercise by the Operating Partnership of the Option.

(d) Closing Costs. Any recording fees, escrow fees, transfer taxes and other closing costs shall be allocated between the parties in accordance with the terms of this Agreement and the Purchase and Sale Agreement.

(e) Prorations. To the extent not paid directly by the tenants of the Properties, real property taxes and all other items customarily apportioned in connection with sales of similar properties similarly located shall be adjusted and apportioned at the Closing in accordance with the terms of the Purchase and Sale Agreement.

5. **Representations and Warranties**. As a material inducement to the Operating Partnership entering into this Agreement, the Fund hereby makes for the benefit of the Operating Partnership each of the representations and warranties set forth in this Section 5, which representations and warranties are true and correct as of the date hereof, and hereby covenants as follows:

(a) Organization; Authority. The Fund is duly formed, validly existing and in good standing (to the extent applicable) under the laws of its jurisdiction of formation. The Fund has full right, authority, power and capacity: (a) to enter into this Agreement and each agreement, document and instrument to be executed and delivered by or on behalf of the Fund pursuant to this Agreement, and (b) to carry out the transactions contemplated hereby and thereby. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of the Fund pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the Fund, each enforceable in accordance with its respective terms. The execution, delivery and performance of this Agreement and each such agreement, document and instrument by or on behalf of the Fund: (i) does not and will not violate any foreign, federal, state, local or other laws

applicable to the Fund or require the Fund to obtain any approval, consent or waiver of, or foreign, federal, state, local or other laws applicable to the Fund or require the Fund to obtain any approval, consent or waiver of, or make any filing with, any person or authority (governmental or otherwise) that has not been obtained or made prior to the date hereof, and (ii) does not and will not violate any term, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, lease or other instrument to which the Fund is a party or by which the property of the Fund is bound or affected.

(b) **Title to the Option Property; No Agreements to Sell.** The Fund directly owns or will own at the Closing Date, free and clear of any Encumbrances (other than Permitted Encumbrances), all of the membership interests in Retained Holdings, and the Fund indirectly owns or will own at the Closing Date, free and clear of any Encumbrances (other than Permitted Encumbrances), all of the membership interests in each Property Entity and therefore each Option Property. The Fund has or will have at the Closing Date full power and authority to convey (or cause to be conveyed), free and clear of any Encumbrances (other than Permitted Encumbrances), all of the membership interests in each Property Entity and therefore each Option Property to the Operating Partnership (or its designee), who will acquire good and valid title thereto, free and clear of any Encumbrance (other than Permitted Encumbrances). Other than this Agreement, none of the Fund, Retained Holdings or the Property Entities are currently a party to any agreement to sell, transfer or otherwise encumber or dispose of, and none has any obligation (absolute or contingent) to sell, any membership interests in any Property Entity or any Option Property.

(c) **Status as a United States Person.** The Fund is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code (“**Section 1445**”). The Fund’s U.S. taxpayer identification number that has previously been provided to the Operating Partnership is correct. The Fund’s office address is the address set forth in this Agreement.

(d) **No Insolvency Proceedings.** No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or, to the Fund’s knowledge, threatened against the Fund, nor are any such proceedings contemplated by the Fund.

6. **Conditions to Closing.** The obligations of the Operating Partnership and the Fund to consummate any Closing is subject to the fulfillment, at or prior to the Closing Date, of the conditions set forth in the Purchase and Sale Agreement.

7. **Effectiveness.** Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not be effective until the Contribution Transaction has closed.

8. **Entire Agreement; Assignment.** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, written or oral, except as expressly set forth herein. Neither the benefits nor the burdens hereof shall be assigned by any party, by operation of law or otherwise, without the prior written consent of the other parties, except as expressly set forth herein. Notwithstanding the foregoing, the Operating Partnership shall have the right to assign any of its rights and

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obligations under this Agreement and/or with respect to each Property to STAG Industrial, TRS, Inc. or another wholly-owned subsidiary of the Operating Partnership.

9. **Notices.** Any notice, demand or other communication under this Agreement shall be in writing and shall be sent by United States Postal Service, postage prepaid or certified mail, return receipt requested, by any nationally known overnight delivery service, by facsimile, by courier, or in person. All notices shall be deemed to have been given upon actual delivery or refusal to accept delivery or in the case of faxes, upon confirmed delivery, with a copy sent by another acceptable means. All notices shall be addressed to the party at the address below:

To the Fund:	STAG Investments III, LLC c/o STAG Industrial, Inc. 99 Chauncy Street Boston, Massachusetts 02111 Attn: Benjamin S. Butcher
with a copy to	DLA Piper LLP (US) 33 Arch Street, 26th Floor Boston, Massachusetts 02110 Attn: John L. Sullivan, Esq. Fax No. 617-406-6100
To the Operating Partnership	STAG Industrial Operating Partnership, L.P. c/o STAG Industrial, Inc. 99 Chauncy Street Boston, Massachusetts 02111 Attn: Benjamin S. Butcher
and with a copy to:	DLA Piper LLP (US) 33 Arch Street, 26th Floor Boston, Massachusetts 02110 Attn: John L. Sullivan, Esq. Fax No. 617-406-6100

Any party may, by written notice to the other, change its address for the purposes of this Section 9.

10. **Prohibition on Sales.** For so long as this Agreement is in force and effect with respect to a given Property, the Fund shall not, without the Operating Partnership’s prior written consent, cause or permit any sale, transfer or other disposition of (a) such Property or (b) any of the membership interests in the Property Entity owning such Property; provided, however, that such prohibition shall not apply to (y) any transfer resulting from the exercise of remedies by the Lender following an event of default under the Loan, or (z) any space lease entered into in the ordinary course of business.

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11. **Governing Law**.

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS).

(b) WITH RESPECT TO ANY CLAIM OR ACTION ARISING UNDER THIS AGREEMENT, EACH PARTY: (A) IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS AND THE UNITED STATES DISTRICT COURT LOCATED IN SUFFOLK COUNTY, MASSACHUSETTS, AND APPELLATE COURTS FROM ANY THEREOF, AND (B) IRREVOCABLY WAIVE ANY OBJECTION WHICH IT HAVE AT ANY TIME TO THE LAYING ON VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT BROUGHT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

12. **Further Instruments**. The Fund from time to time shall execute and deliver to the Operating Partnership such further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions of this Agreement.

13. **Time of Essence**. It is agreed that time is of the essence of this Agreement.

14. **No Recording; Notice of Termination**. It is understood and agreed that this Agreement shall not be recorded. The Operating Partnership may record a notice or memorandum of this Agreement in form reasonably acceptable to the Fund. The Operating Partnership agrees to execute, acknowledge and deliver to the Fund, promptly upon the Fund's request, at such time as an Option with respect to any Property or this Agreement, as applicable, has terminated, a notice of termination in form suitable for recording at the applicable registry of deeds.

15. **No Brokers**. Each party represents and warrants to the other that it has not dealt with any broker or agent with respect to this transaction or with respect to the Option Property to which a commission may be owed. Each party agrees to indemnify the other and hold the other harmless from any claim by a broker coming through it.

16. **Miscellaneous**. This Agreement shall be binding upon and inure to the benefit of the Fund and the Operating Partnership and their respective permitted successors and assigns. Signatures to this Agreement, any amendment hereof and any notice given hereunder, transmitted by telecopy shall be valid and effective to bind the party so signing. This Agreement may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts. All counterparts shall collectively

constitute a single agreement. No modification of this Agreement shall be deemed effective unless in writing and signed by both the Fund and the Operating Partnership.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF , each of the parties hereto has caused this Agreement to be executed under seal in its name and on its behalf, each by its duly authorized officer or manager, all as of this day and year first above written.

STAG INVESTMENTS III LLC

By: STAG Manager III LLC, a Delaware limited liability company, its manager

By: _____
Benjamin S. Butcher
Executive Manager

STAG INDUSTRIAL LIMITED PARTNERSHIP, L.P.

By: STAG Industrial GP, LLC, a Delaware limited liability company, its general partner

By: _____
Name:
Title:

Exhibit A

Property Entities and Properties

Property Entities	Properties
STAG III Mason 2, LLC	("Mason")
STAG III Pomfret, LLC	("Pomfret")
STAG III Streamwood, LLC	("Streamwood")

Exhibit B

Omitted

Exhibit C-1

Mason Land Description

PARCEL ONE

SITUATED IN UNION TOWNSHIP, WARREN COUNTY, OHIO, AND BEING A PART OF SECTION 19, TOWN 4, RANGE 3, AND BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON SPIKE IN THE CENTERLINE OF STATE ROUTE NO. 741 AT THE NORTHWEST CORNER OF SECTION 19; RUNNING THENCE, WITH THE NORTHERLY LINE OF SAID SECTION, SOUTH 84° 59' 20" EAST, 789.64 FEET TO AN IRON ROD AND THE REAL POINT OF BEGINNING OF THIS CONVEYANCE;

FROM SAID REAL POINT OF BEGINNING, RUNNING THENCE, WITH THE NORTHERLY LINE OF SAID SECTION, SOUTH 85° 12' 10" EAST 1890.64 FEET TO AN IRON ROD; RUNNING THENCE, SOUTH 4°45'40" WEST, (PASSING AN IRON ROD AT 247.32 FEET), A DISTANCE OF 291.73 FEET TO A POINT IN THE CENTERLINE OF U.S. ROUTE NO. 42; RUNNING THENCE, WITH THE CENTERLINE OF SAID HIGHWAY, SOUTH 68° 36' 40" WEST, 792.63 FEET TO A POINT, WITNESS A CONCRETE HIGHWAY RIGHT-OF-WAY MARKER BEARS, NORTH 21°23' 20" WEST, 40.00 FEET; THENCE STILL WITH SAID HIGHWAY CENTERLINE ON A 2864.79 FOOT RADIUS CURVE TO THE LEFT, WHOSE CHORD BEARS, SOUTH 67°47' 45" WEST, 81.57 FEET, AN ARC DISTANCE OF 81.57 FEET TO A POINT AT THE INTERSECTION OF THE CENTERLINE OF SAID HIGHWAY WITH THE CENTERLINE OF BETHANY ROAD, (COUNTY ROAD NO. 59); RUNNING THENCE, WITH THE CENTERLINE OF BETHANY ROAD NORTH 86° 32' 20" WEST, 1110.17 FEET TO AN IRON SPIKE; RUNNING THENCE, NORTH 5° 02' 30" EAST (PASSING AN IRON ROD AT 25.00 FEET), A DISTANCE OF 704.41 FOOT TO THE POINT OF BEGINNING, CONTAINING 26.313 ACRES, SUBJECT TO ALL LEGAL HIGHWAYS, SUBJECT TO A 150 FOOT WIDE POWER LINE EASEMENT GRANTED TO CINCINNATI GAS AND ELECTRIC COMPANY, AS RECORDED IN DEED BOOK 318, PAGE 181, SUBJECT TO A 150 FOOT WIDE POWER LINE EASEMENT GRANTED TO DAYTON POWER AND LIGHT COMPANY, AS RECORDED IN DEED BOOK 318, PAGE 179, AND SUBJECT TO ALL OTHER EASEMENTS OF RECORD.

SAVE AND EXCEPT THE FOLLOWING-DESCRIBED REAL ESTATE:

BEGINNING AT AN IRON SPIKE IN THE CENTERLINE OF STATE ROUTE NO. 741, AT THE NORTHWESTERLY CORNER OF SAID SECTION 19; THENCE, WITH THE NORTHERLY LINE OF SAID SECTION 19, ON THE FOLLOWING COURSES: (1) S.84° 59' 20" E. 789.64 FEET TO THE NORTHWESTERLY CORNER OF A 26.313 ACRE TRACT RECORDED IN DEED BOOK 401, PAGE 621, OF THE DEED RECORDS OF SAID COUNTY: (2) WITH THE NORTHL Y LINE OF SAID 26.313 ACRE TRACT, S. 85° 12' 10" E. 1524.49 FEET TO THE REAL POINT OF BEGINNING FOR THE HEREIN DESCRIBED TRACT:

RUNNING THENCE, FROM SAID REAL POINT OF BEGINNING, WITH THE LINES OF SAID 26.313 ACRE TRACT, ON THE FOLLOWING COURSES: (1) WITH THE NORTHERLY LINE OF SECTION 19, S. 85° 12' 10" E. 366.15 FEET TO A POINT; (2) S 4° 45' 40" W 291.73 FEET TO A POINT IN THE CENTERLINE OF U.S. ROUTE NO. 42; (3) WITH THE CENTERLINE OF U.S. ROUTE 42, S. 68° 36' 40" W.200.00 FEET TO A POINT; THENCE, BY A NEW DIVISION LINE, N. 21° 23' 20" W. 423.44 FEET TO THE POINT OF BEGINNING, CONTAINING TWO AND ONE HUNDRED NINETY-EIGHT THOUSANDTHS (2.198) ACRES, SUBJECT TO ALL LEGAL HIGHWAYS AND EASEMENTS OF RECORD.

PARCEL TWO

SITUATED IN UNION TOWNSHIP, WARREN COUNTY, OHIO, AND BEING A PART OF SECTION 20, TOWN 4, RANGE 3, AND BOUNDED AND DESCRIBED AS FOLLOWS:

BEINNING AT AN IRON SPIKE IN THE CENTERLINE OF STATE ROUTE NO. 741 AT THE SOUTHWESTERLY CORNER OF SAID SECTION 20; THENCE, WITH THE SOUTHERLY LINE OF SAID SECTION 20, SOUTH 84° 59' 20" EAST, 538.41 FEET TO A POINT IN THE EASTERLY RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD, AND BEING THE REAL POINT OF BEGINNING FOR THE HEREIN DESCRIBED TRACT;

RUNNING THENCE, FROM SAID REAL POINT OF BEGINNING, WITH SAID EASTERLY RIGHT-OF-WAY LINE, NORTH 50° 10' 08" EAST, 247.77 FEET TO A POINT; THENCE BY NEW DIVISION LINES, ON THE FOLLOWING COURSES: (1) SOUTH 85° 12' 10" EAST, 366.10 FEET TO A POINT; (2) SOUTH 21° 04' 36" EAST, 27.79 FEET TO A POINT; (3) SOUTH 85° 12' 10" EAST, 1147.39 FEET TO A POINT; (4) SOUTH 21°23' 20' EAST, 167.16 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID SECTION 20 AND IN THE NORTHERLY LINE OF 26.313 ACRE TRACT RECORDED IN DEED BOOK 401, PAGE 621, OF THE DEED RECORDS OF SAID COUNTY; THENCE, WITH THE SECTION LINE AND WITH THE NORTHERLY LINE OF SAID 26.313 ACRE TRACT, NORTH 85° 12' 10" WEST, 1524.49 FEET TO A POINT; THENCE WITH SAID SECTION LINE, NORTH 84° 59' 20" WEST, 251.23 FEET TO TH POINT OF BEGINNING, CONTAINING 5.948 ACRES.

Exhibit C-2

Pomfret Land Description

FEE PARCEL

All that certain piece or parcel of land, with the buildings and Improvements thereon, situated in the Town of Pomfret, County of Windham and State of Connecticut, on the easterly side of Searies Road, and being shown on a certain survey entitled "Perimeter Survey Prepared For The Steak-umm Company, LLC Searles Road Pomfret, Connecticut Scale: 1" = 60' Date: 3/18/2004 Sheet: 1 of 1 Proj #01065 Dwn: JES Chk: AW", revised 3/19/2004, made by KWP Associates, and on file in the Office of the Town Clerk of the said Town of Pomfret. Said premises are more particularly bounded and described as follows:

Beginning at a point on the easterly sideline of Searles Road at the northwesterly corner of the Parcel to be described, said point being S 73° 38' 26" E and 6.77 feet from an iron pipe at the southwesterly corner of land now or formerly of Robert E. Erskin;

Thence S 73° 38' 26" E along land now or formerly of Robert E. Erskin for a distance of 572.89 feet to a point;

Thence S 85° 55' 22" E along land now or formerly of Peter T. Sheldon & Heather P. Sheldon for a distance of 584.00 feet to a point;

Thence S 17° 05' 48" W, along land now or formerly of Brian N. Sheldon & Marie C. Sheldon for a distance of 1,053.03 feet to a point;

Thence N 72° 46' 55" W, along land now or formerly of said Sheldon for a distance of 350.00 feet to a point;

Thence S 17° 05' 48" W, along land now or formerly of said Brian N. Sheldon & Marie C. Sheldon for a distance of 100.00 feet to a point in a stonewall;

Thence N 72° 46' 55" W, partly along a stonewall along land now or formerly of said Brian N. Sheldon & Marie C. Sheldon for a distance of 90.00 feet to a point;

Thence N 72° 29' 44" W, along land now or formerly of said Brian N. Sheldon & Marie Sheldon for a distance of 68.39 feet to a point;

Thence S 17° 30' 16" W, along land now or formerly of said Brian N. Sheldon & Marie Sheldon for a distance of 100 feet to a point;

Thence N 72° 29' 44" W, along land now or formerly of said Brian N. Sheldon & Marie Sheldon for a distance of 350.00 feet to a point;

Thence N 17° 30' 16" E, along land now or formerly of said Brian N. Sheldon & Marie Sheldon for a distance of 100 feet to a point in a stonewall;

Thence N 02° 57' 47" W along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 432.35 feet to an iron pin;

Thence N 41° 48' 35" E along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 75.02 feet to an iron pin;

Thence N 43° 13' 24" E along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 81.42 feet to an iron pin;

Thence N 20° 20' 16" E along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 43.21 feet to an iron pin;

Thence N 09° 44' 53" E along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 33.75 feet to an iron pin;

Thence N 22° 36' 30" E along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 95.89 feet to a utility pole;

Thence N 58° 59' 12" W along land now or formerly of Theodore F. Piecyk and Rosemarie M. Piecyk for a distance of 295.15 feet to an iron pin;

Thence N 36° 21' 14" E along the easterly sideline of Searles Road for a distance of 232.79 feet to the point of beginning.

EASEMENT PARCELS

Together with a twenty-five foot right of way located over land formerly of John A. Osborne as recorded in Volume 48 at Page 479 of the Pomfret Land Records.

Together with the restrictive benefits more particularly set forth in a Special Warranty Deed from The Steak-umm Company, LLC. to Brian N. Sheldon and Marie C. Sheldon dated October 9, 2001 and recorded in Volume 176 at Page 39 of the Pomfret Land Records.

Exhibit C-3

Streamwood Land Description

Parcel 1:

That part of the East ½ of the Southeast ¼ of Section 35 and that part of the West ½ of the Southwest ¼ of Section 36, Township 41 North, Range 9 East of the Third Principal Meridian described as follows:

Commencing at the point of intersection of the East line of the West ½ of said Southwest ¼ of said Section 36 with a line that is 30 feet Southerly of (measured at right angle thereto) and parallel with the original centerline of U.S. Route 20, which said point of intersection is 794.78 feet, more or less, North of the Northerly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, as measured on the East line of the West ½ of said Southwest ¼ of said Section 36; thence Northwesterly along said line that is 30 feet Southerly of (measured at right angle thereto) and parallel with the original centerline of U.S. Route 20, a distance of 1,184.69 feet to a point on a line that is 953.44 feet West of (measured at right angle thereto) and parallel with the East line of the West ½ of said Southwest ¼ of said Section 36 for a point of beginning; thence South along said last described parallel line, a distance of 1,342.26 feet to the Northerly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; thence Northwesterly along said Northerly right of way line, a distance of 550.53 feet to a point on a line that is 1,496.44 feet West of (measured at right angle thereto) and parallel with the East line of the West ½ of said Southwest ¼ of said Section 36; thence North along said last described parallel line, a distance of 1,478.19 feet to a point that is 140 feet Southwesterly of (measured at right angle thereto), a line that is 30 feet Southerly of (measured at right angle thereto) and parallel with the original centerline of U.S. Route 20; thence Northeasterly at right angles to the last described parallel line, a distance of 140 feet to said last described parallel line; thence Southeasterly along said last described parallel line, a distance of 571.54 feet to the point of beginning;

(Excepting from the foregoing described parcel of land all that part thereof conveyed to the State of Illinois by Deed dated November 19, 1969 and recorded April 8, 1970 as document number 21130297), (Except that part taken for Lake Street), (Also except that part falling in of the West ½ of the Southwest ¼ of Section 36, Township 41 North, Range 9 East of the Third Principal Meridian, in Cook County), Illinois, more particularly described as follows:

Beginning at the intersection of the East line of the West ½ of the Southwest ¼ of said Section 36 with the Southerly right of way line of U.S. Route 20 (Lake Street); thence North 53°46'42" West, along said Southerly right of way line of US 20 (Lake Street), 1,248.00 feet; thence North 59°30'00" West, continuing along said Southerly right of way line, 100.39 feet; thence North 57°37' 56" West, continuing along said Southerly right of way, 148.67 feet; thence South 53°46'42" East, 952.55 feet; thence South 36° 13'18" West, 10.00 feet; thence South 53°46'42" East, 100.00 feet; thence North 36°13' 18" East, 10.00 feet; thence South 53°46'42" East, 458.46 feet to a point on the East line of said West ½ of the Southwest ¼ of Section 36; thence North 00°16'34" West along said East line, 24.88 feet to the point of beginning), all in Cook County, Illinois.

Parcel 2:

That part of the West ½, of the Southwest ¼ of Section 36, Township 41 North, Range 9 East of the Third Principal Meridian, described as follows:

Commencing at the intersection of the East line of the West ½ of said Southwest ¼ with the Southerly right of way line of U.S. Route 20; thence Northwesterly along said Southerly right of way line, a distance of 496.95 feet to a point on a line that is 400 feet West of (measured at right angle thereto) and parallel with the East line of the West ½ of said Southwest ¼ for the point of beginning; thence South along said parallel line for a distance of 1022.7 feet to the Northerly right of way line of Chicago, Milwaukee, St. Paul and Pacific Railroad; thence Northwesterly along said Northerly right of way line, a distance of 561.11 feet to a point on a line that is 953.44 feet West of (measured at right angle thereto) and parallel with the East line of the West ½ of the Southwest ¼; thence North along said parallel line, a distance of 1,338.54 feet to the Southerly right of way line of U.S. Route 20; thence Southeasterly along said Southerly right of way line, a distance of 687.74 feet to the point of beginning, (Except that part falling in of the West ½ of the Southwest ¼ of Section 36, Township 41 North, Range 9 East of the Third Principal Meridian, in Cook County, Illinois, more particularly described as follows:

Beginning at the intersection of the East line of the West ½ of the Southwest ¼ of said Section 36 with the Southerly right of way line of U.S. Route 20 (Lake Street); thence North 53°46'42" West, along said Southerly right of way line of US 20 (Lake Street), 1,248.00 feet; thence North 59°30'00" West, continuing along said Southerly right of way line, 100.39 feet; thence North 57°37'56" West continuing along said Southerly right of way, 148.67 feet; thence South 53°46' 42" East, 952.55 feet; thence South 36° 13'18" West, 10.00 feet; thence South 53°46' 42" East, 100.00 feet; thence North 36°13'18" East, 10.00 feet; thence South 53°46'42" East, 458.46 feet to a point on the East line of said West ½ of the Southwest ¼ of Section 36; thence North 00° 16'34" West along said East line, 24.88 feet to the point of beginning), all in Cook County Illinois.

Shown for Informational purposes only:

Address: 1107-1109 East Lake Street Streamwood, Cook County, Illinois

Tax Parcel ID: a) 06-35-400-012-0000
 b) 06-36-310-039-0000
 c) 06-36-310-045-0000

Exhibit D

Title Exceptions

Mason

1. Warren County Taxes: Assessed to Worthington Custom Plastics, Inc.: Tax Parcel # 12-19-100-013
Valuation; Land \$202,570.00 Improvements; \$1,992,760.00 Total: \$2,195,330.00
2005 County Taxes in the amount of \$71,489.11 per half and are paid for the year of 2005,
2006 County Taxes are not yet due and payable but constitute a lien.
 2. Warren County Taxes: Assessed to Worthington Custom Plastics, Inc.: Tax Parcel # 12-20-300-007
Valuation: Land \$49,960.00 Improvements; \$0 Total: \$49,690.00
2005 County Taxes in the amount of \$1,626.91 per half and are paid for the year of 2005,
2006 County Taxes are not yet due and payable but constitute a lien.
 3. A reading of the survey entitled "ALTA/ACSM Land Title Survey for Blackhawk Automotive" prepared Bock and Clark, Project No. 20061027-2 certified on July 25, 2006, results in the following exceptions to-wit:
 - a) Third Party rights if any to use of the railroad spur that encroaches upon the northwest corner of property. "NOTE: The Company hereby insures against the loss or damage which the insured may sustain, up to the face amount of the policy, by reason of the utilization of the spur tracks now located upon the land, or any replacement tracks, for purposes other serving improvements located on the land or by reason of any third party claim of an easement as a result of the existences of said spur tracks or any replacement tracks.
 4. Certificate of Amendment to change name of Worthington Custom Plastics, Inc. to Blackhawk Automotive Plastics, Inc., recorded 6/12/00 in O.R. Book 1959, Page 793 of the Warren County, Ohio Recorder's Office.
 5. Easement to Cincinnati Gas and Electric Company as set forth in the instrument recorded in Deed Book 318, Page 181; Deed Book 503, Page 21; Deed Book 410, Page 389, partial release of record in Deed Book 504, Page 582, Deed Book 503, Page 21; and Volume 1700, Page 309 of the Warren County, Ohio Recorder's Office. "NOTE: The Company hereby insures against the loss or damage which the insured shall sustain by reason of the entry of any court order or judgment which constitutes a final determination and denies the right to maintain the existing improvements on the land because of the encroachment or encroachments thereof specifically set forth in this exception number 5.
 6. Easement to Dayton Power and Light Company for electric transmission and/or distribution of lines or record in Deed Book 318, Page 179 of the Warren County, Ohio Recorder's Office.
 7. Easement reserved in favor Louam, Corp. in General Warranty Deed from Louam, Corp. to Buckeye International, Inc. in Volume 499, Page 884 of the Warren County, Ohio Recorder's Office,
 8. Easement dated October 30, 1961 from Edgar Spears and Elfrieda Spears to The Cincinnati Gas and Electric Company for electric transmission/distribution lines, filed for record November 9, 1961 at 9:55 a.m. in Volume 318, Page 177, Warren County Mortgage Records. Said easement was assigned by a separate instrument dated December 8, 1964 from Cincinnati Gas and Electric Company to Tri-State Improvement Company, filed for record December 31, 1964 at 9:20 a.m. in Volume 359, Page 190, Warren County Deeds Records.
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Special Exceptions:

1. Taxes of the Town of Pomfret, not yet due and payable.
2. Sewer and water use charges, not yet due and payable.
3. Fire District Taxes, not yet due and payable.
4. Permanent Easement in favor of The Connecticut Light and Power Company dated December 20, 1965 and recorded in Volume 41 at Page 82 of the Pomfret Land Records.
5. Boundary Line Agreement by and between John Burke and Farm Acquisition Corp. dated January 25, 1990 and recorded in Volume 85 at Page 143 of the Pomfret Land Records.
6. Sanitary Sewer and Water Easement in favor of the Town of Pomfret dated August 25, 1992 and recorded in Volume 101 at Page 242 of the Pomfret Land Records.
7. Terms and provisions of a Fence Installation and Maintenance Agreement dated January 25, 1992 and recorded in Volume 112 at Page 266 of the Pomfret Land Records.
8. Survey entitled "ALTA/ASCM Land Title Survey Prepared for STAG III Pomfret, LLC, #153 Searles Road, Pomfret, Connecticut" Scale: 1" = 60', Date: 1/14/06. Sheet: 1 of 1, Proj # 01065, drawn by KWP Associates, 250 Killing Road, Pomfret Center, CT 06259-0106, shows the following: Multi-level wood frame, concrete block and corrugated metal office building encroaching within current setback requirements along western boundary line; Two separate concrete block buildings; Open concrete pool; Lagoon; Sand filter beds; Fenced-in gas tank; Pond; Wood frame building; Boundary line agreement (exception 5 herein) along northern boundary line of premises; 30' Sanitary sewer and water easement in favor of the Town of Pomfret (exception 6 herein) intersecting eastern boundary line of premises; Gravel drive intersecting southeastern boundary line of premises; 25' Right of Way begins at south westerly portion of premises traveling in a westerly direction to Searles Road through land now or formerly of Debra A. Osborne in favor of the insured premises; Pea stone turnaround encroaches onto neighboring property at western boundary line of premises; Fence traverses western boundary line of premises (pursuant to exception 7 herein); and Connecticut Light and Power Company easement (exception 4 herein) intersects western boundary line of premises.
9. Mortgage from STAG III Pomfret, LLC to Anglo Irish Bank Corporation plc, a banking corporation organized under the laws of the Republic of Ireland dated November 28, 2006 and recorded December 1, 2006 at 1:00 P.M. in Volume 263 at Page 336 in the Pomfret Land Records to secure a loan in the original principal amount of \$4,600,000.00.
10. An Assignment of Leases and Rents from STAG III Pomfret, LLC, Assignor, to Anglo Irish Bank Corporation plc, a banking corporation organized under the laws of the Republic of Ireland, Assignee, dated November 28, 2006 and recorded December 1, 2006 at 1:00 P.M. in Volume 264 at Page 1 in the Pomfret Land Records.

The following endorsements are attached hereto and made part of this policy:

Comprehensive Endorsement;
Access Endorsement;
Zoning Endorsement with reference to "Number of Parking Spaces;"
Same as Survey Endorsement;
Tax Parcel Endorsement;
Subdivision Endorsement;
Creditors' Rights Endorsement;

STANDARD EXCEPTIONS:

1. (a) Rights or claims of parties in possession not shown by the public records.
(b) Easements, or claims of easements, not shown by the public records.
(c) Encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by a accurate survey and inspection of the premises.
(d) Any lien, or right to a lien, for services, labor, or material hereto or hereafter furnished, impose by law and not shown by the public records.
(e) Taxes or special assessments which are not shown as existing liens by the public records.

Standard Exceptions (a) through (e) are hereby waived.

ADDITIONAL EXCEPTIONS:

1. General real estate taxes for the year(s) 2006, 2007 and subsequent years.
Permanent Index Number: 06-35-400-012-0000 (Volume number 061) (Affects part of Parcel 1)
Note: The first estimated installment of the 2006 taxes is paid.
Note: The second final installment of the 2006 taxes has not been determined.
Note: The taxes for the year(s) 2007 are not yet due and payable.
 2. General real estate taxes for the year(s) 2006, 2007 and subsequent years.
Permanent Index Number: 06-36-310-039-0000 (Volume number 061) (Affects part of Parcel 2)
Note: The first estimated installment of the 2006 taxes is paid.
Note: The second final installment of the 2006 taxes has not been determined.
Note: The taxes for the year(s) 2007 are not yet due and payable.
 3. General real estate taxes for the year(s) 2006, 2007 and subsequent years.
Permanent Index Number: 06-36-310-045-0000 (Volume number 061) (Affects part of Parcel 1)
Note: The first estimated installment of the 2006 taxes is paid.
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Note: The second final installment of the 2006 taxes has not been determined.

Note: The taxes for the year(s) 2007 are not yet due and payable.

4. Lease made by Duraco Products, Inc. to Chicago SMSA limited partnership, an Illinois limited partnership, dated September 19, 1994, a memorandum of which was recorded December 5, 1994 as document No. 04015568. demising the land for a term of years beginning November 01, 1994 and ending October 31, 1999, and options to extend, and all rights thereunder of, and all acts done or suffered thereunder by, said lessee or by any party claiming by, through or under said Lessee.

Assignment and Assumption Agreement dated September 1, 2000 by and between Chicago SMSA limited Partnership, an Illinois Limited Partnership and Crown Castle GT Company LLC, a Delaware limited liability company recorded April 18, 2001 as document number 0010315158.

Assignment and Assumption Agreement dated February 28, 2007 by and between Duraco Products, Inc. and STAG III Streamwood, LLC recorded March 29, 2007 as document number 0708805163.

5. Right of way for railroads, switch tracks or spur tracks, as delineated on the survey executed by Webster, McGrath and Ahlberg LTD. Dated January 15, 2007 job number 37825 and right of the railroad company to the use, operation, maintenance and repair of same.

6. The rights of Duraco Products, Inc. as tenant only, under that lease dated February 28, 2007 with STAG III Streamwood, LLC.

7. Mortgage and Security Agreement dated March 13, 2007 and recorded March 29, 2007 as document number 0708805159, made by STAG III Streamwood, LLC, a Delaware limited liability company, to Anglo Irish Bank Corporation plc, a banking corporation organized under the laws of the Republic of Ireland, to secure an indebtedness of \$22,800,000.00 and such other sums as provided therein.

8. Collateral Assignment of Leases and dated March 13, 2007 and recorded March 29, 2007 as document number 0708805160, made by STAG III Streamwood, LLC, a Delaware limited liability company, to Anglo Irish Bank Corporation plc, a banking corporation organized under the laws of the Republic of Ireland.

9. Security interest of Anglo Irish Bank corporation plc, a banking corporation organized under the laws of the Republic of Ireland, under a financing statement executed by STAG III Streamwood LLC, a Delaware limited liability company, and filed as document number 0708805161.

10. Right to maintain and have access to the sanitary sewer and sanitary manholes and transformers and underground electric line along the northerly line of subject property as delineated on the survey executed by Webster, McGrath and Ahlberg LTD. Dated January 15, 2007 job number 37825

11. Right of adjoining property to the East to Outflow storm water onto the subject property as delineated on the survey executed by Webster, McGrath and Ahlberg LTD. Dated January 15, 2007 job number

Exhibit E

Form of Purchase and Sale Agreement

See attached

E-1

PURCHASE AND SALE AGREEMENT

BETWEEN

STAG III PROPERTIES, LLC

(as Seller)

AND

[]

(as Purchaser)

CONCERNING CERTAIN PROPERTY KNOWN AS

[]

AND LOCATED AT

[]

Schedules and Exhibits

Schedule 1.1	-	Defined Terms
Schedule 3.1	-	Deposit Escrow Provisions
Schedule 5.1	-	Seller Deliveries
Exhibit A	-	Land
Exhibit B	-	Form of Lease Estoppel Certificate
Exhibit C	-	Lease Related Disclosures
Exhibit D	-	Exceptions to Seller Representations
Exhibit E	-	Form of Assignment and Assumption of Membership Interests
Exhibit F	-	Form of Updated Representation Certificate
Exhibit G	-	List of Contracts
Exhibit H	-	List of Personal Property
Exhibit I	-	List of Warranties
Exhibit J	-	Additional Representations and Warranties
[Exhibit H	-	Omitted
Exhibit I	-	Form of FIRPTA Certificate

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “ Agreement ”) is entered into as of the Effective Date (defined below) by and between **STAG III PROPERTIES, LLC** , a Delaware limited liability company (the “ Seller ”), and [], a [], its nominee or assignee (the “ Purchaser ”), and is joined in by the Title Company (defined below) in accordance with Schedule 3.1 .

Background

- A. Seller is the owner of one hundred percent (100%) of the membership interests in [], a [] (the “ Company ”);
- B. The Company owns the Property commonly known as [], which is located at [], and is the landlord under the Lease; and
- C. Seller has agreed to sell, and Purchaser has agreed to purchase, all of Seller’s right, title and interest in the Company (collectively, the “ Membership Interests ”) , as hereinafter provided.

Agreement

In consideration of the mutual promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

Definitions

Section 1.1. Definitions . For purposes of this Agreement, capitalized terms not otherwise defined herein have the meaning set forth in Schedule 1.1 .

ARTICLE 2

Agreement; Purchase Price; Closing Date

Section 2.1. Agreement to Sell and Purchase . Subject to the terms and provisions hereof, Seller agrees to sell the Membership Interests to Purchaser, and Purchaser agrees to purchase the Membership Interests from Seller.

Section 2.2. Purchase Price . The Purchase Price for the Membership Interests shall be [] (\$). Subject to the adjustments and apportionments as hereinafter set forth, the Purchase Price shall be paid on the Closing Date by: (i)

so long as any portion of the Loan remains unpaid, by wire transfer of immediately available federal funds or (ii) if the Loan has been repaid in full, by a combination of OP Units and cash, in the sole and absolute discretion of Purchase. The value of the OP Units shall be their Market Value as of the day immediately preceding the Closing Date and the number of OP Units shall be rounded to the nearest whole number of OP Units to avoid the issuance of fractional OP Units.

Section 2.3 . Closing Date . The transaction contemplated hereby shall close on _____, 2010 [*the date that is seventy-five (75) days following Seller's receipt of an option exercise notice, or if such date is not a business day, the next business day; provided the parties may agree upon an earlier date; actual date to be inserted in execution version*] (the "Closing Date"), subject to extension as provided herein.

ARTICLE 3

Deposit

Section 3.1 . Deposit . Purchaser has deposited [_____] (\$ _____) [5% of the Purchase Price] with the Title Company. All deposits made pursuant to this Section 3.1, together with all interest and earnings thereon, are referred to collectively in this Agreement as the "Deposit." The Deposit shall be held in a segregated account in accordance with the provisions of Schedule 3.1 hereto. The Deposit shall be applied to the Purchase Price if the Closing occurs. If the Closing does not occur or if this Agreement otherwise terminates, the Deposit shall be disbursed as provided herein.

ARTICLE 4

Title and Survey

Section 4.1 . Title and Survey . Promptly upon execution of this Agreement, (a) Seller shall provide Purchaser with a copy of the most recent owner's and lender's title insurance policies issued in connection with the Real Property, legible copies of all documents listed as exception documents in such title insurance policies and all existing surveys of the Real Property, to the extent that the same are in Seller's or the Company's possession or control; and (b) Purchaser shall order a title commitment or pro forma title policy (the "Title Commitment") and, at its election, an ALTA survey of the Real Property (the "Survey"). Notwithstanding anything in this Agreement to the contrary, all Voluntary Liens will be satisfied by Seller or the

Company on or prior to the Closing Date or, if not so satisfied, shall be satisfied at Closing out of the proceeds otherwise payable to Seller.

ARTICLE 5

Inspection and Audit

Section 5.1 . Due Diligence Materials ; Access .

(a) Within three (3) Business Days from the Effective Date, Seller shall provide to Purchaser complete copies of the documents and materials listed on Schedule 5.1, to the extent in Seller's possession and control; provided that, to the extent Purchaser or any of its affiliates is providing administrative or management services to Seller or the Company with respect to the Property, Seller shall be deemed to have satisfied its obligation under this Section 5.1(a) if the documents and materials listed on Schedule 5.1 are available to Purchaser or its affiliates in connection with the performance of such administrative or management services, and such documents and materials shall be deemed to have been delivered by Seller to Purchaser pursuant to this Section 5.1(a).

(b) During the term of this Agreement, Purchaser, personally or through its authorized agents or representatives, shall be entitled to interview the Tenant and any subtenants and, upon reasonable advance notice to Seller, to enter upon the Property during normal business hours, and shall have the right to make such investigations, including appraisals, engineering studies, soil tests, environmental studies, inquiry of governmental officials, and underwriting analyses, as Purchaser deems necessary or advisable, subject to the following limitations: (i) Purchaser shall give Seller written or telephonic notice at least one (1) Business Day before conducting any inspections on the Property, and a representative of Seller or the Company shall have the right to be present when Purchaser or its representatives conducts its or their investigations on the Property; (ii) neither Purchaser nor its representatives shall materially interfere with the use, occupancy or enjoyment of the Property by the Tenant; (iii) neither Purchaser nor its agents shall damage the Property or any portion thereof, except for any immaterial damage caused by environmental or geotechnical tests, all of which shall promptly be repaired by Purchaser; and (iv) Purchaser shall indemnify, hold harmless and defend Seller against all costs (including reasonable attorneys' fees) and damage to the Property caused by the activities of Purchaser or its agents under this paragraph, provided; however, that such indemnity shall not include any costs or damages caused by (x) the acts of the Company, Seller or their agents or representatives, (y) any claims of diminution in the value of the Property as a consequence of the results revealed by such tests and inspections or (z) any pre-existing condition of the Property. The foregoing indemnification obligation shall survive the Closing or termination of this Agreement for a period of three (3) months.

Section 5.2 . Intentionally Omitted .

Section 5.3 . Confidentiality . Purchaser shall use the Confidential Information only for purposes of evaluating the Property and the Membership Interests in connection with its potential purchase of the Membership Interests in accordance with the terms of this Agreement (and, if the Closing occurs, in connection with its ownership of the Company and indirectly, the Property).

Notwithstanding the foregoing, (a) Purchaser may disclose the Confidential Information to its owners, legal counsel, accountants, actual and potential lenders, actual and potential investors, regulatory authorities and similar third parties that need to review the Confidential Information in connection with Purchaser's purchase of the Membership Interests in accordance with the terms of this Agreement, and (b) Purchaser may disclose the Confidential Information to the extent that such disclosure is required by law or court order or by discovery rules in any legal proceeding, provided that Purchaser first shall provide written notice thereof to Seller. If this Agreement is terminated before the Closing, Purchaser promptly shall return the Confidential Information to Seller and shall not retain copies thereof. Except as otherwise provided in Subsection (b) of this Section 5.3, prior to Closing neither Seller nor Purchaser shall disclose this Agreement or make any public announcements concerning the sale of the Membership Interests pursuant to this Agreement without first obtaining the prior written consent of the other, which consent may be given or withheld in the sole discretion of either party. In addition, and notwithstanding the foregoing restrictions, Seller and Purchaser authorize each other and their respective representatives to disclose to any persons, without limitation of any kind, the tax treatment and tax structure of the transaction contemplated hereby and all materials of any kind, including tax analyses or opinions, relating to such tax treatment and tax structure. The provisions of this paragraph shall survive the Closing or termination of this Agreement.

Section 5.4. Intentionally Omitted.

Section 5.5. Cooperation. During the term of this Agreement, Seller shall direct its property manager, agents and employees to cooperate with the reasonable requests of Purchaser to obtain information concerning the Property and the Membership Interests, including information supplementary to the information described in Schedule 5.1.

Section 5.6. [Revocation] Purchaser may decide at any time before the Closing Date, not to proceed with the acquisition of the Membership Interests by delivering written notice to Seller prior to the Closing Date. If Purchaser elects not to acquire the Membership Interests in accordance with this Section 5.6, this Agreement shall terminate and Seller shall be entitled to retain the Deposit.]

ARTICLE 6

Conditions Precedent, Casualty Damage or Condemnation

Section 6.1. Conditions Precedent Favoring Purchaser . In addition to any other conditions precedent in favor of Purchaser set forth elsewhere in this Agreement, Purchaser's obligations under this Agreement are subject to the timely fulfillment of the conditions set forth in this Section 6.1 on or before the Closing Date, or such earlier date as is set forth below. Each condition may be waived in whole or in part only by written notice of such waiver from Purchaser to Seller.

(a) Seller shall have performed and complied and shall have caused the Company to have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by Seller or the Company, as applicable, prior to or at the Closing;

(b) On the Closing Date, the Seller Representations set forth in Section 7.3 shall be true, complete and accurate;

(c) Purchaser shall have received an estoppel certificate from the Tenant dated no earlier than thirty (30) days prior to the Closing Date reflecting the terms of the Lease and otherwise substantially in the form attached hereto as Exhibit B. This condition shall not be satisfied if any Tenant estoppel certificate discloses: (i) any default by landlord or Tenant; (ii) any amendment, modification or supplement to the Lease that was not provided to Purchaser before the commencement of the Restricted Period; or (iii) any other information that is inconsistent in any material respect with the Lease or related information as provided to Purchaser before the commencement of the Restricted Period. Seller shall cause the Company to use good faith, commercially reasonable efforts to obtain such estoppel certificate from the Tenant, and shall deliver a copy of such estoppel to Purchaser promptly upon receipt thereof by Seller or the Company. Seller shall allow Purchaser to review the estoppel certificate before presenting it to the Tenant;

(d) Purchaser shall have received a subordination, non-disturbance and attornment agreement (“SNDA”), subordinating the Lease to the loan of Purchaser’s mortgage lender, if any, in a form that is recordable in the land records of the Property and is reasonably acceptable to Purchaser and such lender. Seller shall use good faith, commercially reasonable efforts to obtain such SNDA, and shall deliver the original of such SNDA in recordable form promptly upon receipt thereof by Seller;

(e) On the Closing Date, title to the Property shall be vested in the Company subject only to the Permitted Exceptions and the Title Company shall issue to the Company an extended coverage owner’s title insurance policy (on the current ALTA Form B) in the amount of the Purchase Price, together with the Required Endorsements, insuring good and indefeasible fee simple title to the Real Property in the Company, subject only to the Permitted Exceptions and the standard printed exceptions, except that: (i) the exceptions for mechanic’s liens, unrecorded easements and sovereign lands shall be deleted; (ii) the survey exception shall be limited to Permitted Exceptions; (iii) the exception relating to ad valorem taxes shall relate only to taxes owing for the year of closing and subsequent years; (iv) the parties-in-possession exception shall be deleted except as to the Tenant, as tenant only, as provided for in the Lease; and (v) the exclusion relating to creditor’s rights shall be deleted;

(f) On the Closing Date, (i) the Property shall be in the same condition that it is in now, reasonable wear and tear excepted, and free from tenants and occupants, except for the Tenant pursuant to the Lease; (ii) Seller shall own one hundred percent (100%) of the Membership Interests in the Company, free from all liens and encumbrances, (iii) there shall be no judicial or administrative or condemnation proceeding pending or threatened concerning the Property nor shall there be any judicial or administrative proceeding pending or threatened against the Company that was not disclosed in writing to Purchaser before the commencement of the Restricted Period; (iv) the Property and the use and operation thereof shall comply in all material respects with all Legal Requirements; (v) the Lease shall be in full force and effect and free from default, except for any default that was disclosed in writing to Purchaser before the Closing Date; and (vi) there shall be no bankruptcy proceeding pending or threatened in writing with respect to the Tenant or the Company;

(g) On the Closing Date, there shall be no Hazardous Materials at the Property that have not been fully remediated in accordance with all applicable laws, and Purchaser shall have received a third party environmental report satisfactory to Purchaser confirming the same;

(h) Purchaser shall have received a certificate of insurance evidencing the various insurance coverages required to be maintained by the Tenant pursuant to the terms of the Lease;

(i) Seller shall provide to Purchaser a final, non-appealable certificate of occupancy for all of the Improvements and any certificates or approvals necessary to permit the use of any parking facilities at the Property (collectively, the “Certificate of Occupancy”);

(j) No action or proceeding by or before any governmental authority (as they relate to the Property subject to the Closing) shall have been instituted that is reasonably expected to restrain, prohibit or invalidate the transactions contemplated by this Agreement, other than an action or proceeding instituted by Seller;

(k) All necessary consents of governmental and private parties (as they relate to the Property subject to the Closing) to effect the transactions contemplated by this Agreement[, including, without limitation, consents of lenders,] (5) shall have been obtained; [and] (6)

(l) If OP Units are to be issued as part of the consideration to be paid for Membership Interests, Purchaser shall, based on advice of its counsel, be reasonably satisfied that such issuance and the contemplated distribution of OP Units to Seller may be made without registration under the Securities Act in reliance upon Regulation D[]; and

Section 6.2 . Conditions Precedent Favoring Seller . In addition to any other condition

precedent in favor of Seller set forth elsewhere in this Agreement, Seller's obligations under this Agreement are expressly subject to the timely fulfillment of the conditions set forth in this Section 6.2 on or before the Closing Date, or such earlier date as is set forth below. Each condition may be waived in whole or part only by written notice of such waiver from Seller to Purchaser.

(a) Purchaser shall have performed and complied in all material respects with all of the terms of this Agreement to be performed and complied with by Purchaser prior to or at the Closing;

(b) On the Closing Date, the representations of Purchaser set forth in Section 7.2 shall be true, accurate and complete;

(c) No action or proceeding by or before any governmental authority (as they relate to the Property subject to the Closing) shall have been instituted that is reasonably expected to restrain, prohibit or invalidate the transactions contemplated by this Agreement, other than an action or proceeding instituted by Purchaser; provided, that the foregoing condition shall be deemed to have been satisfied if Purchaser shall have agreed to fully indemnify Seller from any loss, liability, claim, damage or expense arising out of Seller's proceeding to close under this Agreement in the face of any such action or proceeding; and

(d) All necessary consents of governmental authorities, if any, (as they relate to the Property subject to the Closing) to effect the transactions contemplated by this Agreement shall have been obtained; provided, that the foregoing condition shall be deemed to have been satisfied if Purchaser shall have agreed to fully indemnify Seller from any loss, liability, claim, damage or expense arising out of Seller's proceeding to close under this Agreement without having obtained a necessary consent.

Section 6.3. Risk of Loss. Unless and until the Closing is completed, the risk of loss to the Property from casualty or condemnation shall be borne by Seller. If all or a portion of the Property is damaged or destroyed by fire or other casualty prior to Closing such that: (1) Purchaser's reasonable estimate of the cost to repair the same exceeds \$ *[insert 2% of the Purchase Price]*; (2) the Tenant has the right to terminate the Lease or abate or offset rent under the Lease on account of such casualty; or (3) access to or egress from the Property is materially impaired (any such fire or other casualty, a "Material Casualty"), Purchaser may, at Purchaser's sole option, elect to either:

(a) terminate this Agreement and receive back the Deposit; or

(b) purchase the Membership Interests subject to and in accordance with the terms of

this Agreement.

In the event of a fire or other casualty that is not a Material Casualty, and in connection with any Material Casualty as to which Purchaser elects to proceed pursuant to Section 6.3(b), (i) Purchaser shall purchase the Membership Interests in accordance with the terms hereof without reduction in the Purchase Price (except for any applicable deductible that will reduce the insurance proceeds assigned to Purchaser at Closing) and (ii) Seller shall assign or cause the Company to assign to Purchaser at Closing all insurance proceeds paid or payable to the Company on account of such damage, including any rental or business interruption insurance (and the amount of any deductible shall be credited against the Purchase Price). Purchaser shall be deemed to have elected to terminate this Agreement under Section 6.3(a) unless, within fifteen (15) Business Days from reasonably detailed written notice to Purchaser of such casualty, Purchaser provides Seller with written notice that Purchaser elects to proceed pursuant to Section 6.3(b). If the Closing Date would otherwise occur sooner, it shall automatically be extended to the date that is twenty (20) Business Days after written notice to Purchaser of the casualty. If any insurance proceeds paid or payable on account of a fire or other casualty are to be assigned to Purchaser in accordance with the provisions of this Agreement, Seller shall cooperate as reasonably requested by Purchaser to effectuate such assignment (including, if necessary, prosecuting claims in Purchaser's names or for Purchaser's benefit), and Seller's obligation to so cooperate shall survive the Closing. Notwithstanding anything to the contrary in this Section 6.3, if the Company fails to maintain full replacement cost insurance or rental interruption insurance as required herein, and if there is a fire or other casualty that is not a Material Casualty, or if there is a Material Casualty as to which Purchaser elects to proceed under Section 6.3(b), Purchaser shall have the right, in lieu of an assignment of insurance proceeds, to receive a credit against the Purchase Price in an amount equal to the cost to repair the damage caused by such fire or other casualty as estimated by a third party consultant selected by Purchaser and the amount of any lost rents that would have been covered by insurance if the Company had maintained the rental insurance required above.

Section 6.4. Condemnation. If, at any time before completion of the Closing, a taking or condemnation (or proceeding in lieu thereof) is commenced or threatened in writing: (i) of all or substantially all of the Property; or (ii) of less than all or substantially all of the Property that: (1) results in the Tenant having the right to terminate its Lease or abate or offset rent under the Lease; (2) causes the Property to fail to comply with Legal Requirements; (3) materially impairs access to or egress from the Property; (4) causes the loss of any parking that benefits the Property; or (5) otherwise, in Purchaser's reasonable business judgment, results in a loss of value in excess of \$ [insert 2% of the Purchase Price] (any of the foregoing, a "Material Taking"), Purchaser may, at Purchaser's sole option, elect either to:

- (a) terminate this Agreement and receive back the Deposit; or
- (b) purchase the Membership Interests subject to and in accordance with this Agreement.

In the event of condemnation or taking that does not constitute a Material Taking, or if there is a Material Taking but Purchaser elects to proceed under Section 6.4(b), (1) Purchaser shall purchase the Membership Interests in accordance with the terms hereof (without reduction

in the Purchase Price), (2) Seller shall assign or cause the Company to assign to Purchaser at Closing all condemnation proceeds and rental interruption insurance paid or payable to the Company as a result of such condemnation, (3) Purchaser shall have the right to be present with Seller at any hearings or negotiations with respect thereto, and (4) Seller shall not settle or compromise any such matter without Purchaser's prior written consent. Purchaser shall be deemed to have elected to terminate this Agreement under Section 6.4(a) unless, within fifteen (15) Business Days from written notice to Purchaser of the condemnation, Purchaser provides Seller with written notice that Purchaser elects to proceed pursuant to Section 6.4(b). If the Closing Date would otherwise occur sooner, it shall automatically be extended to the date that is twenty (20) Business Days after written notice to Purchaser of the Material Taking.

Section 6.5. Leasing and Other Activities Prior to Closing.

- (a) During the term of this Agreement, Seller shall not permit the Company to enter into any Lease Transaction without Purchaser's prior written consent, which consent may be given or withheld in Purchaser's sole discretion.
- (b) During the Restricted Period, Seller shall not permit the Company to enter into any new Contracts or material modifications, renewals or terminations of any existing Contracts that would impose any obligations on Purchaser or on the Property after Closing, without the written consent of Purchaser, which consent may be granted or denied in Purchaser's sole discretion. In its request for Purchaser's approval under this Section 6.5(b), Seller shall include the following notice: "NOTE: FAILURE TO RESPOND WITHIN THE TIME PERIOD SET FORTH IN SECTION 6.5(b) WILL RESULT IN A DEEMED APPROVAL". If Seller so requests Purchaser's approval and Purchaser does not notify Seller in writing of its consent or disapproval within ten (10) Business Days after notice thereof from Seller, Purchaser shall be deemed to have consented to such requested action. Without limiting the foregoing approval rights, Seller shall provide Purchaser with prompt notice of any new Contracts or material modifications, renewals or terminations of any such contracts, together with complete copies of the documents relating thereto.
- (c) During the Restricted Period, Seller shall not permit the Company, without Purchaser's prior written approval, (i) to make any material alterations or additions to the Property, except as may be required by law or the Lease or as may reasonably be required for the prudent repair and maintenance of the Property, (ii) to change or attempt to change (or consent to any change in) the zoning or other Legal Requirements applicable to the Property, or (iii) to cancel, amend or modify in any material respect any Permit.
- (d) At all times prior to Closing, Seller shall, or shall cause the Company to, (i) maintain the Property in good condition and repair; (ii) use commercially reasonable efforts to maintain its relations with the Tenant and otherwise conduct business with respect to the Property in a commercially reasonable manner; (iii) perform its obligations under the Lease, the Contracts and the Permitted Exceptions (and, as applicable, enforce the obligations of any other parties to such documents); (iv) insure the Improvements at 100% of replacement cost, maintain at least one year's worth of rental interruption insurance, and maintain liability and other insurance in accordance with generally prevailing industry standards or as otherwise required by the Lease; (v) not sell or further encumber the Property or any direct or indirect interest therein

or sell, pledge or otherwise encumber the Membership Interests or enter into any agreement relating thereto, and (vi) promptly give Purchaser a reasonably detailed written notice of: (1) any fire, flood or other material adverse change with respect to the Property of which Seller or the Company obtains actual knowledge; (2) any actual or proposed condemnation (or proceeding in lieu thereof) of which Seller or the Company obtains actual knowledge; (3) any written notice received by Seller or the Company claiming that the Property or the use and operation thereof fails to comply with any Legal Requirements; (4) any written notice given or received by Seller or the Company claiming that the Company or the Tenant is in default under the Lease; and (5) any written notice received by Seller or the Company concerning any pending or threatened litigation or administrative proceeding affecting the Property. If Seller becomes aware during the term of this Agreement of any matters that render any of its representations or warranties untrue, Seller shall promptly disclose such matters to Purchaser in writing.

ARTICLE 7

As-Is Sale; Limited Representations and Warranties

Section 7.1. As-Is Sale.

(a) Purchaser acknowledges that it is an experienced and sophisticated purchaser of commercial real estate projects such as the Property and that, prior to the Closing, it will have a full and complete opportunity to conduct such investigations, examinations, inspections and analysis of the Company, the Membership Interests, the Property and market conditions as Purchaser, in its absolute discretion, may deem appropriate. Purchaser further acknowledges that, except for Seller Representations, Purchaser has not relied upon any statements, representations or warranties by Seller or any agent of Seller.

(b) Except for the Seller Representations, Purchaser specifically acknowledges and agrees that (i) Seller shall sell and Purchaser shall purchase the Membership Interests and thereby become the owner of the Property "AS IS, WHERE IS AND WITH ALL FAULTS AND ALL LATENT AND PATENT DEFECTS", and (ii) except with respect to Seller's Representations, Purchaser is not relying on any other representations or warranties of any kind whatsoever, whether oral or written, express or implied, statutory or otherwise, from Seller, or any Seller representative as to any matter concerning the Membership Interests or the Property. Without limiting the generality of the foregoing, but excepting Seller's Representations, Purchaser expressly acknowledges and agrees that Purchaser is not relying on any representation or warranty of any broker or representative of Seller, whether implied, presumed or expressly provided at law or otherwise, arising by virtue of any statute, common law or other legally binding right or remedy in favor Purchaser. This Section shall survive the Closing or, if the Closing does not occur, shall survive the termination of this Agreement.

Section 7.2. Purchaser Representations. Purchaser hereby represents and warrants to Seller as follows:

(a) Purchaser is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware. This Agreement constitutes the valid and legally binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms.

(b) There are no actions, suits or proceedings pending or, to the knowledge of Purchaser, threatened, against or affecting Purchaser which, if determined adversely to Purchaser, would adversely affect its ability to perform its obligations hereunder. Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition of Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, (v) admitted in writing its inability to pay its debts as they come due or (vi) made an offer of settlement, extension or composition to its creditors generally. Purchaser has full right, power and authority and is duly authorized to enter into this Agreement, to perform each of the covenants on its part to be performed hereunder and to execute and deliver, and to perform its obligations under all documents required to be executed and delivered by it pursuant to this Agreement.

(c) Neither the execution, delivery or performance of this Agreement nor compliance herewith (i) conflicts or will conflict with or results or will result in a breach of or constitutes or will constitute a default under (1) the organizational documents of Purchaser, (2) to the best of Purchaser's knowledge, any law or any order, writ, injunction or decree of any court or governmental authority, or (3) any agreement or instrument to which Purchaser is a party or by which it is bound or (ii) results in the creation or imposition of any lien, charge or encumbrance upon its property pursuant to any such agreement or instrument.

(d) No authorization, consent, or approval of any governmental authority (including courts) is required for the execution and delivery by Purchaser of this Agreement or the performance of its obligations hereunder.

(e) Purchaser acknowledges that its purchase of the Membership Interests has not been solicited by any general means of advertising and that the purchase of the Membership Interests has been privately negotiated.

Section 7.3. Seller's Representations. Seller warrants and represents to Purchaser as follows:

(a) **Representations Concerning Seller.**

(i) Seller is a [corporation] [limited partnership] [limited liability company], duly formed, validly existing and in good standing under the laws of . This Agreement constitutes the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms;

(ii) There are no actions, suits or proceedings pending or, to the knowledge of Seller, threatened, against or affecting Seller or the Company which, if determined adversely to Seller or the Company, would adversely affect its ability to perform its obligations hereunder.

Neither Seller nor the Company has (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition of its creditors, (c) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of its assets, (e) admitted in writing its inability to pay its debts as they come due or (f) made an offer of settlement, extension or composition to its creditors generally. Seller has full right, power and authority and is duly authorized to enter into this Agreement, to perform each of the covenants on its part to be performed hereunder to cause the Company to take the actions required to be taken by the Company hereunder and to execute and deliver, and to perform its obligations under all documents required to be executed and delivered by it pursuant to this Agreement;

(iii) Neither the execution, delivery or performance of this Agreement nor compliance herewith (a) conflicts or will conflict with or results or will result in a breach of or constitutes or will constitute a default under (1) the organizational documents of Seller or the Company's Organizational Documents, (2) to the best of Seller's knowledge, any law or any order, writ, injunction or decree of any court or governmental authority, or (3) any agreement or instrument to which Seller or the Company is a party or by which it is bound or (b) results in the creation or imposition of any lien, charge or encumbrance upon its or the Company's property pursuant to any such agreement or instrument;

(iv) No authorization, consent, or approval of any governmental authority (including courts) is required for the execution and delivery by Seller of this Agreement or the performance of its or the Company's obligations hereunder;

(v) Seller is not a "foreign person" as defined in Section 1445 of the Code or a "disregarded entity" as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii); Seller's taxpayer identification number is _____;

(vi) (A) All Tax Returns required to be filed by, on behalf of, or with respect to, the Company have been duly and timely filed with the appropriate taxing authorities in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns were true, complete and correct in all material respects; (B) all Taxes due and payable by, on behalf of, or with respect to the Company, either directly or otherwise, have been fully and timely paid, except (1) to the extent adequately reserved for in accordance with generally accepted accounting principles consistently applied on the balance sheet of the Company, and adequate reserves or accruals for Taxes have been provided in the balance sheet of the Company with respect to any period through the date hereof for which Tax Returns have not yet been filed or for which Taxes are not yet due and owing and (2) with respect to real estate taxes and assessments for the Property that are paid directly by the Tenant under the Lease and pursuant to such Lease, as to which Seller has no knowledge of Tenant's material failure to pay such Taxes and Seller covenants to use commercially reasonable efforts to enforce the provisions of such Lease with respect to the payment of such Taxes; (C) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) has been executed or filed with any taxing authority by or on behalf of the Company, and (D) the Company is, and at all times during its

existence has been, a limited liability company that is taxable as a “disregarded entity” (rather than being taxable as an association or a publicly-traded partnership taxable as a corporation);

(vii) The Company has complied in all material respects with all applicable laws, rules and regulations relating to the payment and withholding of Taxes and has duly and timely withheld from employees’ salaries, wages and other compensation and has paid over to the appropriate taxing authorities all amounts required to be so withheld and paid over for all periods under all applicable laws;

(viii) The Company (or Seller on behalf of the Company) has made available to Purchaser, its agents and underwriters complete copies of (A) any audit report, revenue agent report or other written assertions issued within the last three (3) years relating to any material Taxes due from or with respect to the Company with respect to its income, assets or operations, (B) all Tax Returns filed by or on behalf of the Company for all periods for which the applicable statute of limitations has yet to lapse and (C) all Tax rulings, requests for rulings, or closing agreements specifically relating to the Company;

(ix) No claim has been made by a taxing authority in a jurisdiction where the Company does not file an income or franchise Tax Return that the Company is or may be subject to taxation by, or required to file an income or franchise Tax Return in, that jurisdiction;

(x) (A) There are no deficiencies asserted or assessments made as a result of any examinations by any taxing authority of the Tax Returns of or covering or including the Company, or such deficiencies or assessments have been fully paid, and there are no other audits or investigations by any taxing authority in progress, nor has the Company received any notice from any taxing authority that it intends to conduct such an audit or investigation; (B) no requests for a ruling or a determination letter are pending with any taxing authority by, or with respect to, the Company; and (C) no issue has been raised in writing by any taxing authority in any current or prior examination which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency against or with respect to the Company for any subsequent taxable period that could be material;

(xi) Neither the Company nor any other Person on behalf of the Company has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of state, local or foreign law with respect to the Company. No amount will be required to be included as an item of income in, or excluded as an item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date with respect to the Company as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) “closing agreement” as described in Code Section 7121 (or any corresponding or similar provision of applicable state, local or foreign Law) executed on or prior to the Closing Date; (C) election with respect to income from the discharge of indebtedness under Code Section 108(i); (D) prepaid amount received on or prior to the Closing Date; (E) sale reported on the installment method that occurred prior to the Closing Date, or (F) any similar election, action or agreement that would have the effect of deferring any liability for Taxes with respect to the Company from any period ending on or before the Closing Date to any period ending after the Closing Date;

- (xii) Seller is a United States person within the meaning of Section 7701(a)(30) of the Code;
- (xiii) The Company has never constituted or been taxable as a “corporation” or an “association” (within the meaning of the Code);
- (xiv) The Company has never engaged in a “reportable transaction” within the meaning of Treasury Regulations Section 1.6011-4;
- (xv) The transactions contemplated hereby will not result in any income Tax liability to Purchaser or the Company;

(xvi) The Company has no subsidiaries, and the Company has no investments or other interests in any other firm, person or venture other than the Property. The Company has no assets other than cash (if any) and the Property. Owner is not subject to any obligation or requirement to provide funds to or to make any investment (in the form of a loan, capital contribution or otherwise) in or to any person or venture. Seller has not pledged or otherwise encumbered its Membership Interests in the Company;

(xvii) The Company is a single member, single purpose entity disregarded for federal income tax purposes and established for the sole purpose of owning and operating the Property and the Company does not own or operate any property other than the Property; and

(xviii) The Company does not have any employees employed in the management, ownership or operation of the Property. Purchaser and Seller agree that Purchaser shall not assume, shall not take subject to and shall not be liable for, any liabilities or obligations of any kind or nature, whether absolute, contingent, accrued, known or unknown, to former or current employees of the Company, (i) which arise or accrue prior to the Closing including, without limitation, any liabilities or obligations of the Company in connection with any employee benefit plans or collective bargaining agreements, employment agreements or other similar arrangement, any liabilities or obligations with respect to employment arising under any federal, state or municipal statute or common law, or any liabilities or obligations in respect of retiree health benefits, and (ii) with respect to severance payments or other termination payments owing by Seller or the Company to any of the Company’s former or current employees (collectively, “Employee Claims”). No portion of any liability respecting the Employee Claims listed in clause (ii) immediately above shall be passed through or charged to the Tenant by the Company. Seller shall indemnify Purchaser and defend and hold Purchaser harmless from and against all claims arising under any Employee Claims. The provisions of this paragraph shall survive the Closing.

(b) **Representations Concerning the Property.**

(i) **The Lease:**

- (A) Seller has delivered to Purchaser a true, correct and complete copy of the Lease;
- (B) The Lease is in full force and effect, has not been amended,

modified or supplemented, and constitutes the entire agreement between the Company and the Tenant concerning the Property;

(C) There is no default by the Company or Tenant under the Lease or, to the best of Seller's knowledge, there is no condition or event that, with the passage of time or giving of notice, or both, would constitute such a default. The Tenant is not entitled to any reduction in or refund of, and has no counterclaim or offset against, and is not otherwise disputing, any rents or other charges paid, payable or to become payable by the Tenant under the Lease or any of the Tenant's other obligations under the Lease. There are no options or rights to renew, extend or terminate the Lease, except as expressly set forth in the Lease. The Tenant has not indicated to Company or Seller its intent to terminate or attempt to renegotiate its Lease prior to expiration of the term of such Lease. To the knowledge of Seller, the Tenant has not entered into any assignment or sublease with respect to the Lease;

(D) Except as disclosed on Exhibit C, Tenant has not provided any security deposit in connection with the Lease;

(E) There are no free rent, operating expense abatements, incomplete tenant improvements, rebates, allowances, or other unexpired concessions or landlord obligations under the Lease;

(F) Other than the Lease, the Company has not entered into any leases or other occupancy agreements affecting all or any portion of the Property, and there are no tenants or other occupants of all or any part of the Property other than the Tenant under the Lease;

(G) To the knowledge of Seller, the Tenant is not the subject of any bankruptcy, reorganization, insolvency or similar proceedings;

(H) (a) The commencement date of the Lease was _____; the rent commencement date of the Lease was _____;
; and the expiration date of the initial term of the Lease is _____; (b) there are no options remaining unexercised on the part of the
Tenant to renew the Lease except as follows (if none, so state): _____; and (c) monthly basic rent is payable as and when set forth in the
Lease;

(I) (a) Tenant has unconditionally taken possession of and is occupying all of the Property (to the extent that the Property is to be delivered to the Tenant pursuant to the Lease); (b) Landlord has completed all work to be performed by Landlord under the Lease in a good and workmanlike manner and in accordance with the Lease; (c) Landlord has not received any notice from Tenant of any defects in the Property or any related improvements or facilities; (d) Tenant has not delivered any notice alleging any defect or deficiency in the work relating to the Property or any related improvements or facilities; and (e) Landlord has satisfied any and all commitments made to induce Tenant to enter in to the Lease;

(ii) Lease Brokerage. There are no lease brokerage agreements, leasing

commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property, whether now or in the future. No brokerage or similar fee is due or unpaid by Seller or the Company with respect to the Lease or the Property. No brokerage or similar fee shall be due or payable on account of the exercise of any renewal, extension or expansion options arising under the Lease;

(iii) Contracts. Exhibit I sets forth a complete and accurate list of the Contracts. Seller has given Purchaser true and complete copies of the Contracts. The Contracts are in full force and effect and neither the Company nor, to the best of Seller's knowledge, any other party, is in default in any material respect under any Contract;

(iv) Warranties, Permits and Related Matters.

(A) Attached hereto as Exhibit K is a true, complete, correct and complete list of all warranties or guaranties issued in connection with the development, construction, operation, maintenance or repair of the Property, and all amendments and modifications thereto (collectively, the "Warranties"). True and correct copies of all of the Warranties have been delivered to Purchaser. The Warranties are in full force and effect and shall be duly assigned to Purchaser at Closing at Seller's sole expense;

(B) To the best of Seller's knowledge, the Property is in compliance in all material respects with all Legal Requirements, and Seller has no actual knowledge of any claim of violation of any Legal Requirement.

(C) To the best of Seller's knowledge, the Company has obtained all licenses, permits, variances, approvals, and authorizations required from all governmental authorities having jurisdiction over the Property or from private parties for the intended development, construction, use, operation and occupancy of the Property and to insure vehicular and pedestrian ingress to and egress from the Property (collectively, the "Permits"), and all of the Permits are, and will at Closing be, in full force and effect and properly vested in the name of the Company. All appeal periods with respect to the Permits have expired and no appeals have been filed;

(D) Neither Seller nor the Company has received any written notice from any insurance company, insurance rating organization or Board of Fire Underwriters requiring any alterations, improvements or changes at the Property, or any portion thereof;

(E) To the best of Seller's knowledge, other than general real estate taxes, the Company has no obligations to any governmental authority, adjacent property owner or other Person for the payment (or for any donations in lieu of payment) or performance of any infrastructure, capital improvements or other work in connection with the development or ownership of the Property;

(v) Litigation and Other Proceedings.

(A) No condemnation or eminent domain proceedings are pending or, to Seller's knowledge, threatened against the Property or any part thereof, and neither Seller nor the Company has made any commitments to or received any written notice of the desire of any

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public authority or other entity to take or use the Property or any part thereof whether temporarily or permanently, for easements, rights-of-way, or other public or quasi-public purposes;

(B) There are no pending, or to Seller's knowledge, threatened, judicial or administrative proceedings or investigations affecting or relating to the development, construction, use, operation or ownership of the Property;

(vi) Taxes. Seller has delivered true and correct copies of tax bills issued by any applicable federal, state or local governmental authority to the Company or Seller with respect to the Property for the most recent past and current tax years, and any new assessment received by the Company or Seller with respect to a current or future tax year. No portion of the Property comprises part of a tax parcel which includes property other than property comprising all or a portion of the Property. No application or proceeding is pending with respect to a reduction or an increase of such taxes. There are no tax refund proceedings relating to the Property which are currently pending. There are no special taxes or assessments to be levied against the Property nor is Seller aware of any change in the tax assessment of the Property;

(vii) Personal Property. The Company has good title to the Personal Property free and clear of all liens and encumbrances;

(viii) Hazardous Materials. Except as disclosed in writing to Purchaser before the date hereof, neither Seller nor the Company has received any written notice that any Hazardous Material are present at the Property or that the Property is in violation of any Environmental Law. The Company has not used (except as is customary in the course of the operation of the Property and in compliance with all applicable laws), manufactured, generated, treated, stored, disposed of, or released any material amounts of Hazardous Material on, under or about the Property or transported any material amounts of Hazardous Material over the Property or installed, used or removed any storage tank on, from or in connection with the Property. Except as disclosed in writing to Purchaser before the date hereof, to Seller's knowledge, there are no storage tanks or wells (whether existing or abandoned) located on, under or about the Property;

(ix) No Preemptive Rights. The Company has not granted any option or right of first refusal or first opportunity to any party to acquire any interest in the Property and Seller has not granted any option or right of first refusal or first opportunity to any party to acquire any interest in the Company;

(x) Reports and Other Information.

(A) Seller has delivered or made available to Purchaser (without representation or warranty, express or implied, as to the completeness or accuracy thereof) true and complete copies of all Reports;

(B) The plans and specifications for the Improvements, Lease, Permits, Warranties, operating statements, income and expense reports, and all other agreements, books and records relating to the Property delivered or made available by Seller to Purchaser in connection with this Agreement are and at the time of Closing will be copies of such documents

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that are true, complete and correct in all material respects. The operating statements furnished by Seller to Purchaser relative to the Property are true and correct in all material respects and fairly reflect the financial condition, the financial results or other subject matter thereof as of the dates thereof, and there have been no material adverse changes since the date of such statements;

(C) To Seller's knowledge, Seller has not failed to deliver to Purchaser a true and complete copy of any written report or document in Seller's or the Company's possession or control that materially affects the development, ownership, leasing, value or use of the Property;

(xi) Seller Representative. The Designated Seller Representatives have been actively involved in, and are familiar with, the ownership, development, construction, leasing and operation of the Property.

(c) **Representations Concerning the Membership Interests**.

(i) Seller has provided Purchaser with copies of the Company's Organizational Documents that are true, correct and complete and have not been amended or modified;

(ii) Seller owns 100% of the membership interests in the Company free and clear of any liens or encumbrances;

(iii) The Membership Interests are not evidenced by share certificates;

(iv) Other than this Agreement, Seller is not a party to any option, warrant, purchase right or other contract or commitment requiring Seller to sell, transfer or otherwise dispose of the Membership Interests. Seller is not a party to any voting trust, proxy or other agreement with respect to the Membership Interests other than the Company's Organizational Documents;

(v) To Seller's knowledge, there is no litigation or material claims or causes of action, or any government proceeding or inquiry, whether pending or threatened, concerning

the Company or the Membership Interests. To Seller's knowledge, the Company is not in default with respect to any judgment, order, writ, injunction, decree, assessment or similar command of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, affecting the Company or the Membership Interests, nor to Seller's knowledge is any such instrument or other action of the nature indicated above outstanding. To Seller's knowledge, Seller has not committed any act which would give rise to any material legal action or other proceeding before any court or administrative agency affecting the Company or the Membership Interests; and

(vi) In the event any portion of the Purchase Price is paid in OP Units, Seller makes the representations and warranties contained in Exhibit J attached hereto and incorporated herein.

Section 7.4. Seller's Knowledge. Whenever a representation is qualified by the phrase "to the best of Seller's knowledge", or by words of similar import, the accuracy of such representation shall be based solely on the actual (as opposed to constructive or imputed) knowledge of _____ and _____ (collectively, the "Designated Seller Representatives"), without independent investigation or inquiry other than review of Seller's and the Company's files and reasonable inquiry of Seller's and the Company's agents (including property managers and leasing agents), officers and employees who are familiar with the development, ownership, operation and leasing of the Property.

ARTICLE 8

Closing

Section 8.1. Closing Date. The Closing shall take place at 1:00 p.m. on the Closing Date. Unless the parties otherwise agree in writing, the Closing shall be conducted at the principal office of the Seller at such time and, on or before the Closing Date, Seller shall deliver to Purchaser the documents listed in Section 8.2 and Purchaser shall deliver to Seller the documents and funds described in Section 8.3.

Notwithstanding anything to the contrary in this Agreement, if, on the Closing Date, Purchaser is unable to bind property and casualty insurance for the Real Property solely because of the existence of a named hurricane threatening the area in which the Real Property is located, Purchaser may, by written notice to Seller, adjourn the Closing until the date that is three (3) Business Days after the date that such condition no longer exists.

Section 8.2. Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Purchaser (or its nominee), at Seller's sole expense, each of the following items:

(a) (i) An Assignment and Assumption Agreement in the form attached hereto as Exhibit E, (ii) the Representation Update Certificate in the form attached hereto as Exhibit F, (iii) the Closing Statement, and (iv) a non-foreign person affidavit in the form attached hereto as Exhibit I, all duly executed (and, when required, acknowledged) by Seller;

(b) Customary affidavits and certificates as to facts within the knowledge of Seller or the Company relevant to the determination by the Title Company as to the condition of

title (including, without limitation, a gap indemnity affidavit);

(c) At least two original Tenant estoppel certificates;

(d) At least two original SNDAs;

(e) All instruments necessary to dissolve the _____ effective as of the Closing Date;

(f) such other documents and certificates as the Purchaser may reasonably request to establish the authority of the parties executing any documents in connection with the Closing; and

(g) Such other documents as are consistent with the terms of this Agreement and reasonably required to close the transaction contemplated hereby.

Section 8.3. Purchaser's Deliveries. At the Closing, Purchaser shall deliver the following items:

(a) Immediately available federal funds sufficient to pay the Purchase Price (less the Deposit) and Purchaser's share of all escrow costs and closing expenses;

(b) Duly executed and acknowledged originals of the Assignment and Assumption Agreement and the Closing Statement;

(c) Such evidence or documents as may reasonably be required by Seller or the Title Company evidencing the status and capacity of Purchaser and the authority of the Person or Persons who are executing the various documents on behalf of Purchaser in connection with the purchase of the Membership Interests and ownership of the Property; and

(d) Such other documents as are consistent with the terms of this Agreement and reasonably required to close the transaction contemplated hereby.

Section 8.4. Costs and Prorations.

(a) **General.** To the extent not paid directly by Tenant in accordance with the terms of the Lease, real estate taxes and assessments allocable to the payment period that includes the Closing Date, personal property taxes, if any, rental income and all other items of income and expense with respect to the Property shall be prorated between Seller and Purchaser as of the Closing Date in accordance with this Section 8.4. Except as otherwise provided in this Section 8.4., income and expenses shall be prorated on the basis of a 30-day month and on the basis of the accrual method of accounting. All such items attributable to the period prior to the Closing Date shall be credited or charged to Seller, and all such items attributable to the period commencing on the Closing Date shall be credited to Purchaser.

(b) **Rents.** The fixed and minimum rents and all additional rents, escalation

charges, common area maintenance charges, imposition charges, heating and cooling charges, insurance charges, charges for utilities, percentage rent, and all other rents, charges and commissions (collectively, the “Rents”) payable by the Tenant, to the extent collected by Seller or the Company on or prior to the Closing Date and which represent payments of Rents applicable to a period of time on or subsequent to the Closing Date, shall be prorated between Seller and Purchaser at Closing. The Company shall retain at Closing (i) all security or other deposits paid by the Tenant with respect to the Property; (ii) rent prepaid beyond the Closing Date; and (iii) any interest on rental agreement or security deposits or prepaid rent held by or on behalf of the Company and refundable to the Tenant, all of which shall continue to be in the operating account of the Company and shall not be removed by Seller.

(c) **Arrears.** Any of the Rents which are due and payable by the Tenant with respect to the period prior to the Closing Date, but which have not been collected by the Company on or prior to the Closing Date, or payment of which has been deferred until after the Closing Date (the “Arrearage Rents”) shall not be prorated at Closing. Any Arrearage Rents that are paid after the Closing Date shall, subject to the terms below, be paid to Seller, and if the Arrearage Rents are received by the Company or Purchaser, Purchaser shall pay or shall cause the Company to pay the Arrearage Rents to Seller promptly after collection by Purchaser or the Company, as applicable. After Closing, neither Purchaser nor the Company shall have any obligation to collect any Arrearage Rents or to commence any action to enforce the obligation of Tenant to pay the Arrearage Rents. In the event Purchaser elects to commence, or to cause the Company to commence any action or proceeding against Tenant and as a result thereof collects any Arrearage Rents which Purchaser is required to remit to Seller, Purchaser shall be entitled to deduct and retain a portion of the amount collected which is equal to the Pro Rata Share (as hereinafter defined) of the reasonable, third party expenses incurred by Purchaser in connection with the collection of the Arrearage Rents.

(d) **Unknown Rents.** As used herein, the term “Unknown Rents” means any Rents that have accrued as of the Closing but are not due and payable on the Closing Date: (i) because the lease year or other fiscal period for which such Rents are to be computed has not yet expired (including, by way of example only, escalation charges and percentage rents), or (ii) because for any other reason the amount of such Rents cannot be calculated on the Closing Date. Unknown Rents shall not be prorated at Closing but shall be apportioned promptly after expiration of the applicable lease year or other fiscal period and collection of the Unknown Rents. Purchaser shall make reasonable efforts or shall cause the Company to make reasonable efforts to ascertain the amount of the Unknown Rents (but shall not be obligated to commence any action or proceeding to collect Unknown Rents), and when the amounts of the Unknown Rents are ascertained and collected by Purchaser or the Company, Purchaser shall promptly pay (or cause the Company to pay) to Seller a portion (the “Pro Rata Share”) of the Unknown Rents determined by multiplying the Unknown Rents collected by a fraction, the numerator of which is the number of days in the applicable lease year or other fiscal period up to but excluding the Closing Date and the denominator of which is the number of days in the lease year or other fiscal period, less any monies Seller has previously received on account of the Unknown Rents and Seller’s Pro Rata Share of the third party expenses incurred by Purchaser in the collection of the Unknown Rents. In the event it is determined after Closing that the amount of the Unknown Rents received by Seller exceeds the Seller’s Pro Rata Share, Seller shall promptly pay such excess to Purchaser upon demand.

(e) **Taxes**. To the extent not paid directly by Tenant in accordance with the terms of the Lease, all real estate taxes assessed against the Property shall be prorated between Seller and Purchaser on an accrual basis based upon the actual current tax bill. If the most recent tax bill received by the Company before the Closing Date is not the actual current tax bill, then Seller and Purchaser shall initially prorate the taxes at the Closing by applying 100% of the tax rate for the period covered by the most current available tax bill to the latest assessed valuation, and shall re-prorate the taxes retroactively when the actual current tax bill is then available. All real estate taxes accruing before the Closing Date shall be the obligation of Seller and all such taxes accruing on and after the Closing Date shall be the obligation of Purchaser.

(f) **Assessment Installments**. If as of the Closing Date the Property is encumbered or otherwise affected by any assessment (whether or not a lien) which is or may become payable in installments (which the Tenant is not required to pay under the provisions of the Lease), then for the purposes of this Agreement, all unpaid installments of such assessments shall be deemed to have become due and payable prior to the Closing Date and Purchaser shall be entitled to receive a credit against the Purchase Price in an amount equal to all unpaid installments of such assessments, and in such event Purchaser shall take title to the Membership Interests (and indirectly, the Property) subject to the unpaid installments not yet due and payable.

(g) **Utilities**. To the extent not payable directly by the Tenant in accordance with the terms of the Lease, the actual or estimated charges for utilities accrued and payable by the Company shall be prorated between Seller and Purchaser. Deposits for utilities (the “**Utility Deposits**”), plus any interest on the Utility Deposits to which the Company has paid to the utility company, shall be credited to Seller for the full amount thereof at Closing. With respect to water, sewer, electric and gas charges, to the extent not paid by the Tenant under the Lease, Seller shall cause the Company to make reasonable efforts to obtain a reading of the meter or other consumption measuring device as of the Closing Date. If the Company is unable to obtain such a reading, Seller shall furnish a reading as of a date not more than thirty (30) days prior to the Closing Date and the unknown charges shall be apportioned on the basis of an estimate computed by utilizing such reading and the most recent bill from the utility provider.

(h) **Continuing Contracts**. Prepaid charges, payments and accrued charges under any Continuing Contracts shall be prorated at Closing in a manner reasonably acceptable to Seller and Purchaser.

(i) **Closing Costs**. Purchaser and Seller shall each pay their own legal fees related to the preparation of this Agreement and all documents required to settle the transaction contemplated hereby. Purchaser shall pay all costs associated with its due diligence, including, without limitation the cost of any surveys, zoning reports and title policies and all assumption costs, including legal fees, for or in connection with the assumption of any loan or any properties or costs arising out of the prepayment of any loan. Any recording fees, escrow fees and other closing costs (except documentary transfer taxes or other transfer or recording taxes) shall be all allocated according to the custom and practice of the jurisdiction in which the Property is located. To the extent any recording taxes, transfer taxes or documentary stamps are due or become due in connection with the transaction contemplated by this Agreement, such costs shall be paid by Purchaser.

(j) **Closing Statement.** Purchaser and Seller shall cooperate to produce prior to the Closing Date a schedule of prorations to be made as of the Closing Date in accordance with the terms of this Agreement (the "**Closing Statement**"). Any adjustments to estimated figures on the Closing Statement shall be made by the parties with due diligence and cooperation within ninety (90) days following the Closing Date, or such later time as may be required to obtain necessary information for proration, by prompt cash payment to the party yielding a net credit from such prorations from the other party.

Section 8.5. Possession. Possession of the Property shall be retained by the Company at the Closing, subject only to the Lease, rights arising under any Contracts, and the Permitted Exceptions.

ARTICLE 9

Real Estate Commission

Section 9.1. Commissions.

(a) Seller represents, warrants and covenants to Purchaser that Seller has not dealt with any real estate agent or broker in connection with the transaction contemplated hereby. Seller shall indemnify Purchaser against all claims, costs and liability (including reasonable attorneys' fees) arising from or relating to any claims by any other broker or other Person claiming any commission or similar compensation by, through or under Seller.

(b) Purchaser represents, warrants and covenants with Seller that Purchaser has not dealt with any real estate agent or broker in connection with the transaction contemplated hereby. Purchaser shall indemnify Seller against all claims, costs and liability (including reasonable attorneys' fees) arising from or relating to any claims by any broker or other Person claiming any commission or similar compensation by, through or under Purchaser.

The provisions of this **Section 9.1** shall survive the Closing.

ARTICLE 10

Termination and Default

Section 10.1. Termination without Default. If the sale of the Membership Interests is not consummated because of the failure of any condition precedent to Purchaser's obligations expressly set forth in this Agreement or for any other reason except a default by Purchaser in its

obligation to purchase the Membership Interests in accordance with the provisions of this Agreement (which shall be governed by Section 10.2) or any default by Seller of its obligations under this Agreement (which shall be governed by Section 10.3), the Deposit shall promptly be returned to Purchaser and neither Party shall have any further obligations hereunder.

Section 10.2. Purchaser's Default. If the sale contemplated hereby is not consummated because of a default by Purchaser in its obligation to purchase the Membership Interests in accordance with the terms of this Agreement, and if such default is not cured within ten (10) days from written notice thereof from Seller to Purchaser, then: (a) this Agreement shall terminate; (b) the Deposit shall be paid to and retained by Seller as liquidated damages; and (c) Seller and Purchaser shall have no further obligations to each other. PURCHASER AND SELLER ACKNOWLEDGE THAT THE DAMAGES TO SELLER IN THE EVENT OF A BREACH OF THIS AGREEMENT BY PURCHASER WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT THE AMOUNT OF THE DEPOSIT REPRESENTS THE PARTIES' BEST AND MOST ACCURATE ESTIMATE OF THE DAMAGES THAT WOULD BE SUFFERED BY SELLER IF THE TRANSACTION SHOULD FAIL TO CLOSE AND THAT SUCH ESTIMATE IS REASONABLE UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT AND UNDER THE CIRCUMSTANCES THAT SELLER AND PURCHASER REASONABLY ANTICIPATE WOULD EXIST AT THE TIME OF SUCH BREACH. PURCHASER AND SELLER AGREE THAT SELLER'S RIGHT TO RETAIN THE DEPOSIT SHALL BE SELLER'S SOLE REMEDY, AT LAW AND IN EQUITY, FOR PURCHASER'S FAILURE TO PURCHASE THE MEMBERSHIP INTERESTS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

Section 10.3. Seller's Default. If Seller defaults in its obligation to sell the Membership Interests to Purchaser in accordance with the terms of this Agreement, and if such default is not cured within ten (10) days from written notice thereof from Purchaser to Seller, then Purchaser may, as its sole and exclusive remedy at law or in equity: (a) terminate this Agreement by giving written notice thereof to Seller, in which event the Deposit will promptly be returned to Purchaser, and the parties shall have no further obligation to each other; (b) waive such default and consummate the transactions contemplated hereby in accordance with the terms of this Agreement; or (c) specifically enforce this Agreement. Purchaser hereby irrevocably waives any other right or remedy for such default. If Purchaser brings an action for specific performance, the Deposit shall be returned to Purchaser pending the outcome of such action.

Section 10.4. Breach of Representations. The representations and warranties of Seller and Purchaser set forth in this Agreement or in any document or certificate delivered by Seller or Purchaser in connection herewith shall survive the Closing for a period of twelve (12) months (the "Survival Period"), and no action or proceeding thereon shall be valid or enforceable, at law or in equity, unless within such time, written notice thereof is given to the other party; provided, however, that following the closing: (i) the total liability of Seller for all breaches shall not, in the aggregate, exceed [] [*2% of the Purchase Price*] (the "Claim Cap"); and (ii) the total liability of Purchaser for all such breaches shall not, in the aggregate, exceed the Claim Cap. Purchaser further agrees that no claim may or shall be made for any alleged breach of any representations or warranties made by Seller under this Agreement and any document delivered in connection with this Agreement unless the amount of such claim or claims, individually or in

the aggregate, exceeds [] (at which point, subject to the above provisions, Seller shall be responsible for all such damages caused thereby relating back to the first dollar of loss).

Section 10.5. Mutual Indemnifications.

(a) From and after the Closing until expiration of the Survival Period, Seller shall indemnify Purchaser and defend and hold Purchaser harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including reasonable attorneys' fees, resulting from any misrepresentation or breach of warranty by Seller in this Agreement or in any document, certificate, or exhibit given or delivered by Seller pursuant to or in connection with this Agreement; provided however, that Seller's liability following the Closing for any misrepresentation or breach of warranty by Seller in this Agreement or in any document, certificate, or exhibit given or delivered by Seller pursuant to or in connection with this Agreement shall not exceed the Claim Cap; provided, further, that in no event shall Seller have any liability for any such breach regarding which Purchaser had actual knowledge prior to the Closing).

(b) From and after the Closing until expiration of the Survival Period, Purchaser shall indemnify Seller and defend and hold Seller harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including reasonable attorneys' fees, resulting from any misrepresentation or breach of warranty made by Purchaser in this Agreement or in any document, certificate, or exhibit given or delivered by Purchaser pursuant to or in connection with this Agreement; provided, however, that Purchaser's liability following the Closing for any misrepresentation or breach of warranty by Purchaser in this Agreement or in any document, certificate, or exhibit given or delivered by Purchaser pursuant to or in connection with this Agreement shall not exceed the Claim Cap.

(c) Seller shall indemnify Purchaser and defend and hold Purchaser harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including reasonable attorneys' fees, asserted against, incurred or suffered by Purchaser and related to its ownership of the Membership Interests (including, without limitation, those resulting from any personal injury or property damage occurring in, on or about the Property or relating thereto) and occurring during any period in which Seller or its affiliates owned the Company, from any cause whatsoever other than as a consequence of the acts or omissions of Purchaser, its agents, employees or contractors; provided, however, that any claim against Seller under this Section 10.5(c) must be made in writing before the end of the Survival Period.

(d) Purchaser shall indemnify Seller and defend and hold Seller harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including reasonable attorneys' fees, asserted against, incurred or suffered by Seller and related to its ownership of the Membership Interests (including, without limitation, those resulting from any personal injury or property damage occurring in, on or about the Property or relating thereto) and occurring during any period in which Purchaser or its affiliates owns the Company, from any cause whatsoever other than as a consequence of the acts or omissions of Seller, its agents, employees or contractors; provided, however, that any claim against Purchaser under this Section 10.5(d) must be made in writing before the end of the Survival Period.

Any address or name specified above may be changed by notice given to the addressee by the other party in accordance with this Section 11.3. The inability to deliver notice because of a changed address of which no notice was given as provided above, or because of rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any party hereto may be given by the counsel for such party.

Section 11.4. Attorneys' Fees. In the event of a judicial or administrative proceeding or action by one party against the other party with respect to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover reasonable costs and expenses including reasonable attorneys' fees and expenses, whether at the investigative, pretrial, trial or appellate level. The prevailing party shall be determined by the court based upon an assessment of which party's major arguments or position prevailed.

Section 11.5. IRS Real Estate Sales Reporting. Purchaser and Seller hereby agree that the Title Company shall act as "the person responsible for closing" the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Code and shall prepare and file all informational returns, including IRS Form 1099-S, and shall otherwise comply with the provisions of Section 6045(e) of the Code.

Section 11.6. Further Instruments. Each party, promptly upon the request of the other, shall execute and have acknowledged and delivered to the other or to Title Company, as may be appropriate, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions of this Agreement.

Section 11.7. Severability. The parties hereto intend and believe that each provision in this Agreement comports with all applicable local, state and federal laws and judicial decisions. If, however, any provision in this Agreement is found by a court of law to be in violation of any applicable local, state, or federal law, statute, ordinance, administrative or judicial decision, or public policy, or if in any other respect such a court declares any such provision to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that, consistent with and with a view towards preserving the economic and legal arrangements among the parties hereto as expressed in this Agreement, such provision shall be given force and effect to the fullest possible extent, and that the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void, or unenforceable provision were not contained herein, and that the rights, obligations, and interests of the parties under the remainder of this Agreement shall continue in full force and effect.

Section 11.8. Exclusivity. In consideration of the significant time and expense to be devoted by Purchaser to its potential acquisition of the Membership Interests, Seller agrees that, during the term of this Agreement, it will negotiate exclusively with Purchaser concerning a potential sale of the Property and/or the Membership Interests; it will not market the Membership Interests or the Property for sale or allow other potential purchasers to inspect and/or tour the Property or the Membership Interests, as applicable, and it has not and will not enter into any agreement to sell the Property or the Membership Interests to any party other than Purchaser. If Seller breaches its obligations under this Section, Purchaser shall have the right to damages and,

at Purchaser's election, injunctive or other equitable relief.

[The balance of this page has intentionally been left blank. Signature pages follow.]

IN WITNESS WHEREOF , Seller and Purchaser hereto have executed this Agreement as of the Effective Date.

SELLER :

STAG III PROPERTIES, LLC

By: _____
Benjamin S. Butcher
President

PURCHASER :

[_____]

By: _____
Name:
Title:

Schedule 1.1

Defined Terms

“ Agreement ” has the meaning set forth in the first paragraph of this document.

“ Arrearage Rents ” has the meaning set forth in Section 8.4(c) .

“ Business Day ” shall mean any day of the week other than (i) Saturday and Sunday, (ii) a day on which banking institutions in Boston, Massachusetts or _____, are obligated or authorized by law or executive action to be closed to the transaction of normal banking business, or (iii) a day on which governmental functions in the Boston, Massachusetts or _____, area are interrupted because of extraordinary events such as hurricanes, power outages or acts of terrorism.

“ Certificate of Occupancy has the meaning set forth in Section 6.1(i) .

“ Closing ” shall mean the consummation of the purchase and sale of the Membership Interests pursuant to the terms of this Agreement.

“ Closing Statement ” has the meaning set forth in Section 8.4(j) .

“ Code ” shall mean the Internal Revenue Code of 1986, and all amendments thereto and all regulations issued thereunder.

“ Company ” shall have the meaning set forth in the Recitals of this Agreement.

“ Company’s Organizational Documents ” shall mean collectively, (a) the Certificate of Formation of the Company filed with the _____ on _____, and any amendments thereto, and (b) the [*Operating Agreement*] of the Company dated as of _____, and any amendments thereto.

“ Confidential Information ” shall mean any proprietary information concerning the Property provided to Purchaser by Seller, excluding information that is available to the general public or from sources other than Seller.

“ Contracts ” shall mean all development, construction, service, management, leasing, operation, maintenance, repair and other contracts (other than the Lease) affecting the Land or Improvements and all amendments and modifications thereto.

“ Deposit ” has the meaning set forth in Section 3.1 .

“ Designated Seller Representatives ” has the meaning set forth in Section 7.4 .

“ Effective Date ” shall mean the later of the date below the signature of Purchaser or Seller on this Agreement or, if such dates are the same, the date below each of such signatures.

“ Environmental Law ” shall mean any federal, state, local or administrative agency ordinance, law, rule, regulation, order or requirement relating to environmental conditions, human health or Hazardous Material, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §1101 et seq.), The Endangered Species Act (16 U.S.C. §1531 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.) and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and the regulations promulgated pursuant to such laws, all as amended from time to time.

“ Hazardous Materials ” shall mean any substance or material which is or contains: (i) any substance, waste or material now or hereafter defined in and/or regulated under any Environmental Law; (ii) gasoline, diesel fuel or other petroleum hydrocarbons; (iii) asbestos and asbestos containing materials, in any form, whether friable or nonfriable; (iv) polychlorinated biphenyls; (v) radon gas; or (vi) mold, mildew or other biological agents.

“ Improvements ” shall mean that certain building containing approximately _____ net rentable square feet and commonly known as [_____] located at [_____], and all other buildings, structures and other improvements situated upon the Land and any fixtures, systems and facilities owned by Company and located on the Land.

“ Intangible Property ” shall mean all of the Company’s right, title and interest, if any, in all intangible assets relating to the Land, Improvements or Personal Property, including all of the Company’s right, title and interest, if any, in all (a) warranties and guaranties relating to the Land, Improvements or Personal Property, (b) all licenses, permits and approvals relating to the Land, Improvements or Personal Property, (c) all contract rights (including, without limitation, all letters of credit held as security for any Tenant’s obligations, and (d) all plans and specifications relating to the Land, Improvements or Personal Property.

“ Land ” shall mean the land described on Exhibit A attached hereto, together with all privileges, rights, easements and appurtenances belonging to such land and all right, title and interest (if any) of the Company in and to any streets, alleys, passages or other rights-of-way or appurtenances included in, adjacent to or used in connection with such land and all right, title and interest (if any) of the Company in all mineral rights appurtenant to such land.

“ Lease ” shall mean the lease dated _____ between the Company, as Landlord and [_____], as Tenant, as amended by (list all amendments with dates).

“ Lease Transaction ” shall mean any of the following: (a) the execution of any new lease or other occupancy agreement for any portion of the Property; (b) any modification of the Lease or any other occupancy agreement affecting the Property; (c) the consent to any assignment of or subletting under the Lease; or (d) the termination of the Lease.

“ Legal Requirements ” means all applicable zoning, building, health and safety,

environmental and all other laws, legislation, rules, codes, by-laws, ordinances, resolutions, regulations, orders and decrees and all requirements of the Board of Fire Underwriters and any other insurance underwriters relating in any way to the Property or the development, construction, ownership, use and occupancy thereof.

“ Lender ” shall mean Bank of America, NA, and its successors and assigns as holder of the Loan.

“ Loan ” shall mean the loan in the original principal amount of \$22,755,511 made by Lender to the Company and certain other affiliates which encumbers the Property and certain other Property.

“ Market Value ” “means the average of the daily market price of the REIT’s common stock (the “ **REIT Shares** ”) for the ten (10) consecutive trading days immediately preceding the date on which the market value of the REIT Shares is being determined. The daily market price for each such trading day shall be the last sale price for such REIT Shares, or, in case no such sale takes place on such day, the average of the closing bid and asked prices for such REIT Shares, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if such REIT Shares are not listed or admitted to trading on the New York Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such REIT Shares are listed or admitted to trading or, if such REIT Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if such REIT Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such REIT Shares selected by the REIT’s board of directors or, in the event that no trading price is available for such REIT Shares, the fair

market value of the REIT Shares, as determined in good faith by the REIT 's board of directors. For purposes of determining Market Value, one OP Unit shall equal one REIT Share, subject to any adjustments required under Purchaser's Amended and Restated Agreement of Limited Partnership, as the same may be amended and/or restated from time to time (the " **Operating Partnership Agreement** "), or to reflect stock splits, reclassifications, dividends in-kind and the like.

" Material Casualty " has the meaning set forth in Section 6.3 .

" Material Taking " has the meaning set forth in Section 6.4 .

" OP Units " means the common units of limited partnership interests in STAG Industrial Operating Partnership, L.P., a Delaware limited partnership.

" Permitted Exceptions " shall mean all matters shown on the Title Commitment (other than Voluntary Liens) or the Survey. In no event shall any Voluntary Lien constitute a Permitted Exception, and all Voluntary Liens shall be paid in full at or before the Closing or out of the proceeds otherwise due to Seller.

" Permits " has the meaning set forth in Section 7.3(b)(iv)(C) .

" Person " shall mean any individual, estate, trust, partnership, limited liability company, limited liability partnership, corporation, governmental agency or other legal entity.

" Personal Property " shall mean all furniture, equipment, machinery, inventories, supplies, signs and other tangible personal property, if any, owned by Seller and installed, located or situated on or used in connection with the operation of the Improvements, including those items, if any, listed on Exhibit J .

" Property " shall mean, collectively, the Real Property, the Personal Property, the Company's interest in the Lease, and the Intangible Property.

" Purchase Price " shall mean the purchase price for the Membership Interests as specified in Section 2.2 .

" Purchaser " means the Person named as Purchaser in the first paragraph of this Agreement, together with any assignee of the originally named Purchaser.

" Real Property " shall mean the Company's interest in and to Land and the Improvements.

" Reports " shall have the meaning set forth in Schedule 5.1 .

" Required Endorsements " shall mean the following ALTA endorsements (to the extent legally available in the jurisdiction in which the Real Property is located): (a) Form 9 - Comprehensive (modified as appropriate for an owner's policy); (b) Form 3.1 Zoning (including parking and loading); (c) survey endorsement; (d) access endorsement; (e) if the land on which the Property is located consists of more than one parcel, a contiguity endorsement; and (f) a tax parcel endorsement.

“ Restricted Period ” shall mean the period commencing on the Effective Date and ending on the earlier of the Closing or the termination of this Agreement.

“ Seller ” has the meaning set forth in the first paragraph of this Agreement.

“ Seller Representations ” shall mean the representations and warranties of Seller expressly set forth in Section 7.3 .

“ SNDA ” has the meaning set forth in Section 6.1(d) .

“ Survey ” has the meaning set forth in Section 4.1 .

“ Taxes ” shall mean any (i) federal, state or local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, escheat, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, assessment or governmental charge of any kind whatever imposed by any taxing authority, including any interest, penalty or addition thereto, whether disputed or not, and (ii) liability for the payment of any amount of the type described in clause (i) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person.

“ Tax Return ” shall mean any return, declaration, report, estimate, information return and statement (including any attachment or schedule thereto) required to be filed in respect of any Taxes.

“ Tenant ” shall mean _____ .

“ Title Commitment ” has the meaning set forth in Section 4.1 .

“ Title Company ” shall mean [_____].

“ Unknown Rents ” has the meaning set forth in Section 8.4(d) .

“ Utility Deposits ” has the meaning set forth in Section 8.4(g) .

“ Voluntary Liens ” shall mean any of the following encumbrances on the Property or the Membership Interests or any portion thereof: (a) any mortgage or deed of trust granted or assumed by Seller or the Company ; (b) any mechanic’s or materialmen’s lien; (c) any lien for unpaid taxes, assessments, utility, water, sewer or other governmental charges; and (d) any other lien or encumbrance granted, assumed or suffered by Seller or the Company and securing the repayment of money or other claims made against Seller or the Company.

Schedule 3.1

Deposit Escrow Provisions

[Attached to and a Part of Real Estate Purchase and Sale Agreement]

(a) Title Company shall hold the Deposit in separate, segregated, interest bearing account(s) approved by Purchaser and Seller. If the Closing occurs, the Deposit shall be credited against the Purchase Price. The Deposit shall be held and disbursed by Title Company in the following manner:

(i) to Seller upon consummation of the Closing [or the exercise of Purchaser's revocation right under Section 5.5]; or

(ii) to Seller upon receipt of written demand therefor, stating that Purchaser has defaulted in the performance of Purchaser's obligations under this Agreement and the facts and circumstances underlying such default; provided, however, that Title Company shall not honor such demand until at least ten (10) Business Days after it has sent a copy of such demand to Purchaser, nor thereafter if Title Company shall have received written notice of objection from Purchaser in accordance with paragraph (b) below; or

(iii) to Purchaser upon receipt of written demand therefor, stating that either (x) this Agreement has been terminated pursuant to a provision hereof [(other than Section 5.5)] and certifying the basis for such termination, or (y) Seller has defaulted in performance of Seller's obligations under this Agreement and the facts and circumstances underlying such default or that Purchaser is otherwise entitled to the Deposit under the provisions of this Agreement; provided, however, that Title Company shall not honor such demand until at least ten (10) Business Days after it has sent a copy of such demand to Seller, nor thereafter if Title Company shall have received written notice of objection from Seller in accordance with paragraph (b) below.

(b) Upon receipt of written demand for the Deposit by Purchaser or Seller pursuant to clause (a)(ii) or (a)(iii) above, Title Company shall promptly send a copy thereof to the other party. The other party shall have the right to object to the delivery of the Deposit by sending written notice of such objection to Title Company within ten (10) Business Days after Title Company sends a copy of the written demand to the objecting party. Upon receipt of such notice, Title Company shall promptly send a copy thereof to the party who made the written demand.

(c) In the event of any dispute between the parties, Title Company shall disregard all instructions received and may hold the Deposit until the dispute is mutually resolved and Title Company is advised of this fact in writing by both Seller and Purchaser, or Title Company is otherwise instructed by a final judgment of a court of competent jurisdiction.

(d) In the event Title Company shall be uncertain as to its duties or rights hereunder or shall receive conflicting instructions, claims or demands from the parties hereto, or instructions which conflict with any of the provisions of this Agreement, Title Company shall be entitled to refrain from taking any action other than to keep safely the Deposit until Title Company shall be instructed otherwise in writing signed by both Seller and Purchaser, or by final judgment of

a court of competent jurisdiction.

(e) Title Company may rely upon, and shall be protected in acting or refraining from acting upon, any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties, provided that any modification of this Schedule 3.1 shall be signed by Title Company, Purchaser and Seller.

(f) Seller and Purchaser shall jointly and severally hold Title Company harmless against any loss, damage, liability or expense incurred by Title Company not caused by its willful misconduct, gross negligence or breach of these escrow provisions, arising out of or in connection with its entering into this Agreement and the carrying out of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim of liability or participating in any legal proceeding.

(g) Title Company may receive certain benefits from the financial institution where the funds are deposited. Based upon the deposit of escrow funds in demand deposit accounts and other relationships with the financial institution, Title Company is eligible to participate in a program whereby it may (i) receive favorable loan terms and earn income from the investment of loan proceeds and (ii) receive other benefits offered by the financial institution, but any such benefits derived by Title Company shall in no way limit the rights of Seller or Purchaser to the Deposit as set forth herein.

(h) The Title Company may at its sole discretion resign from its duties as escrow agent by giving thirty (30) days written notice thereof to the parties hereto. The parties shall furnish to the Title Company written instructions for the release of the Deposit and escrow documents. If the Title Company shall not have received such written instructions within the thirty (30) days, the Title Company may petition any court of competent jurisdiction for the appointment of a successor escrow agent and upon such appointment deliver the Deposit and escrow documents to such successor. Costs and fees incurred by the Title Company may, at the option of the Title Company, be deducted from any funds held pursuant hereto.

Seller and Purchaser do hereby certify that they are aware that the Federal Deposit Insurance Corporation ("FDIC") coverages apply only to a cumulative maximum amount of \$100,000 for each individual deposit for all of the depositor's accounts at the same or related institution. The parties hereto further understand that certain banking instruments such as, but not limited to, repurchase agreements and letters of credit are not covered at all by FDIC insurance.

Further the parties hereto understand that Title Company assumes no responsibility for, nor will the parties hereto hold Title Company liable for, a loss occurring which arises from the fact that the amount of the above account may cause the aggregate amount of any individual depositor's accounts to exceed \$100,000 and that the excess amount is not insured by the Federal Deposit Insurance Corporation or that FDIC insurance is not available on certain types of bank instruments.

JOINDER BY THE TITLE COMPANY

By its execution hereof, the Title Company hereby (i) covenants and agrees to hold the Deposit in accordance with the above provisions, and (ii) acknowledges receipt of a copy of the

Real Estate Purchase and Sale Agreement to which this Schedule 3.1 is attached.

[]

Name: _____

By: _____

Title: _____

Date: _____

Schedule 5.1

- (1) the Lease, and all notices, material correspondence or other material written communications or agreements between the Company and the Tenant (or their respective agents or representatives) relating to the Lease and/or the Real Property, including any pending or proposed amendments to the Lease;
 - (2) any tenant estoppel certificates or subordination, nondisturbance and attornment agreements previously provided by the Tenant;
 - (3) copies of any documents relating to any proposed or actual sublease or assignment of the Tenant's interest under the Lease, to the extent in Seller's or the Company's possession or control;
 - (4) copies of all financial, profile and background information concerning the Tenant that is in Seller's or the Company's possession or control;
 - (5) a summary of all security deposits paid under the Lease;
 - (6) a copy of the Tenant's current insurance certificate;
 - (7) copies of Tenant billings and reconciliations for the three (3) calendar years preceding the Effective Date and for the current year;
 - (8) a copy of all leasing and management agreements relating to the Property;
 - (9) a schedule of any leasing commissions that are due under the Lease or will become due upon and extension, expansion or renewal of the Lease;
 - (10) all Warranties in Seller's or the Company's possession or control;
 - (11) all Contracts;
 - (12) as-built plans and specifications for the Improvements;
 - (13) a certificate of occupancy for the Improvements and all other Permits in Seller's or the Company's possession or control;
 - (14) all engineering, geotechnical, environmental, and other similar studies, reports or correspondence relating thereto in the possession or control of Seller or the Company relating to the Property (the "Reports"); it being understood and agreed by the parties hereto that Seller is in no way warranting or representing, express or implied, the accuracy or completeness of anything contained in the Reports;
 - (15) copies of all tax bills and statements for the Property for the three (3) calendar years preceding the Effective Date and for the current year, and copies of any notices of actual or proposed reassessments of the Property;
-

- (16) copies of all utility bills and statements for the Property for the three (3) calendar years preceding the Effective Date and for the current year;
 - (17) copies of monthly and annual operating statements for the Property for the three (3) calendar years preceding the Effective Date and year-to-date statements for the current year;
 - (18) a report of material maintenance and capital improvements conducted by the Company at the Property for the three (3) calendar years preceding the Effective Date and during the current year, and a description of any capital improvements or material maintenance scheduled to occur within the two (2) year period following the Effective Date;
 - (19) copies of any notices received in connection with any purported or actual violation at the property of any Legal Requirement;
 - (20) copies of any Reciprocal Easement Agreements and agreements with any governmental agencies relating to the development, construction, ownership or operation of the Property;
 - (21) copies of the existing insurance policies for the Property as required under the Lease together with recent invoices with respect thereto; and
 - (22) copies of the Company's Organizational Documents.
-

EXHIBIT A
DESCRIPTION OF LAND

EXHIBIT B
FORM OF
LEASE ESTOPPEL CERTIFICATE

Landlord :

Tenant :

Tenant Trade Name :

Lender: Connecticut General Life Insurance Company

New Landlord :

Premises :

Area : Sq.Ft. Lease Date: _____

The undersigned Tenant of the above-referenced lease (the “ Lease ”) hereby ratifies the Lease and certifies to Landlord, to Lender as mortgagee of the Real Property of which the premises demised under the Lease (the “ Premises ”) is a part and to New Landlord, as purchaser of the Premises and any other purchaser or potential purchaser, as follows:

1. That the term of the Lease commenced on _____, 20____ and the Tenant is in full and complete possession of the Premises and has commenced full occupancy and use of the Premises, such possession having been delivered by the original landlord and having been accepted by the Tenant.
 2. That the Lease calls for monthly rent installments of \$ _____ to date and that the Tenant is paying monthly installments of rent of \$ _____ which commenced to accrue on the _____ day of _____, 20____.
 3. That no advance rental or other payment has been made in connection with the Lease, except rental for the current month, there is no “free rent” or other concession under the remaining term of the lease and the rent has been paid to and including _____, 20____.
 4. That a security deposit in the amount \$ _____ is being held by Landlord, which amount is not subject to any set-off or reduction or to any increase for interest or other credit due to Tenant.
 5. That all obligations and conditions under said Lease to be performed to date by Landlord or Tenant have been satisfied, free of defenses and set-offs including all construction work in the Premises.
 6. That the Lease is a valid lease and in full force and effect and represents the entire agreement between the parties; that there is no existing default on the part of the
-

Landlord or the Tenant in any of the terms and conditions thereof and no event has occurred which, with the passing of time or giving of notice or both, would constitute an event of default; and that said Lease has: (initial one)

- ☐ not been amended, modified, supplemented, extended, renewed or assigned.
- ☐ been amended, modified, supplemented, extended, renewed or assigned as follows by the following described agreements:

7. That the Lease provides for a primary term of months; the term of the Lease expires on the day of 20 ; and that:
(initial all applicable subparagraphs)

- ☐ neither the Lease nor any of the documents listed above in Paragraph 6, if any, contain an option for any additional term or terms or an option to terminate the Lease prior to the expiration date set forth above.
- ☐ the Lease and/or the documents listed above in Paragraph 6 contain an option for additional term(s) of year(s) and months(s) (each) at a rent to be determined as follows:
- ☐ the Lease and/or the documents listed above in Paragraph 6 contain an option to terminate the lease prior to the date set forth above as follows:

8. That Landlord has not rebated, reduced or waived any amounts due from Tenant under the Lease, either orally or in writing, nor has Landlord provided financing for, made loans or advances to, or invested in the business of Tenant.



9. That, to the best of Tenant's knowledge, there is no apparent or likely contamination of the Real Property or the Premises by Hazardous Materials, and Tenant does not use, nor has Tenant disposed of Hazardous Materials in violation of Environmental Laws on the Real Property or the Premises.
10. That there are no actions, voluntary or involuntary, pending against the Tenant under the bankruptcy laws of the United States or any state thereof.
11. That this certification is made knowing that Lender, Landlord and New Landlord are relying upon the representations herein made.

Tenant:

By: _____
Name:
Title:

The undersigned New Landlord hereby ratifies the Lease and, certifies to Lender that, to the best of its knowledge, the foregoing is true, correct and complete in all material respects.

New Landlord:

By: _____
Name:
Title:

EXHIBIT C

LEASE RELATED DISCLOSURES

EXHIBIT D

EXCEPTIONS TO SELLER REPRESENTATIONS

EXHIBIT E

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS

THIS ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS (this “Assignment”) is made as of _____, 20____, by and between STAG III Properties, LLC, a Delaware limited liability company (“Assignor”), and _____ (“Assignee”).

Background

- A. Assignor is the owner of 100% of the total membership interests in [PROPERTY ENTITY], LLC, a Delaware limited liability company (the “Company”); and
- B. Assignor desires to assign, and Assignee desires to assume, all of Assignor’s right, title and interest in the Company (the “Membership Interests”) as hereinafter provided.

Agreement

NOW, THEREFORE, in consideration of the payment of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which are hereby acknowledged by Assignor, the parties hereto agree as follows:

1. Recitals. The recitals set forth above are incorporated herein by reference.
 2. Assignment and Assumption of Membership Interest. Assignor hereby assigns, transfers and sets over unto Assignee, and Assignee hereby accepts and assumes, the Membership Interests, including, but not limited to, all right, title and interest in and to all distributions, capital account, capital, income, gain, loss and deductions of the Company, relating to or allocable to the Membership Interests arising from and after the date hereof and Assignee agrees to be bound as a member of the Company. Assignor hereby expressly assigns, transfers and sets over unto Assignee all of the management, control and authority rights held by Assignor in the Company.
 3. Effective Date. The assignment herein made is effective as of the date hereof, and from and after such date that portion of the capital, distributions, income, gain, loss and deductions of the Company allocable to the Membership Interests shall be credited, charged distributed, as the case may be, to the Assignee and not to the Assignor.
 4. Representations and Warranties by Assignor. The Assignor hereby represents and warrants that (i) the execution, delivery and performance by Assignor of this Assignment are within its limited liability company powers and have been duly authorized by all necessary company action on its part; and (ii) the Assignor is the owner of the Membership Interests free and clear of all liens, claims, security interests, transfer restrictions and other encumbrances.
 5. Representations and Warranties by Assignee. The Assignee hereby represents and warrants that the execution, delivery and performance by Assignee of this Assignment are within its limited liability company powers and have been duly authorized by all necessary company action on its part.
-

6. Indemnity. Assignor agrees to indemnify Assignee against, and hold Assignee harmless from, any and all costs, liabilities, losses, damages and expenses caused, directly or indirectly, by any action taken or failure to act by Assignor with respect to the Membership Interests arising prior to the date hereof and arising, directly or indirectly, from Assignor's obligations as a member of the Company. Assignee agrees to indemnify Assignor against, and hold Assignor harmless from, any and all costs, liabilities, losses, damages and expenses caused, directly or indirectly, by any action taken or failure to act by Assignee with respect to the Membership Interests arising on or subsequent to the date hereof and arising, directly or indirectly, from Assignee's obligations as a member of the Company.

7. Further Instruments. Assignor and Assignee from time to time shall each execute and deliver to the other such further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Assignment and which are consistent with the provisions of this Assignment.

8. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, legal representatives, successors and assigns.

9. Modification. No supplement, modification, waiver or termination of this Assignment or any provision hereof shall be binding unless executed in writing by the parties hereto.

10. Counterparts. This Assignment may be executed in any number of counterparts each of which shall be considered an original for all purposes.

[Signature Page Follows]

Executed as a sealed instrument as of the date and year first written above.

Assignor :

STAG III Properties, LLC, a Delaware limited liability company

By: _____
Name:
Title:

Assignee:

By: _____
Name:
Title:

EXHIBIT F

UPDATED REPRESENTATION CERTIFICATE

The undersigned, as Seller under a Purchase and Sale Agreement (“ Purchase Agreement ”) dated as of _____, 20__ between _____ (“ Seller ”) and _____ (“ Purchaser ”), does hereby certify to Purchaser that the representations and warranties set forth in Section 7.3 of the Purchase Agreement are hereby reaffirmed as of the date hereof.

Seller’s liability hereunder shall be subject to the limitations set forth in the Purchase Agreement.

Dated as of this _____ day of _____, 20__ .

SELLER

[_____]

By: _____

Name:

Title:

EXHIBIT G

LIST OF CONTRACTS

VENDOR	DATE OF CONTRACT AND ALL AMENDMENTS	SERVICE	ADDRESS

EXHIBIT H

LIST OF PERSONAL PROPERTY

EXHIBIT I
LIST OF WARRANTIES

EXHIBIT J

ADDITIONAL REPRESENTATIONS AND WARRANTIES

(a) Seller acknowledges that Purchaser intends the offer and issuance of any OP Units pursuant to this Agreement to be exempt from registration under the Securities Act of 1933, as amended (the “**Securities Act**”) and applicable state securities laws by virtue of (i) the status of Seller as an “accredited investor” within the meaning of the federal securities laws, and (ii) Regulation D promulgated under Section 4(2) of the Securities Act (“Regulation D”), and that Purchaser will rely in part upon the representations and warranties made by Seller in this Agreement in making the determination that the offer and issuance of the OP Units qualify for exemption under Rule 506 of Regulation D as an offer and sale only to “accredited investors.”

(b) Seller is an “accredited investor” within the meaning of the federal securities laws.

(c) Seller will acquire the OP Units for its own account and not with a view to, or for sale in connection with, any “distribution” thereof within the meaning of the Securities Act. Seller does not intend or anticipate that Seller will rely on this investment as a principal source of income.

(d) Seller has sufficient knowledge and experience in financial, tax and business matters to enable him to evaluate the merits and risks of investment in the OP Units. Seller has the ability to bear the economic risk of acquiring the OP Units. Seller acknowledges that (i) the transactions contemplated by this Agreement involve complex tax consequences for Seller, and Seller is relying solely on the advice of Seller’s own tax advisors in evaluating such consequences, (ii) Purchaser has not made (nor shall it be deemed to have made) any representations or warranties as to the tax consequences of such transaction to Seller, and (iii) references in this Agreement to the intended tax effect of the transactions contemplated hereby shall not be deemed to imply any representation by Purchaser as to a particular tax effect that may be obtained by Seller. Seller remains solely responsible for all tax matters relating to Seller.

(e) Seller has been supplied with, or had access to, information to which a reasonable investor would attach significance in making an investment decision to acquire the OP Units and any other information Seller has requested. Seller has had an opportunity to ask questions of, and receive information and answers from, Purchaser and its affiliates concerning Purchaser, its affiliates, the OP Units, the IPO and the REIT Shares into which the OP Units may be redeemed, and to assess and evaluate any information supplied to Seller by Purchaser or its affiliates, and all such questions have been answered, and all such information has been provided to the full satisfaction of Seller.

(f) Seller acknowledges that it is aware that there are substantial restrictions on the transferability of the OP Units and that the OP Units will not be registered under the Securities Act or any state securities laws, and Seller has no right to require that they be so registered. Seller agrees that any OP Units it acquires will not be sold in the absence of registration unless such sale is exempt from registration under the Securities Act and applicable state securities

laws. Seller acknowledges that Seller shall be responsible for compliance with all conditions on transfer imposed by any securities authority and for any expenses incurred by Purchaser for legal or accounting services in connection with reviewing such a proposed transfer or issuing opinions in connection therewith.

(g) Seller understands that no federal agency (including the Securities and Exchange Commission) or state agency has made or will make any finding or determination as to the fairness of an investment in the OP Units.

(h) Seller understands that there is no established public, private or other market for the OP Units acquired by Seller hereunder and it is not anticipated that there will be any public, private or other market for such OP Units in the foreseeable future.

(i) Seller understands that Rule 144 promulgated under the Securities Act is not currently available with respect to the sale of OP Units.

EXHIBIT H

LIST OF LOAN DOCUMENTS, ESCROW BALANCES AND RESERVE BALANCES

EXHIBIT I

FORM OF FIRPTA CERTIFICATE

FIRPTA Certificate

Section 1445 of the Internal Revenue Code of 1986, as amended (the “ Code ”), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the transfer of membership interests of a limited liability company owning a U.S. real property interest by STAG III Properties, LLC, a Delaware limited liability company, which is a wholly-owned subsidiary of **STAG Investments III, LLC** , a Delaware limited liability company (“ Transferor ”), the undersigned, the Transferor’s manager, hereby certifies the following on behalf of the Transferor:

i) The Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Treasury Regulations promulgated thereunder);

ii) The Transferor is not a disregarded entity as defined in Treasury Regulations Section 1.1445-2(b)(2)(iii).

iii) The Transferor’s employer identification number is ; and

iv) The Transferor’s address is:

c/o STAG Capital Partners, LLC
99 Chauncy Street, 10th Floor
Boston, MA 02111

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punishable by fine, imprisonment or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Dated: By: STAG Manager III, LLC

By: _____
Name:
Title:
Date: , 20

FIFTH MODIFICATION TO SENIOR LOAN AGREEMENT

This Fifth Modification to Senior Loan Agreement (this “Agreement”) is made as of this st day of March, 2011 (the “Effective Date”), by and among STAG III ALBION, LLC, STAG III MASON, LLC, STAG III ST. LOUIS, LLC, STAG III TAVARES, LLC, STAG III DAYTONA BEACH, LLC, STAG III MALDEN, LLC, STAG III GREAT BEND, LLC, STAG III MILWAUKEE, LLC, STAG III YOUNGSTOWN, LLC, STAG III ROUND ROCK, L.P., STAG III CHESTERFIELD, LLC, STAG III ARLINGTON, L.P., STAG III FARMINGTON, LLC, STAG III CINCINNATI, LLC, STAG III APPLETON, LLC, STAG III JEFFERSON, LLC, STAG III ELKHART, LLC, STAG III HOLLAND 2, LLC, STAG III FAIRFIELD, LLC, STAG III MAYVILLE, LLC, STAG III MILWAUKEE 2, LLC, STAG III JACKSON, LLC, STAG III MARYLAND BORROWER, LLC, STAG III POCATELLO, LLC, STAG III CANTON, LLC, STAG III RAPID CITY, LLC, STAG III AMESBURY, LLC, STAG III HOLLAND, LLC, STAG III SERGEANT BLUFF, LLC, STAG III LEWISTON, LLC, STAG III PENSACOLA, LLC, STAG III BOARDMAN, LLC, STAG III NEWARK, LLC, STAG III TWINSBURG, LLC and STAG III DAYTON, LLC all Delaware limited liability companies or Delaware limited partnerships (each, a “Borrower” and collectively, the “Borrowers”) all having principal executive offices at c/o STAG Capital Partners, 99 High Street, 28th Floor, Boston, Massachusetts 02110 and ANGLO IRISH BANK CORPORATION LIMITED, a private limited company incorporated under the laws of Ireland having company registration number 22045 (f/k/a Anglo Irish Bank Corporation plc, a banking corporation) and having its registered office at Stephen Court, 18/21 St. Stephen’s Green, Dublin 2, Ireland and with offices at 265 Franklin Street, 19th Floor, Boston, Massachusetts 02110, as agent (in such capacity, the “Agent”) for its own benefit and the benefit of the other lenders; in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

W I T N E S S E T H:**A. Reference is made to a certain:**

Loan Agreement dated as of August 11, 2006 as amended by that certain Joinder to Loan Agreement, Modification to Senior Loan Agreement and Third Modification to Bridge Loan Agreement dated December 20, 2007, as amended by that certain Joinder to Loan Agreement, Second Modification to Senior Loan Agreement and Fourth Modification to Bridge Loan Agreement dated February 12, 2008, as further amended by that certain Third Modification to Senior Loan Agreement, Eighth Modification to Bridge Loan Agreement and Agreement to Release Properties dated July 28, 2008, as further amended by that certain Fourth Modification to Senior Loan Agreement dated January 31, 2009 (and as amended, modified, supplemented, or restated and in effect from time to time, the “Senior Loan Agreement”) in the maximum aggregate amount of \$200,811,888.00 (the “Senior Loan”) by and among Borrowers, Agent and the lenders party thereto (collectively the “Lender”) as further evidenced by that certain Promissory Note dated as of August 11, 2006 in the maximum amount of \$300,000,000.00 as amended and restated by that certain Amended and Restated Promissory Note dated January 31, 2009 in the maximum amount of

\$200,811,888.00 as amended and restated by that certain Amended and Restated Promissory Note dated March , 2011 (the “ Senior Note ” and the other documents evidencing, administering, securing and governing the terms and conditions of the Senior Loan, the “ Senior Loan Documents ”);

and a certain:

Bridge Loan Agreement dated as of August 11, 2006, as amended by that certain Loan Modification Agreement dated June 6, 2007, as further amended by that certain Second Loan Modification Agreement dated July 1, 2007, as further amended by that certain Joinder to Loan Agreement, Modification to Senior Loan Agreement and Third Modification to Bridge Loan Agreement dated December 20, 2007, as further amended by that certain Joinder to Loan Agreement, Second Modification to Senior Loan Agreement and Fourth Modification to Bridge Loan Agreement dated February 12, 2008, as further amended by that certain Fifth Modification to Bridge Loan Agreement dated March 28, 2008, as further amended by that certain Sixth Modification to Bridge Loan Agreement dated May 15, 2008, as further amended by that certain Seventh Modification to Bridge Loan Agreement dated June 30, 2008, as further amended by that certain Third Modification to Senior Loan Agreement, Eighth Modification to Bridge Loan Agreement and Agreement to Release Properties dated July 28, 2008, as further amended by that certain Ninth Modification to Bridge Loan Agreement dated January 31, 2009 (as amended, modified, supplemented or restated and in effect from time to time, the “ Bridge Loan Agreement ”) in the maximum aggregate amount of \$40,826,734.00 (the “ Bridge Loan ”), by and among Borrowers, the Agent and the Lender party thereto, as further evidenced by that certain Promissory Note dated as of August 11, 2006 in the maximum amount of \$60,000,000.00 as amended and restated by that certain Amended and Restated Promissory Note dated January 31, 2009 in the maximum amount of \$40,826,734.00 (the “ Bridge Note ” and the other documents evidencing, administering, securing and governing the terms and conditions of the Bridge Loan, the “ Bridge Loan Documents ”).

All capitalized terms used herein, and not otherwise defined herein, shall have the meanings assigned to such terms in the Senior Loan Agreement and the Bridge Loan Agreement.

- B. Borrowers have requested that Lender extend the Maturity Date of the Senior Loan and to make certain other modifications to the Senior Loan Documents subject to the agreements, terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Bridge Loan Repayment. Agent on behalf of Lenders agrees to, upon execution of this Agreement by all parties hereto and upon receipt by Agent of a payment in the amount of \$ (plus a per diem amount of \$ as of March 1, 2011 until March , 2011), the receipt of which is hereby acknowledged by Agent on behalf of Lenders, release the Borrowers from all of their obligations and liabilities arising under the Bridge Loan Documents, such release is hereby made effective.
2. Release of Bridge Loan Guarantor. Stephen Karp and Steven Fischman are hereby released from their obligations under that certain Amended and Restated Guaranty dated July 28, 2008 with respect to the Bridge Loan.
3. Senior Loan Principal Payment. Borrowers have herewith made a payment in the amount of at least \$50,000,000 (the “ Minimum Senior Payment ”), plus additional amounts determined by the Borrower to pay for the Additional Releases as described in Section 5 below (the “ Additional Senior Payment ”, and together with the Minimum Senior Payment, the “ Senior Payment ”), plus interest due thereon, such Senior Payment to be applied in reduction of the principal balance on the Senior Loan, the receipt of which is hereby acknowledged by Agent on behalf of Lenders. Notwithstanding anything in the Senior Loan Agreement to the contrary, no further Loan Advances shall be available to the Borrowers under the Loan arrangement.
4. Releases. As of the Effective Date, upon Agent’s receipt of the Minimum Senior Payment, the receipt of which is hereby acknowledged by Agent on behalf of Lenders, the Properties owned by STAG III Pomfret, LLC, Stag III Streamwood, LLC, and the Property owned by STAG III Mason, LLC located at the address commonly known as 4219 State Route 42 in Warren County, Ohio shall be and hereby are released from the lien of the Lender’s mortgage on the property, and Agent shall execute such further documents (including discharges of mortgages) to effectuate the foregoing releases. Any and all obligations, representations, warranties or covenants of STAG III Mason, LLC under the Loan Documents relating to the Property located at the address commonly known as 4219 State Route 42 in Warren County, Ohio shall cease to apply. The obligations, representations, warranties or covenants of STAG III Mason, LLC under the Loan Documents shall hereafter only continue to apply to the remaining Property owned by STAG III Mason, LLC, located at the address commonly known as 800 Pennsylvania Avenue, Salem, Columbiana County, Ohio which continues to be pledged as security for the Loan.
5. Additional Releases. As of the Effective Date, upon receipt of the Additional Senior Payment, additional Borrowers shall be and hereby are released (the “ Additional Releases ”) from their obligations and liabilities under the Senior Loan Documents upon Agent’s receipt of the release prices in the amounts and in accordance with the Allocated Release Price Schedule set forth on Exhibit B attached hereto and made a part hereof, plus interest due thereon. Agent shall execute such further documents (including discharges of mortgages) to effectuate the foregoing Additional Releases.

6. Release of Senior Loan Guarantor. Stephen Karp and Steven Fischman are hereby released from their obligations under that certain Amended and Restated Guaranty dated January 31, 2009 with respect to the Senior Loan.
7. Guarantor Substitution for Senior Loan: From and after the Effective Date, in exchange for the consideration set forth in this Agreement, the obligations of STAG Investments Holdings III, LLC under that certain Guaranty dated August 11, 2006 as amended and affected from time to time are hereby released and substituted by the guarantee made by STAG Industrial Operating Partnership, L.P. (the “Operating Partnership”) acceptable to Agent and the Lenders dated as of the Effective Date. The obligations of STAG Investments Holdings III, LLC shall continue to remain in effect with respect to that certain Guaranty dated October 11, 2007 as amended and affected from time to time with respect to the transaction involving STAG III Maryland Borrower, LLC.
8. Maturity Date of Senior Loan. From and after the Effective Date, it is agreed by and among the Agent, Lender and Borrowers that the terms “Maturity Date” and “Extended Maturity Date” of the Senior Loan as defined in Section 2.2 of the Senior Loan Agreement are hereby modified to mean October 31, 2013 wherever stated in the Senior Loan Documents. The term “Extended Term” as defined in Section 2.2 of the Senior Loan Agreement is hereby modified in the Senior Loan Agreement to mean the period commencing January 31, 2009 and ending October 31, 2013 wherever stated in the Senior Loan Documents. There are no rights to further extend the term of the Senior Loan available to the Borrowers.
9. Manager. STAG Industrial Management, LLC, a Delaware limited liability company (“STAG Management LLC”) is hereby approved as the management company for the Properties.
10. Representations and Warranties : The lead-in to Section 8 of the Senior Loan Agreement is hereby modified to provide that representations and warranties of the Borrowers are made only at the original funding of the Senior Loan, at each disbursement of the Senior Loan and as of the date of delivery of the financial statements of the Borrowers pursuant to Section 9.2 of the Senior Loan Agreement.

Accordingly, following lead-in to Section 8 of the Senior Loan Agreement is hereby deleted:

“Borrower warrants and represents to Agent and each of the Lenders to Borrower’s knowledge for the express purpose of inducing Lenders to enter into this Agreement, to make the Loan, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Agreement and upon the date each Loan is funded and at all times thereafter that Loan funds are outstanding from Lenders to Borrower until the Loans have been repaid and all obligations to each of the Lenders have been satisfied as follows (with each representation and warranty as to each Property becoming effective as of the date such Property becomes collateral for the Loans):”

and replaced with:

“Borrower warrants and represents to Agent and each of the Lenders to Borrower’s knowledge for the express purpose of inducing Lenders to enter into this Agreement, to make the Loan, and to otherwise complete all of the transactions contemplated hereby, that as of the date of this Agreement and upon the date each Loan is funded and as of the date of delivery of the financial statements of the Borrower pursuant to Section 9.2 until the Loans have been repaid and all obligations to each of the Lenders have been satisfied as follows (with each representation and warranty as to each Property becoming effective as of the date such Property becomes collateral for the Loans):”.

11. Major Lease Representations and Warranties. The first and second sentences in Section 8.13 of the Senior Loan Agreement are hereby modified from: “ *There has been no material and adverse change in the financial condition, business, affairs or control of any Borrower or Guarantor since the date of their respective last financial statements most recently delivered to the Agent and each of the Lenders in accordance with the requirements of Section 9.2. hereof. No Default exists under any of the Loan Documents or any Major Lease in excess of 10,000 square feet in any single instance, or in excess of 50,000 square feet in the aggregate*” to “ *There has been no material and adverse change in the financial condition, business, affairs or control of any Borrower (with the Agent and the Lenders agreeing that a default by a tenant under any lease shall not be deemed a material and adverse change) or Guarantor since the date of their respective last financial statements most recently delivered to the Agent and each of the Lenders in accordance with the requirements of Section 9.2. hereof. No Default exists under any of the Loan Documents and no Landlord Default exists under any Major Lease in excess of 10,000 square feet in any single instance, or in excess of 50,000 square feet in the aggregate*”.

12. Permitted Transfers. Section 9.6.3 of the Senior Loan Agreement is hereby modified to permit public trading of the stock of STAG Industrial, Inc., a Maryland corporation (“ STAG REIT”) and to permit transfers of the privately-held limited partnership interests in the Operating Partnership by adding to Section 9.6.3 the following as a Permitted Transfer:

“transfers of direct or indirect interests in the Borrowers as long as, following such transfer, at least 51% of the direct or indirect interests in the Borrowers are owned by STAG Industrial Operating Partnership, L.P. (the “ Operating Partnership”) and the Operating Partnership is controlled, directly or indirectly, by STAG Industrial, Inc. (“ STAG REIT”). Notwithstanding the generality of the foregoing, it is expressly agreed that (i) the issuance and transfers of interests in the Operating Partnership are expressly permitted and do not require any further consent of Lender so long as STAG REIT, directly or indirectly (through a subsidiary), continues to be the general partner of the Operating Partnership, and (ii) the issuance and transfers of stock in STAG REIT are expressly permitted and do not require any further consent of Lender.”

13. Permitted Distributions. Section 9.7.2 of the Senior Loan Agreement is hereby modified to permit distributions to owners of the Borrowers at any time there is no Event of Default.

Accordingly, the following portion of Section 9.7.2 is hereby deleted:

“The term “Permitted Distributions” shall mean so long as no Default or Event of Default has occurred (unless waived by the Majority Lenders as set forth in Section 11.4) any of the following payments: payments to owners and affiliates in the normal course of business.”

and replaced with:

“The term “Permitted Distributions” shall mean so long as no Default or Event of Default has occurred (unless waived by the Majority Lenders as set forth in Section 11.4) any of the following payments: payments to owners and affiliates.”.

14. Permitted Investments. Section 9.8 of the Senior Loan Agreement is hereby modified to only restrict Borrowers’ ability to make Investments during the continuance of an Event of Default.

Accordingly, the following portion of Section 9.8 is hereby deleted:

“A Borrower will not make or permit to exist or to remain outstanding any Investment out of proceeds of the Loans or the proceeds of a Property except an Investment in assets as to which Agent has a perfected first lien mortgage or security interest and which are in...”

and replaced with:

“A Borrower will not make or permit to exist or to remain outstanding any Investment owned by such Borrower except an Investment in assets as to which Agent has a perfected first lien mortgage or security interest and which are in...”.

15. Reporting Requirements.

(a) Section 9.2.1 of the Senior Loan Agreement is hereby deleted and replaced by the following:

Annual Statements. Within ninety (90) days following the end of each calendar year, (i) audited financial statements of STAG REIT prepared in accordance with GAAP, consistently applied, in form and manner of presentation acceptable to Agent by an independent, certified public accountant acceptable to Agent, such financial statements to include and to be supplemented by such detail and supporting data and schedules as Agent may from time to time reasonably determine and (ii) internally prepared financial statements of each Borrower and Guarantor certified by an authorized officer of Borrower and Guarantor to be true,

accurate and complete, prepared in accordance with GAAP, consistently applied, in form and manner of presentation acceptable to Agent such financial statements to include and to be supplemented by such detail and supporting data and schedules as Agent may from time to time reasonably determine.

- (b) The reporting requirements of the Senior Loan Agreement are hereby modified to comply with Securities and Exchange Commission reporting rules applicable to public companies. This modification will change the timing of delivery of the quarterly reports required under Section 9.2.2 to be due 45 days after the end of each quarter rather than 30 days after the end of each quarter. As of the date of delivery of each of the reports required by Section 9.2., Borrower shall provide, in form satisfactory to Agent, a certification which states: “*As of the date hereof, (i) to the best of the undersigned’s knowledge, the information provided on the accompanying financial statements is true, accurate and complete in all material respects and fairly presents in all material respects the financial condition of the Borrower as of the date hereof; (ii) the Borrower is in compliance with the financial covenants set forth in the Loan Agreement to the extent set forth herein; (iii) to the best of the undersigned’s knowledge, except as disclosed in writing to Agent, the representations and warranties set forth in Section 8 of the Loan Agreement are true, accurate and complete as of the date hereof in all material respects; and (iv) no Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents.*” Borrower shall also provide to Agent the Securities Exchange Commission (“SEC”) Form 10-Q financial statements of STAG REIT promptly upon the filing thereof with the SEC.

16. Interest Rate Protection Arrangements. Section 9.12 of the Senior Loan Agreement is hereby deleted and replaced by the following:

Borrowers may enter into one or more Hedging Contracts for all or any portion of the principal balance of the Senior Loan for such portion the term of the Senior Loan as Borrower may elect. Any Hedging Obligations in favor of Agent thereunder shall be secured by all Collateral securing the Senior Loan. “Hedging Obligations” as used hereunder means, with respect to the Borrowers, all liabilities of the Borrowers to the Agent under Hedging Contracts. “Hedging Contracts” as used hereunder means, interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements entered into between the Borrowers and the Agent and designed to protect the Borrowers against fluctuations in interest rates or currency exchange rates with respect to the Senior Loan. If Borrower elects to enter into such arrangements, the terms of any interest rate swap agreements will be governed by the standard ISDA documents, with modifications mutually and reasonably agreed upon by Borrowers and Agent.

17. Deemed Approval of Leases. Section 9.17.3 to the Senior Loan Agreement is hereby deleted and replaced by the following:

9.17.3. Agent's and Lenders' Response. The Agent shall act on requests from a Borrower for any approval under Section 9.17.2 in a commercially reasonable manner and shall use commercially reasonable efforts to respond to any such request within ten (10) Business Days following Agent's receipt thereof. Agent's response may consist of an approval or disapproval of the request, or a conditional approval thereof subject to specified conditions, or a request for further data or information, or any combination thereof. In order to expedite the processing of requests for such approvals, the applicable Borrower agrees to provide Agent with as much advance information as is possible in a commercially reasonable manner in advance of a Borrower's formal request for an approval. If the request for approval contains printed in capital letters or boldface type, a legend substantially to the following effect :

"THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) BUSINESS DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL BY THE AGENT OF THE ACTION REQUESTED BY THE BORROWER AND RECITED ABOVE"

then in the event that the Agent does not approve, reject or request additional information regarding any such request for consent or acceptance within the later to occur of (a) ten (10) Business Days of the receipt by the Agent of such request and (b) ten (10) Business Days of the receipt by the Agent of all material information reasonably requested by the Agent during the ten (10) Business Day period following receipt of the request, the Agent shall be deemed to have approved or consented to the action requested in the request and subject to the following conditions, the lease with respect thereto shall be an Approved Lease: (i) the execution by the Borrower and the subject tenant of a lease on terms that do not materially vary from those set forth in the request, and (ii) Agent shall be provided, within ten (10) Business Days following execution thereof with a full and complete copy of the lease.

18. Major Lease Covenant. There shall be added a Section 9.17.5 to the Senior Loan Agreement which shall provide: "Borrower shall promptly notify Agent of any defaults under any Major Lease in excess of 10,000 square feet in any single instance, or of leases in excess of 50,000 square feet in the aggregate."

19. Loan to Value Ratio Covenant. Section 9.18.1 of the Senior Loan Agreement is hereby deleted and replaced by the following:

LTV. Starting on December 31, 2012 or if not tested on that date by the Agent, once at any time thereafter until Maturity, Agent and the Lenders reserve the right to test the ratio ("Loan To Value Ratio" or "LTV") obtained by dividing: (i) the outstanding principal balance of the Loan, by (ii) the aggregate Value of the Property, which expressed as a percentage, shall not be greater than seventy-five percent (75%). For the purposes of this Loan Agreement, the "Value of the Property" shall mean such Value of the Property (on an aggregate basis) as determined by the Agent pursuant to an Updated Appraisal ordered by and reasonably acceptable to Agent.

20. Partial Releases. Section 9.21 of the Senior Loan Agreement is hereby deleted and replaced by the following:

Partial Release. Provided no Event of Default is then in existence hereunder, upon the written request of the Borrowers, provided at least ten (10) Business Days prior to the date of the requested release, the Agent shall release a Property from the lien of the Security Documents upon the satisfaction of the following conditions:

- (i) The Agent shall have received the Partial Release Payment for such Property. As used herein, "Partial Release Payment" shall mean, for any Property, that amount which is equal to 1.2 multiplied by the Loan Amount advanced with respect to such Property (as set forth on the Allocated Release Price Schedule attached hereto on Exhibit B);
- (ii) After giving effect to the release of the subject Property, the Borrowers will not violate the minimum Debt Service Coverage covenant, as calculated pursuant to Section 9.19.2 with a Calculation Period beginning as of effective date of the release of the Property, and with the Debt Service on the Loan calculated using the higher of: (i) the actual principal and interest paid or payable under the Senior Loan during the Calculation Period, or (ii) the payments of principal and interest that would have been payable under an assumed loan during the Calculation Period in an amount equal to the outstanding principal balance of the Senior Loan at the inception of the relevant Calculation Period bearing interest at the Deemed Rate of Interest payable on a direct reduction basis over twenty (20) years; provided, that if in excess of 95% of the aggregate principal balance of the Senior Loan is subject to an interest rate swap agreement through the Maturity Date, the Debt Service on the Loan shall be determined by using the actual principal and interest payable under the Senior Loan during the Calculation Period after giving effect to the impact of such interest rate swap agreement; or
- (iii) After giving effect to the release of the subject Property, either
 - a) the Borrowers will not violate the maximum 75% Loan To Value Ratio covenant, as calculated pursuant to Section 9.18.1 of the Senior Loan Agreement; or
 - b) at Borrower's option, if such release is to take effect prior to December 31, 2012, in lieu of compliance with the maximum Loan To Value Ratio covenant as calculated in Section 9.21 (iii) (a) above, Borrowers shall pay Agent the Alternative Release Payment as defined in Section 9.21 (iv).
- (iv) The "Alternative Release Payment" for purposes of this Section 9.21 is the higher of: (X) that amount which is equal to 1.2 multiplied by the Loan

Amount advanced with respect to such Property (as set forth on the Allocated Release Price Schedule attached hereto on Exhibit B); (Y) 100% of the applicable Borrower's purchase price for acquisition of the subject Property as set forth in the applicable sale contracts and closing statements, plus closing costs incurred in connection with the aforesaid acquisition as reasonably determined by the settlement statement for such acquisition; or (Z) 100% of the gross sale proceeds of the sale of the Property net of Approved Closing Costs. "Approved Closing Costs" shall mean usual and customary closing costs for commercial real estate transactions in the applicable surrounding area in which the subject Property is located, such as deed stamps, reasonable attorneys' fees, real estate tax adjustments and a broker's commission (which broker's commission shall not exceed the usual and customary commission charged in the applicable surrounding area) and shall also include negotiated payments made by the applicable Borrower under the relevant purchase and sale agreement for the subject Property as part of the sale transaction and as such payments are reflected by the settlement statement.

21. Revised CapEx Payment Schedule. The CapEx Schedule defined at Section 9.22 of the Senior Loan Agreement and attached to the Fourth Modification to Senior Loan Agreement dated January 31, 2009 as Exhibit A, is hereby deleted and replaced with the CapEx Schedule set forth herein as Exhibit A.

22. Debt Yield Covenant. The Senior Loan Agreement is hereby modified to provide a new Section 9.23 as follows:

"Debt Yield. The Debt Yield (as defined below) shall be not less than 12.85% as tested as of December 31, 2011. If such Debt Yield covenant shall not be satisfied on December 31, 2011, Borrowers shall prepay a sufficient amount of principal outstanding on the Loans such that if such principal reduction had been made as of the date of the Debt Yield calculation, the Debt Yield covenant would have been satisfied. It shall be an Event of Default if Borrowers fail to make such a prepayment not later than the first to occur of: (i) thirty (30) days after notice from Agent to Borrowers properly requesting the payment, or (ii) if Borrowers have failed to give Agent sufficient reports to enable Agent to make the necessary calculations on or before December 31, 2011.

"Debt Yield" shall mean the result, expressed as a percentage, as of December 31, 2011, of: (A) Net Operating Income (as defined below) for the proceeding 12 month period divided by (B) the outstanding principal balance of the Loans on the December 31, 2011. The "Net Operating Income" for purposes of calculating the Debt Yield shall mean (a) all gross revenues projected to be paid to Landlord under Approved Leases (*i.e.*, not including any amounts paid by tenants to third parties pursuant to Approved Leases) from tenants current on their rent payments, with gross revenues from all tenants whose leases expire in 2012 and which have not been renewed by December 31, 2011 being discounted by 35% and (b) all other projected revenues from the ownership and

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operation of the Properties and the interim investment of accumulated funds minus (x) all Operating Expenses."

23. Agent/Lender Assignment Rights.

(a) Notwithstanding any provision contained in the Senior Loan Documents which would otherwise (a) limit, restrict or prohibit a sale, assignment, grant of participation interest in, or other transfer by Agent or any Lender of all, or any portion of, its right, title and interest in and to its Commitment to any other Eligible Assignee (in each instance, a "Transfer"), (b) require any Lender to remain as Agent and/or retain a minimum Commitment, and/or (c) require the consent of any other person, including, without limitation any Borrower, any Guarantor or any other Lender, as a condition precedent to the effectiveness of any such Transfer (clauses (a), (b) and (c) collectively, being referred to as the "Transfer Restrictions"), each Borrower and each Lender hereby acknowledge and agree that from and after the Effective Date, such Transfer Restrictions shall be of no force or effect, and that any Lender may sell, assign, grant participation interests in or otherwise transfer all or any portion of, its right, title and interest in and to its Commitment to any other Eligible Assignee upon satisfaction of the following conditions: (a) in connection with a sale which includes the sale of the entire Note (and not a portion thereof) as the only asset to be sold (and not commingled with the sale of any other notes held by Agent or any Lender in a pool, portfolio or otherwise) Agent or such Lender shall have given Borrower prior written notice of its intent to effectuate the Transfer of the entire Note; provided that notice to Borrower of such sale shall not be required if a Default or Event of Default shall have occurred and be continuing, (b) in the case of an assignment, Agent and such acquiring Eligible Assignee shall execute and deliver to the Agent, for recording in the Register, an Assignment and Acceptance in the form attached to the Senior Loan Agreement, together with any Notes subject to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder, and (y) Agent as the assigning Lender shall, to the extent provided in such assignment and upon payment to the Agent of the registration fee referred to in Section 15.15.3, be released from its obligations under the Senior Loan Agreement. Borrower may rely on the provisions of this Section 20(a). The last sentence of Section 15.15.1 of the Senior Loan Agreement is hereby deleted. Except as provided for above, the remaining provisions of the Loan Agreement regarding assignment and participations shall remain in effect.

(b) Agent Requirements. Notwithstanding any provision contained in the Senior Loan Documents which would otherwise require (i) Anglo Irish Bank Corporation Limited ("Anglo") to (a) to remain as Agent, or (b) retain a minimum Commitment, (ii) require the consent of any other person, including, without

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limitation any Borrower or any other Lender, as a condition precedent to the effectiveness of Anglo's resignation as Agent, or (iii) that any successor Agent to Anglo satisfy the conditions of an Eligible Assignee (clauses (i), (ii) and (iii) collectively, being referred to as the "Agent Transfer Restrictions"), each Borrower and each Lender hereby acknowledge and agree that from and after the date hereof, such Agent Transfer Restrictions shall be of no force or effect.

- (c) Definition of Eligible Assignee. The definition of "Eligible Assignee" is deleted and replaced by the following:

"Eligible Assignee. Any natural or unnatural person, corporation, partnership, limited liability company, joint venture, association or other entity or any governmental agency or authority selected by the Agent in its sole discretion."

24. Conditions Precedent to Effectiveness. This Agreement shall become effective as of the Effective Date at such time when all of the following conditions are satisfied:

- (a) All action on the part of each Borrower and each other party necessary for the valid execution, delivery and performance by each Borrower of this Agreement, and all other documentation, instruments, and agreements to be executed in connection herewith shall have been duly and effectively taken and evidence thereof reasonably satisfactory to the Agent shall have been provided to the Agent.
- (b) Borrowers shall have made the repayment of the Bridge Loan described in the Section 1 above.
- (c) Borrowers shall have made the Minimum Senior Payment described in Section 3 above.
- (d) STAG Industrial Operating Partnership, L.P. shall have executed the Guaranty described in Section 7 above in form acceptable to the Lender as of the Effective Date and shall have executed a Consent, together with STAG III Sparks, LLC, to this Agreement (signature page following Lender and Borrowers' signature pages hereto).
- (e) The Agent shall have received such executed resolutions, secretary's certificates and certificates of legal existence as the Agent may reasonably specify all in form and substance reasonably satisfactory to the Agent and its counsel.
- (f) The Agent shall have received a written legal opinion of the Borrowers' and Guarantors' counsel addressed to the Agent and the Lender, covering such matters relating to the Borrowers, Guarantors, the Loan Documents and/or the transactions contemplated thereby as the Agent shall reasonably request.
- (g) The Borrowers shall have paid an extension fee in the amount of 35 basis points on the outstanding balance of the Senior Loan existing on the Effective Date after

all principal payments of the Borrower are made pursuant to Section 3 and Section 5 hereof.

- (h) All fees and expenses incurred by the Agent in connection with the preparation and negotiation of this Agreement and related documents (including the reasonable fees and expenses of counsel to the Agent) shall have been paid in full.
- (i) No Event of Default shall have occurred and be continuing.
- (j) The Borrowers shall have executed and delivered to the Agent such additional documents, instruments, and agreements as the Agent may reasonably request.

25. Other Provisions .

- (a) The Borrowers hereby ratify, confirm, and reaffirm all of the terms and conditions of the Senior Loan Agreement and all of the other documents, instruments, and agreements evidencing the Senior Loan. The Borrowers further acknowledge and agree that all of the terms and conditions of the Senior Loan arrangement shall remain in full force and effect except as expressly provided in this Agreement. No novation of the indebtedness evidenced by the Senior Note, Senior Loan Agreement or any other loan document pertaining to the foregoing shall occur as a result of the execution of this Agreement.
- (b) To the extent any Defaults or Events of Default are existing as of the date hereof, the Agent hereby expressly reserves all of its rights and remedies in connection therewith, and the execution of this Agreement shall not be deemed a waiver of any such Default or Event of Default nor a waiver of any of the Agent's rights and remedies in connection therewith.
- (c) Except as specifically amended by this Agreement and the other documents executed and delivered in connection herewith, all of the terms and conditions of the Senior Loan Agreement and of the other Loan Documents shall remain in full force and effect as in effect prior to the date hereof, without releasing any obligors thereon or collateral security therefor.
- (d) The Borrowers acknowledge, confirm and agree that they have no offsets, defenses, claims or counterclaims against the Agent or Lender with respect to any of the Borrowers' liabilities and obligations to the Lender under the Senior Loan arrangement and to the extent that the Borrowers have any such claims under the foregoing loan arrangements, the Borrowers affirmatively WAIVE and RENOUNCE such claims as of the Effective Date.
- (e) Any determination that any provision of this Agreement or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Agreement.

- (f) This Agreement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.
- (g) The Senior Loan Agreement, as amended by this Agreement, constitutes the entire agreement of the parties regarding the matters contained herein and shall not be modified by any prior oral or written communications.
- (h) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date set forth above.

BORROWERS :

STAG III ALBION, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MASON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III ST. LOUIS, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III TAVARES, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III DAYTONA BEACH, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MALDEN, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III GREAT BEND, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MILWAUKEE, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III YOUNGSTOWN, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III ROUND ROCK, L.P.

By: STAG Investments GP III, LLC, its sole general partner

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III CHESTERFIELD, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III ARLINGTON, L.P.

By: STAG Investments GP III, LLC, its sole general partner

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III FARMINGTON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III CINCINNATI, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III APPLETON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III JEFFERSON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III FAIRFIELD, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MAYVILLE, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MILWAUKEE 2, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III JACKSON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III MARYLAND BORROWER, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III POCATELLO, LLC

By: _____

STAG III ELKHART, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III HOLLAND 2, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III CANTON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III RAPID CITY, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III AMESBURY, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III HOLLAND, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III SERGEANT BLUFF, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III LEWISTON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III PENSACOLA, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III BOARDMAN, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III NEWARK, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III TWINSBURG, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG III DAYTON, LLC

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

AGENT AND LENDER :

ANGLO IRISH BANK CORPORATION LIMITED

By: _____
Name: _____
Title: _____

ANGLO IRISH BANK CORPORATION LIMITED

By: _____
Name: _____
Title: _____

(Signature Page to Anglo/STAG — Fifth Modification to Senior Loan Agreement)

Consented to and Agreed:

GUARANTOR:

STAG III SPARKS, LLC (f/k/a Ecolair LLC, a Maryland limited liability company)

By: _____
Name: Benjamin S. Butcher
Title: Authorized Signatory

STAG INDUSTRIAL OPERATING PARTNERSHIP, L.P.

By: STAG Industrial GP, LLC, a Delaware limited liability, its General Partner

By: _____
Name: Benjamin S. Butcher
Title: President

Exhibit A

SENIOR LOAN CAP EX PAYMENT SCHEDULE

Repayment Number	Capex Payment Amount
1	
2	
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Breakdown of Capex payments

Variables	
Principal	
Term (Years)*	20
Repayments Per Year	12
Calculation Rate	5.00%

* 20 year Senior Loan Principal Amortization less 25 year Senior Loan Principal Amortization

Exhibit BAllocated Release Price Schedule

Entity(1)	Original Senior Loan Amount	Pay-down for Release(2)
Albion	7,725,000	9,270,000
Amesbury	4,448,134	5,337,761
Appleton	3,912,506	4,695,007
Cincinnati	4,532,000	5,438,400
Fairfield	2,850,000	3,420,000
Farmington	4,780,000	5,736,000
Holland II	5,080,000	6,096,000
Jefferson	2,569,000	3,082,800
Lewiston	4,650,000	5,580,000
Tavares	5,890,000	7,068,000
Twinsburg	5,997,750	7,197,300
Malden	6,518,000	7,821,600
Arlington	2,465,619	2,958,743
Boardman	5,089,502	6,107,402
Canton	5,148,461	6,178,153
Chesterfield	8,370,000	10,044,000
Dayton	3,522,000	4,226,400
Daytona	5,114,054	6,136,865
Elkhart	3,563,000	4,275,600
Great Bend	6,966,000	8,359,200
Holland I	3,835,305	4,602,366
Jackson	4,125,000	4,950,000
Mason(3)	6,319,156	7,582,987
Mayville	4,093,501	4,912,201
Milwaukee I	5,250,000	6,300,000
Milwaukee II	3,903,000	4,683,600
Newark	4,078,781	4,894,537
Pensacola	4,681,118	5,617,342
Pocatello	3,187,500	3,825,000
Rapid City	11,861,230	14,233,476
Round Rock	3,351,000	4,021,200
Sergeant Bluff	11,100,000	13,320,000
Sparks	3,648,427	4,378,112
St. Louis	6,443,000	7,731,600
Youngstown	5,353,000	6,423,600
Totals	180,421,044	216,505,252

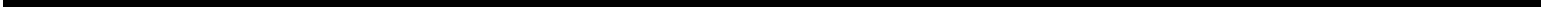
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- (1) Entities do not include Streamwood and Pomfret, which will be released per this amendment.
 - (2) Calculated as 1.2x original Senior Loan amount, but does not include interest thereon which will be added to the total amount due for release
 - (3) Loan balance is pro-rated share of amount originally advanced, reflecting release of Mason, OH property per the amendment.

The properties in the shaded boxes indicate those additional Borrowers which Borrower has indicated may be released from the loan pursuant to Section 5 of the this Agreement.

Subsidiaries of STAG Industrial, Inc.
Upon completion of this offering and the formation transactions

Name	Jurisdiction of Formation/Incorporation
STAG Industrial Operating Partnership, L.P.	Delaware
STAG Industrial GP, LLC	Delaware
STAG Industrial Management, LLC	Delaware
STAG Industrial TRS, Inc.	Delaware
STAG Investments Holdings III, LLC	Delaware
STAG Investment Holdings IV, LLC	Delaware
STAG GI Investment Holdings, LLC	Delaware
STAG Capital Partners, LLC	Massachusetts
STAG Capital Partners II, LLC	Delaware
STAG III Arlington, L.P.	Delaware
STAG III Boardman, LLC	Delaware
STAG III Canton, LLC	Delaware
STAG III Chesterfield, LLC	Delaware
STAG III Dayton, LLC	Delaware
STAG III Elkhart, LLC	Delaware
STAG III Great Bend, LLC	Delaware
STAG III Holland, LLC	Delaware
STAG III Jackson, LLC	Delaware
STAG III Mason, LLC	Delaware
STAG III Mayville, LLC	Delaware
STAG III Milwaukee 2, LLC	Delaware
STAG III Milwaukee, LLC	Delaware
STAG III Newark, LLC	Delaware
STAG III Pensacola, LLC	Delaware
STAG III Pocatello, LLC	Delaware
STAG III Rapid City, LLC	Delaware
STAG III Round Rock, LLC	Delaware
STAG III Sergeant Bluff, LLC	Delaware
STAG III Sparks, LLC (f/k/a ECOLAIR LLC)	Maryland
STAG III St. Louis, LLC	Delaware
STAG III Youngstown, LLC	Delaware
STAG III Albion, LLC	Delaware
STAG III Amesbury, LLC	Delaware
STAG III Appleton, LLC	Delaware
STAG III Cincinnati, LLC	Delaware
STAG III Fairfield, LLC	Delaware
STAG III Farmington, LLC	Delaware
STAG III Holland 2, LLC	Delaware
STAG III Jefferson, LLC	Delaware
STAG III Lewiston, LLC	Delaware
STAG III Malden, LLC	Delaware
STAG III Tavares, LLC	Delaware
STAG III Twinsburg, LLC	Delaware
STAG IV Alexandria, LLC	Delaware
STAG IV Belfast, LLC	Delaware
STAG IV Cheektowaga, LLC	Delaware
STAG IV Creedmor, LLC	Delaware
STAG IV Danville, LLC (f/k/a/ STAG III Danville, LLC)	Delaware
STAG IV Lexington, LLC	Delaware
STAG IV Newton, LLC	Delaware

STAG IV Pittsburgh 2, LLC	Delaware
STAG IV Pittsburgh, LLC (f/k/a STAG III Pittsburgh, LLC)	Delaware
STAG IV Rural Hall, LLC	Delaware
STAG IV Seville, LLC (f/k/a STAG III Seville, LLC)	Delaware
STAG IV Sun Prairie, LLC	Delaware
STAG IV Waco, LLC	Delaware
STAG GI O’Fallon, LLC	Delaware
STAG GI Goshen, LLC	Delaware
STAG GI Charlotte, LLC	Delaware
STAG GI Charlotte 2, LLC	Delaware
STAG GI Madison, LLC	Delaware
STAG GI Walker, LLC	Delaware
STAG GI Streetsboro, LLC	Delaware
STAG GI Salem, LLC	Delaware
STAG GI New Jersey, LLC	Delaware
STAG GI Venore, LLC	Delaware
STAG GI Rogers, LLC	Delaware
STAG GI Mooresville, LLC	Delaware
STAG GI Cleveland, LLC	Delaware



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-11 of STAG Industrial, Inc. of our report dated February 15, 2011 relating to the combined financial statements and financial statement schedule of STAG Predecessor Group, our report dated February 15, 2011 relating to the combined statements of revenue and certain expenses of STAG Contribution Group, our report dated February 15, 2011 relating to the consolidated balance sheet of STAG Industrial, Inc., our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Newton Property, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Charlotte Property, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Goshen Property, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the O'Fallon Property, our report dated February 15, 2011 relating to the combined statement of revenue and certain expenses of the Piscataway and Lopatcong Properties, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Charlotte II Property, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Madison Property, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Streetsboro Property, our report dated February 15, 2011 relating to the combined statement of revenue and certain expenses of the Rogers and Vonore Properties, our report dated February 15, 2011 relating to the combined statement of revenue and certain expenses of the Salem Properties, our report dated February 15, 2011 relating to the statement of revenue and certain expenses of the Walker Property, our report dated April 4, 2011 relating to the statement of revenue and certain expenses of the Mooresville Property, and our report dated April 4, 2011 relating to the statement of revenue and certain expenses of the Cleveland Property which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
April 4, 2011
