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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported):
September 26, 2013

RETAIL OPPORTUNITY INVESTMENTS CORP.
RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP
(Exact name of registrant as specified in its charter)

Maryland **Delaware** (State or other jurisdiction of incorporation)	**333-189057** **333-189057-01** (Commission File Number)	**26-0500600** **27-1532741** (IRS Employer Identification No.)

8905 Towne Centre Drive, Suite 108 **San Diego, California** (Address of Principal Executive Offices)	**92122** (Zip Code)

Registrant's telephone number, including area code: **(858) 677-0900**

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 2.01 and Item 2.03 is incorporated herein by reference.

During August 2013, certain subsidiaries of Retail Opportunity Investments Corp. (the "Company") entered into a purchase and sale agreement (the "Crossroads Purchase and Sale Agreement") with an unaffiliated group of sellers (the "Crossroads Sellers") in relation to the 51% of the partnership interests in Terranomics Crossroads Associates (the "Crossroads JV"), the partnership which owns the Crossroads Shopping Center located in Bellevue, Washington ("Crossroads"), which the Company's subsidiaries did not already own, and a purchase and sale agreement (the "Five Points Purchase and Sale Agreement", and together with the Crossroads Purchase and Sale Agreement, the "Purchase and Sale Agreements") with an unaffiliated group of sellers (the "Five Points Sellers") in relation to the membership interests in SARM Five Points Plaza, LLC ("Five Points LLC"), the entity that owned Five Points Plaza Shopping Center located in Huntington, California ("Five Points Plaza").

In connection with the closings, and as contemplated by the Purchase and Sale Agreements, the Company and Retail Opportunity Investments Partnership, LP (the "Operating Partnership") entered into (i) contribution agreements with each of the Crossroads Sellers and the Five Points Sellers (together, the "Contribution Agreements") providing for the issuance of OP Units in exchange for all interests in the Crossroads JV and Five Points LLC, (ii) tax protection agreements with each of the Crossroads Sellers and the Five Points Sellers (together, the "Tax Protection Agreements") and (iii) registration rights agreements with each of the Crossroads Sellers and the Five Points Sellers (together, the "Registration Rights Agreements")

The Tax Protection Agreements require the Company, subject to certain exceptions, for a period of 12 years, to indemnify the Crossroads Sellers and Five Points Sellers receiving OP Units against certain tax liabilities incurred by them, as calculated pursuant to the applicable Tax Protection Agreement, if such liabilities result from a transaction involving a taxable disposition of Crossroads or Five Points Plaza, as applicable, or if the Operating Partnership fails to maintain and allocate to such holders for taxation purposes minimum levels of Operating Partnership liabilities as specified in the Tax Protection Agreement.

The Registration Rights Agreements require the Company, subject to certain exceptions, to use commercially reasonable efforts to file, no later than one year after the issuance of the OP Units as contemplated by the Contribution Agreements, a shelf registration statement covering the resale of shares of common stock that may be issued upon exchange of such OP Units. Under the Registration Rights Agreement, the Company will also be required to use commercially reasonable efforts to cause such shelf registration statement to be declared effective as soon as practicable thereafter.

In addition, the Company agreed to forfeit its rights of first offer to purchase the following properties, which it obtained in connection with its acquisition of its 49% ownership interest in the Crossroads JV in December 2010: Brook 35 Plaza, Sea Girt, New Jersey; Brook 35 West, Sea Girt, New Jersey; The Grove West, Shrewsbury, New Jersey and The Grove at Shrewsbury, Shrewsbury, New Jersey.

In connection with the issuance of OP Units, the Operating Partnership has adopted a Second Amended and Restated Limited Partnership Agreement dated of September 27, 2013 (the "Partnership Agreement").

Item 2.01 Completion of Acquisition or Disposition of Assets.

The Crossroads Purchase and Sale Agreement provides for the acquisition of 51% of the partnership interests in the Crossroads JV from the Crossroads Sellers for consideration of approximately $37.5 million, to be paid through the issuance of 2,639,632 OP Units, and the assumption of a $49.6 million mortgage loan on the property.

The Five Points Purchase and Sale Agreement provides for the acquisition of 100% of the membership interests in Five Points LLC from the Five Points Sellers, for consideration of approximately $52.4 million, to be paid through (i) approximately $43.6 million in cash (of which approximately $17.2 million was used to pay off the existing mortgage loan and terminate the related swap) and (ii) the issuance of 650,031 OP Units.

On September 27, 2013, subsidiaries of Retail Opportunity Investments Corp. (the "Company") completed the acquisition of the partnership interests Crossroads JV and the LLC interests in Five Points LLC.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Unsecured Revolving Credit Facility

On September 26, 2013, the Company, as the Parent Guarantor, the Operating Partnership, as the Borrower, and certain subsidiaries of the Company, as the Subsidiary Guarantors (the "Subsidiary Guarantors"), entered into a third amendment to the amended and restated credit agreement (the "Credit Agreement Amendment") with KeyBank National Association, as Administrative Agent and L/C Issuer and the lenders party thereto.

Pursuant to the Credit Agreement Amendment, the lenders agreed to (i) increase the aggregate commitments under the amended and restated credit agreement dated as of August 29, 2012 (the "Credit Agreement"), to $350 million; (ii) reduce the margin and fees payable under the Credit Agreement; and (iii) extend the maturity date of the Credit Agreement by one year to August 29, 2017.

The Credit Agreement Amendment also included the following amendments to the financial covenants contained in the Credit Agreement: (i) replacing the requirement that maximum consolidated secured indebtedness as of the last day of any fiscal quarter be no greater than the Mortgageability Amount (as defined in the Credit Agreement in effect prior to the Credit Agreement Amendment) with the requirement that the consolidated unencumbered interest coverage ratio as of the last day of any fiscal quarter be no less than 1.75 to 1.00; and (ii) increasing the minimum consolidated tangible net worth requirement from at least equal to the sum of $400 million plus 80% of the net proceeds equity sales and issuances by the Company after the date of the Credit Agreement to at least equal to the sum of $580 million plus 80% of the net proceeds of future equity sales and issuances by the Company.

Term Loan Facility

On September 26, 2013, the Company, the Operating Partnership and the Subsidiary Guarantors entered into a third amendment to the amended and restated term loan agreement (the "Term Loan Amendment") with KeyBank National Association, as Administrative Agent and the lenders party thereto.

Pursuant to the Term Loan Amendment, the lenders agreed to amend the financial covenants under the amended and restated term loan agreement dated as of August 29, 2012 (the "Term Loan Agreement") as follows: (i) replacing the requirement that maximum consolidated secured indebtedness as of the last day of

any fiscal quarter be no greater than the Mortgageability Amount (as defined in the Term Loan Agreement in effect prior to the Term Loan Amendment) with the requirement that the consolidated unencumbered interest coverage ratio as of the last day of any fiscal quarter be no less than 1.75 to 1.00; and (ii) increasing the minimum consolidated tangible net worth requirement from at least equal to the sum of $400 million plus 80% of the net proceeds equity sales and issuances by the Company after the date of the Term Loan Agreement to at least equal to the sum of $580 million plus 80% of the net proceeds of future equity sales and issuances by the Company.

Item 3.02 Unregistered Sale of Equity Securities

In accordance with the Crossroads Purchase and Sale Agreement, the Company and the Operating Partnership entered into a Contribution Agreement pursuant to which 2,639,634 OP Units were issued, in reliance on Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder, in exchange for the Crossroads Sellers' membership interests in Crossroads JV.

In accordance with the Five Points Purchase and Sale Agreement, the Company and the Operating Partnership entered into a Contribution Agreement pursuant to which 650,632 OP Units were issued, in reliance on Section 4(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder, in partial exchange for the Five Points Sellers' ownership interests in Five Points LLC. The OP Units are exchangeable into shares of common stock of the Company on a one-for-one basis, subject to the terms of the Operating Partnership's Partnership Agreement.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

The financial statements that are required to be filed pursuant to this Item will be filed under cover of a Form 8-K/A as soon as practicable, but no later than 71 days after the date on which this initial Form 8-K is required to be filed.

(b) *Pro forma financial information.*

The pro forma financial information that is required to be filed pursuant to this Item will be filed under cover of a Form 8-K/A as soon as practicable, but no later than 71 days after the date on which this initial Form 8-K is required to be filed.

Forward-Looking Statements.
This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company and the Operating Partnership have based these forward-looking statements on the current expectations and projections of the Company about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause the Company’s and the Operating Partnership's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in the Company’s and the Operating Partnership's other securities and Exchange Commission filings.

(d) Exhibits.

Exhibit No.	**Description**
4.1	Second Amended and Restated Limited Partnership Agreement of Retail Opportunity Investments Partnership, LP dated as of September 27, 2013 among Retail Opportunity Investments GP, LLC as general partner, Retail Opportunity Investments Corp. and the other limited partners thereto.
10.1	Third Amendment to the Amended and Restated Credit Agreement among Retail Opportunity Investments Partnership, LP, as the Borrower, Retail Opportunity Investments Corp., as the Parent Guarantor, certain subsidiaries of the Parent Guarantor identified therein, as the Subsidiary Guarantors, KeyBank National Association, as Administrative Agent and the other lenders party thereto.
10.2	Third Amendment to the Amended and Restated Term Loan among Retail Opportunity Investments Partnership, LP, as the Borrower, Retail Opportunity Investments Corp., as the Parent Guarantor, certain subsidiaries of the Parent Guarantor identified therein, as the Subsidiary Guarantors, KeyBank National Association, as Administrative Agent, and the other lenders party thereto.
10.3	Contribution Agreement among Retail Opportunity Investments Corp., Retail Opportunity Investments Partnership, LP and the sellers identified therein.
10.4	Contribution Agreement among Retail Opportunity Investments Corp., Retail Opportunity Investments Partnership, LP and the sellers identified therein.
10.5	Tax Protection Agreement among Retail Opportunity Investments Corp., Retail Opportunity Investments Partnership, LP and the protected partners identified therein.
10.6	Tax Protection Agreement among Retail Opportunity Investments Corp., Retail Opportunity Investments Partnership, LP and the protected partners identified therein.
10.7	Registration Rights Agreement among Retail Opportunity Investments Corp. and the holders named therein.
10.8	Registration Rights Agreement among Retail Opportunity Investments Corp. and the holders named therein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 2, 2013

RETAIL OPPORTUNITY INVESTMENTS CORP.

By: /s/ Michael B. Haines
Name: Michael B. Haines
Title: Chief Financial Officer

Dated: October 2, 2013

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP

By: RETAIL OPPORTUNITY INVESTMENTS GP, LLC, its general partner

By: /s/ Michael B. Haines
Name: Name: Michael B. Haines
Title: Title: Chief Financial Officer

Exhibit Index

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10.2	Third Amendment to Amended and Restated Term Loan Agreement, dated as of September 26, 2013, among Retail Opportunity Investments Partnership, LP, as the Borrower, Retail Opportunity Investments Corp., as the Parent Guarantor, certain subsidiaries of the Parent Guarantor identified therein, as the Subsidiary Guarantors, KeyBank National Association, as Administrative Agent, Bank of America, N.A., as the Syndication Agent, PNC Bank, National Association and U.S. Bank National Association, as Co-Documentation Agents, and the other lenders party thereto.
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Exhibit 4.1

SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP

a Delaware limited partnership

CONTENTS

THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP, dated as of September 27, 2013 is entered into by and among Retail Opportunity Investments GP, LLC, a Delaware limited liability company (the "**General Partner**"), and the limited partner(s) listed on **Exhibit A** hereto (each a "**Limited Partner**").

WHEREAS, an Amendment to the Certificate of Limited Partnership of the Partnership was filed in the office of the Secretary of State of the State of Delaware on January 5, 2010;

WHEREAS, the General Partner and the Limited Partner entered into an Agreement of Limited Partnership of Retail Opportunity Investments Partnership, LP, dated as of January 5, 2010, pursuant to which the Partnership was formed (the "**Original Agreement**"); and

WHEREAS, the General Partner and the Limited Partner desire to amend and restate the Original Agreement in its entirety by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend and restate the Original Agreement in its entirety and agree to continue the Partnership as a limited partnership under the Delaware Revised Uniform Limited Partnership Act, as amended from time to time, as follows:

ARTICLE I

DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"**Act**" means the Delaware Revised Uniform Limited Partnership Act (6 Del. C. § 17-101 *et seq.*), as it may be amended from time to time, and any successor to such statute.

"**Actions**" has the meaning set forth in **Section 7.07** hereof.

"**Additional Funds**" has the meaning set forth in **Section 4.04(a)** hereof.

"**Additional Limited Partner**" means a Person who is admitted to the Partnership as a Limited Partner pursuant to **Section 4.03** and **Section 12.02** hereof and who is shown as such on the books and records of the Partnership.

"**Adjusted Capital Account**" means the Capital Account maintained for each Partner as of the end of each Fiscal Year (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) and (ii) decreased by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"**Adjusted Capital Account Deficit**" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year.

"**Adjustment Event**" shall have the meaning set forth in **Section 4.06(a)** hereof.

"**Adjustment Factor**" means 1.0; **provided**, **however**, **that** in the event that:

(i) the Corporation (a) declares or pays a dividend on its outstanding REIT Shares wholly or partly in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares wholly or partly in REIT Shares, (b) splits or subdivides its outstanding REIT Shares or (c) effects a reverse stock split or otherwise combines its outstanding REIT Shares into a smaller number of REIT Shares, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction, (i) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination (assuming for such purposes that such dividend, distribution, split, subdivision, reverse split or combination has occurred as of such time) and (ii) the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination;

(ii) the Corporation distributes any rights, options or warrants to all holders of its REIT Shares to subscribe for or to purchase or to otherwise acquire REIT Shares (or other securities or rights convertible into, exchangeable for or exercisable for REIT Shares) at a price per share less than the Value of a REIT Share on the record date for such distribution (each a "**Distributed Right**"), then the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction (a) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date plus the maximum number of REIT Shares purchasable under such Distributed Rights and (b) the denominator of which shall be the number of REIT Shares issued and outstanding on the record date plus a fraction (1) the numerator of which is the maximum number of REIT Shares purchasable under such Distributed Rights times the minimum purchase price per REIT Share under such Distributed Rights and (2) the denominator of which is the Value of a REIT Share as of the record date; **provided**, **however**, **that** if any such Distributed Rights expire or become no longer exercisable, then the Adjustment Factor shall be adjusted, effective retroactive to the date of distribution of the Distributed Rights, to reflect a reduced maximum number of REIT Shares or any change in the minimum purchase price for the purposes of the above fraction;

(iii) the Corporation shall, by dividend or otherwise, distribute to all holders of its REIT Shares evidences of its indebtedness or assets (including securities, but excluding any dividend or distribution referred to in subsection (i) above), which evidences of indebtedness or assets relate to assets not received by the Corporation or its Subsidiaries pursuant to a *pro rata* distribution by the Partnership, then the Adjustment Factor shall be adjusted to equal the amount determined by multiplying the Adjustment Factor in effect immediately prior to the close of business on the date fixed for determination of stockholders of the Corporation entitled to receive such distribution by a fraction (i) the numerator of which shall be such Value of a REIT Share on the date fixed for such determination and (ii) the denominator of which shall be the Value of a REIT Share on the dates fixed for such determination less the then fair market value (as determined by the REIT, whose determination shall be conclusive) of the portion of the evidences of indebtedness or assets so distributed applicable to one REIT Share; and

(iv) an entity other than an Affiliate of the Corporation shall become General Partner pursuant to any merger, consolidation or combination of the Corporation with or into another entity (the "**Successor Entity**"), the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor by the number of shares of the Successor Entity into which one REIT Share is converted pursuant to such merger, consolidation or combination, determined as of the date of such merger, consolidation or combination.

Any adjustments to the Adjustment Factor shall become effective immediately after the effective date of such event, retroactive to the record date, if any, for such event. Notwithstanding the foregoing, the Adjustment Factor shall not be adjusted in connection with an event described in clauses (i) or (ii) above if, in connection with such event, the Partnership makes a distribution of cash, Partnership Units, REIT Shares and/or rights, options or warrants to acquire Partnership Units and/or REIT Shares with respect to all applicable OP Units (including LTIP Units) or effects a reverse split of, or otherwise combines, the OP Units (including LTIP Units), as applicable, that is comparable as a whole in all material respects with such an event, or if in connection with an event described in clause (iv) above, the consideration in **Section** 11.02 hereof is paid.

"**Affiliate**" means, with respect to any Person, (i) any Person directly or indirectly controlling or controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any Person of which such Person owns or controls ten percent (10%) or more of the voting interests or (iv) any officer, director, general partner or trustee of such Person or any Person referred to in clauses (i), (ii), and (iii) above. 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.

"**Agreement**" means this First Amendment and Restated Agreement of Limited Partnership of Retail Opportunity Investments Partnership, LP, as it may be amended, supplemented or restated from time to time.

"**Assignee**" means a Person to whom one or more Partnership Units have been Transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in **Section 11.05** hereof.

"**Available Cash**" means, with respect to any period for which such calculation is being made, the amount of cash available for distribution by the Partnership as determined by the General Partner in its sole and absolute discretion.

"**Business Day**" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Bylaws**" means the Bylaws of the Corporation, as amended, supplemented or restated from time to time.

"**Capital Account**" means, with respect to any Partner, the Capital Account maintained by the General Partner for such Partner on the Partnership's books and records in accordance with the following provisions:

A. To each Partner's Capital Account, there shall be added such Partner's Capital Contributions, such Partner's distributive share of Net Income and any items in the nature of income or gain that are specially allocated pursuant to **Section 6.03** hereof, and the principal amount of any Partnership liabilities assumed by such Partner or that are secured by any property distributed to such Partner.

B. From each Partner's Capital Account, there shall be subtracted the amount of cash and the Gross Asset Value of any property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Net Losses and any items in the nature of expenses or losses that are specially allocated pursuant to **Section 6.03** hereof, and the principal amount of any liabilities of such Partner assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership.

C. In the event any interest in the Partnership is Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Transferred interest.

D. In determining the principal amount of any liability for purposes of subsections (a) and (b) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

E. The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2, and shall be interpreted and applied in a manner consistent with such Regulations. If the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts are maintained in order to comply with such Regulations, the General Partner may make such modification **provided**, **that** such modification will not have a material effect on the amounts distributable to any Partner without such Partner's Consent. The General Partner also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and (ii) make any appropriate modifications in the event that unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b) or Section 1.704-2.

"**Capital Account Deficit**" has the meaning set forth in **Section 13.02(c)** hereof.

"**Capital Account Limitation**" has the meaning set forth in **Section 4.07(b)**. hereof.

"**Capital Contribution**" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any Contributed Property that such Partner contributes to the Partnership or is deemed to contribute pursuant to **Section 4.04** hereof.

"**Cash Amount**" means, with respect to a Tendering Party, an amount of cash equal to the product of (A) the Value of a REIT Share and (B) such Tendering Party's REIT Shares Amount determined as of the date of receipt by the General Partner of such Tendering Party's Notice of Redemption or, if such date is not a Business Day, the immediately preceding Business Day.

"**Certificate**" means the Amendment to the Certificate of Limited Partnership of the Partnership filed in the office of the Secretary of State of the State of Delaware on January 5, 2010, as amended from time to time in accordance with the terms hereof and the Act.

"**Charter**" means the Amended and Restated Charter of the Corporation as filed with the Maryland State Department of Assessment and Taxation, as amended, supplemented or restated from time to time.

"**Closing Price**" has the meaning set forth in the definition of "Value."

"**Code**" means the Internal Revenue Code of 1986, as amended and in effect from time to time or any successor statute thereto, as interpreted by the applicable Regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"**Company Employees**" means an employee of the Partnership, the Corporation or any of their subsidiaries.

"**Consent**" means the consent to, approval of, or vote in favor of a proposed action by a Partner given in accordance with **Article XIV** hereof.

"**Constituent Person**" shall have the meaning set forth in **Section 4.07(f)**.

"**Contributed Property**" means each item of Property or other asset, in such form as may be permitted by the Act, but excluding cash, contributed or deemed contributed to the Partnership (or deemed contributed by the Partnership to a "new" partnership pursuant to Code Section 708) net of any liabilities assumed by the Partnership relating to such Contributed Property and any liability to which such Contributed Property is subject.

"**Conversion Date**" shall have the meaning set forth in **Section 4.07(b)**.

"**Conversion Notice**" shall have the meaning set forth in **Section 4.07(b)**.

"**Conversion Right**" shall have the meaning set forth in **Section 4.07(a)**.

"**Corporation**" means Retail Opportunity Investments Corp., a Maryland corporation.

"**Debt**" means, as to any Person, as of any date of determination, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (ii) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (iii) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (iv) lease obligations of such Person that, in accordance with generally accepted accounting principles, should be capitalized.

"**Depreciation**" means, for each Partnership Year or other applicable period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or period, Depreciation shall be in an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; **provided**, **however**, **that** if the federal income tax depreciation, amortization or other cost recovery deduction for such year or period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"**Distributed Right**" has the meaning set forth in the definition of "Adjustment Factor."

"**DRO Amount**" means the amount specified on **Exhibit C** with respect to any DRO Partner, as such Exhibit may be amended from time to time.

"**DRO Partner**" means a Partner who has agreed in writing to be a DRO Partner and has agreed and is obligated to make certain contributions, not in excess of such DRO Partner's DRO Amount, to the Partnership with respect to such Partner's Capital Account Deficit upon the occurrence of certain events.

"**Economic Capital Account Balances**" has the meaning set forth in **Section 6.03(c)** hereof.

"**Equity Incentive Plan**" means any equity incentive plan hereafter adopted by the Partnership or the Corporation, including the Corporation's 2009 equity incentive plan.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Forced Redemption**" shall have the meaning set forth in **Section 4.07(c)**.

"**Forced Redemption Notice**" shall have the meaning set forth in **Section 4.07(c)**.

"**Funding Debt**" means the incurrence of any Debt for the purpose of providing funds to the Partnership by or on behalf of the Corporation or any wholly owned subsidiary of the Corporation.

"**General Partner**" means Retail Opportunity Investments GP, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Corporation, and its successors and assigns, as the general partner of the Partnership.

"**General Partner Interest**" means the Partnership Interest held by the General Partner, which Partnership Interest is an interest as a general partner under the Act. A General Partner Interest may be expressed as a number of Partnership Units.

"**General Partner Loan**" has the meaning set forth in **Section 4.04(d)** hereof.

"**Gross Asset Value**" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset as determined by the General Partner in its sole discretion.

(b) The Gross Asset Values of all Partnership assets immediately prior to the occurrence of any event described in clause (i), clause (ii), clause (iii) or clause (iv) hereof shall be adjusted to equal their respective gross fair market values, as determined by the General Partner in its sole discretion using such reasonable method of valuation as it may adopt, as of the following times:

(i) the acquisition of an additional interest in the Partnership (other than in connection with the execution of this Agreement but including, without limitation, acquisitions pursuant to **Section 4.02** hereof or contributions or deemed contributions by the General Partner pursuant to **Section 4.02** hereof) by a new or existing Partner in exchange for more than a *de minimis* Capital Contribution, if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership; **provided**, **that** the issuance of any LTIP Unit shall be deemed to require a recalculation pursuant to this subsection;

(ii) the distribution by the Partnership to a Partner of more than a *de minimis* amount of Property as consideration for an interest in the Partnership, if the General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and

(iv) at such other times as the General Partner shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

(c) The Gross Asset Value of any Partnership asset distributed to a Partner shall be the gross fair market value of such asset on the date of distribution as determined by the distributee and the General Partner **provided**, **that**, if the distributee is the General Partner or if the distributee and the General Partner cannot agree on such a determination, such gross fair market value shall be determined by an independent third party experienced in the valuation of similar assets, selected by the General Partner or the Corporation in good faith.

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); **provided**, **however**, **that** Gross Asset Values shall not be adjusted pursuant to this subsection (d) to the extent that the General Partner reasonably determines that an adjustment pursuant to subsection (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d).

(e) If the Gross Asset Value of a Partnership asset has been determined or adjusted pursuant to subsection (a), subsection (b) or subsection (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses.

"**Holder**" means either (a) a Partner or (b) an Assignee, owning a Partnership Unit, that is treated as a member of the Partnership for federal income tax purposes.

"**Incapacity**" or "**Incapacitated**" means, (i) as to any Partner who is an individual, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her person or his or her estate; (ii) as to any Partner that is a corporation or limited liability company, the filing of a certificate of dissolution, or its equivalent, or the revocation of the corporation's charter; (iii) as to any Partner that is a partnership, the dissolution and commencement of winding up of the partnership; (iv) as to any Partner that is an estate, the distribution by the fiduciary of the estate's entire interest in the Partnership; (v) as to any trustee of a trust that is a Partner, the termination of the trust (but not the substitution of a new trustee); or (vi) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (a) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect, (b) the Partner is adjudged as bankrupt or insolvent, or a final and nonappealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (c) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (d) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (b) above, (e) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator for the Partner or for all or any substantial part of the Partner's properties, (f) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within 120 days after the commencement thereof, (g) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within 90 days of such appointment, or (h) an appointment referred to in clause (g) above is not vacated within 90 days after the expiration of any such stay.

"**Indemnitee**" means (i) any Person made a party to a proceeding by reason of its status as (A) the General Partner or the Corporation or any successor thereto or (B) a director of the Corporation, a member of the General Partner or an officer of the Partnership, the General Partner, the Corporation or a Subsidiary thereof and (ii) such other Persons (including Affiliates of the General Partner, the Corporation or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"**Independent Directors**" means the independent directors of the Board of Directors of the Corporation as determined by the rules and regulations of the NASDAQ Stock Market then in effect.

"**IRS**" means the Internal Revenue Service, which administers the internal revenue laws of the United States.

"**Junior Share**" means a share of capital stock of the Corporation now or hereafter authorized or reclassified that has dividend rights, or rights upon liquidation, winding up and dissolution, that are junior in rank to the REIT Shares.

"**Junior Unit**" means a fractional share of the Partnership Interests that the General Partner has authorized pursuant to **Section 4.01**, 4.03 or 4.04 hereof that has distribution rights, or rights upon liquidation, winding up and dissolution, that are junior in rank to the OP Units.

"**Limited Partner**" means any Person named as a Limited Partner in **Exhibit A** attached hereto, as such **Exhibit A** may be amended from time to time, or any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a Limited Partner in the Partnership.

"**Limited Partner Interest**" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partner Interest may be expressed as a number of OP Units, LTIP Units, Preferred Units, Junior Units or other Partnership Units.

"**Liquidating Event**" has the meaning set forth in **Section 13.01** hereof.

"**Liquidating Gains**" has the meaning set forth in **Section 6.03(c)** hereof.

"**Liquidator**" has the meaning set forth in **Section 13.02(a)** hereof.

"**LTIP Award**" means each or any, as the context requires, LTIP Award issued under any Equity Incentive Plan.

"**LTIP Unit**" means a Partnership Unit which is designated as an LTIP Unit and which has the rights, preferences and other privileges designated in **Section 4.06** hereof and elsewhere in this Agreement in respect of Holders of LTIP Units. The allocation of LTIP Units among the Partners shall be set forth on **Exhibit A**, as may be amended from time to time.

"**LTIP Unitholder**" means a Partner that holds LTIP Units.

"**Majority in Interest of the Outside Limited Partners**" means Limited Partners (excluding for this purpose (i) any Limited Partnership Interests held by the Corporation or its Subsidiaries, (ii) any Person of which the Corporation or its Subsidiaries directly or indirectly owns or controls more than 50% of the voting interests and (iii) any Person directly or indirectly owning or controlling more than 50% of the outstanding interests of the Corporation) holding more than 50% of the outstanding OP Units and any other Partnership Units voting as single class that are held by all Limited Partners who are not excluded for the purposes hereof.

"**Market Price**" has the meaning set forth in the definition of "Value."

"**Net Income**" or "**Net Loss**" means, for each Partnership Year of the Partnership, an amount equal to the Partnership's taxable income or loss for such year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss" shall be added to (or subtracted from, as the case may be) such taxable income (or loss);

(b) Any expenditure of the Partnership described in Code Section 705(a)(2)(B) or treated as a Code Section 705(a)(2)(B) expenditure pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss," shall be subtracted from (or added to, as the case may be) such taxable income (or loss);

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (b) or subsection (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions that would otherwise be taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Partnership Year;

(f) To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest in the Partnership, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(g) Notwithstanding any other provision of this definition of "Net Income" or "Net Loss," any item that is specially allocated pursuant to **Section 6.03** hereof shall not be taken into account in computing Net Income or Net Loss. The amounts of the items of Partnership income, gain, loss or deduction available to be specially allocated pursuant to **Section 6.03** hereof shall be determined by applying rules analogous to those set forth in this definition of "Net Income" or "Net Loss."

"**New Securities**" means (i) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase REIT Shares, Preferred Shares or Junior Shares, except that "New Securities" shall not mean any Preferred Shares, Junior Shares or grants under the Equity Incentive Plans or (ii) any Debt issued by the REIT that provides any of the rights described in clause (i).

"**Nonrecourse Deductions**" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"**Nonrecourse Liability**" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"**Notice of Redemption**" means the Notice of Redemption substantially in the form of **Exhibit B** attached to this Agreement.

"**OP Unit**" means a fractional share of the Partnership Interests of all Partners issued pursuant to **Sections 4.01** and 4.02 hereof, but does not include any LTIP Unit, Preferred Unit, Junior Unit or any other Partnership Unit specified in a Partnership Unit Designation as being other than an OP Unit; **provided**, **however**, **that** the General Partner Interest and the Limited Partner Interests shall have the differences in rights and privileges as specified in this Agreement.

"**OP Unit Economic Balance**" has the meaning set forth in **Section 6.03(c)** hereof.

"**Original Agreement**" means the original Agreement of Limited Partnership of the Partnership, dated as of January 5, 2010.

"**Outside Interest**" has the meaning set forth in **Section 5.02** hereof.

"**Ownership Limit**" means the applicable restriction or restrictions on ownership of shares of the Corporation imposed under the Charter.

"**Partner**" means the General Partner or a Limited Partner, and "**Partners**" means the General Partner and the Limited Partners.

"**Partner Minimum Gain**" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"**Partner Nonrecourse Debt**" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"**Partner Nonrecourse Deductions**" has the meaning set forth in Regulations Section 1.704-2(i)(2), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"**Partnership**" means the limited partnership formed under the Act and pursuant to this Agreement, and any successor thereto.

"**Partnership Interest**" means an ownership interest in the Partnership held by either a Limited Partner or the General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Partnership Interest may be expressed as a number of OP Units, LTIP Units, Preferred Units, Junior Units or other Partnership Units.

"**Partnership Minimum Gain**" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"**Partnership Record Date**" means a record date established by the General Partner for the distribution of Available Cash pursuant to **Section 5.01** hereof, which record date shall generally be the same as the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution.

"**Partnership Unit**" shall mean an OP Unit, an LTIP Unit, a Preferred Unit, a Junior Unit or any other fractional share of the Partnership Interests that the General Partner has authorized pursuant to **Section 4.01**, 4.02, 4.03 or 4.04 hereof.

"**Partnership Unit Designation**" has the meaning set forth in **Section 4.03** hereof.

"**Partnership Unit Distribution**" shall have the meaning set forth in **Section 4.06(a)** hereof.

"**Partnership Year**" means the fiscal year of the Partnership and the Partnership's taxable year for federal income tax purposes, each of which shall be the calendar year unless otherwise required under the Code.

"**Percentage Interest**" means, as to a Partner holding a class or series of Partnership Interests, its interest in such class or series as determined by dividing the Partnership Units of such class or series owned by such Partner by the total number of Partnership Units of such class then outstanding as specified in **Exhibit A** attached hereto, as such **Exhibit A** may be amended from time to time. If the Partnership issues additional classes or series of Partnership Interests other than as contemplated herein, the interest in the Partnership among the classes or series of Partnership Interests shall be determined as set forth in the amendment to the Partnership Agreement setting forth the rights and privileges of such additional classes or series of Partnership Interest, if any, as contemplated by **Section 4.03**.

"**Person**" means an individual or a corporation, partnership (general or limited), trust, estate, custodian, nominee, unincorporated organization, association, limited liability company or any other individual or entity in its own or any representative capacity.

"**Preferred Share**" means a share of capital stock of the Corporation now or hereafter authorized or reclassified that has dividend rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the REIT Shares.

"**Preferred Unit**" means a fractional share of the Partnership Interests that the General Partner has authorized pursuant to **Section 4.01**, 4.03 or 4.04 hereof that has distribution rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the OP Units.

"**Properties**" means any assets and property of the Partnership such as, but not limited to, interests in real property and personal property, including, without limitation, fee interests, interests in ground leases, interests in limited liability companies, joint ventures or partnerships, interests in mortgages, and Debt instruments as the Partnership may hold from time to time and "**Property**" shall mean any one such asset or property.

"**Publicly Traded**" means listed or admitted to trading on the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market or another national securities exchange or any successor to the foregoing.

"**Qualified Assets**" means any of the following assets: (i) interests, rights, options, warrants or convertible or exchangeable securities of the Partnership; (ii) Debt issued by the Partnership or any Subsidiary thereof in connection with the incurrence of Funding Debt; (iii) equity interests in Qualified REIT Subsidiaries and limited liability companies (or other entities disregarded from their sole owner for U.S. federal income tax purposes, including wholly owned grantor trusts) whose assets consist solely of Qualified Assets; (iv) up to a one percent (1%) equity interest in any partnership or limited liability company at least ninety-nine percent (99%) of the equity of which is owned, directly or indirectly, by the Partnership; (v) cash held for payment of administrative expenses or pending distribution to security holders of the Corporation or any wholly owned Subsidiary thereof or pending contribution to the Partnership; and (vi) other tangible and intangible assets that, taken as a whole, are *de minimis* in relation to the net assets of the Partnership and its Subsidiaries.

"**Qualified REIT Subsidiary**" means any Subsidiary of the Corporation that is a "qualified REIT subsidiary" within the meaning of Code Section 856(i).

"**Qualified Transferee**" means an "Accredited Investor" as defined in Rule 501 promulgated under the Securities Act.

"**Recourse Liabilities**" means the amount of liabilities owed by the Partnership (other than Nonrecourse Liabilities and liabilities to which Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-(2)(i) of the Regulations).

"**Redemption**" has the meaning set forth in **Section 8.06(a)** hereof.

"**Regulations**" means the applicable income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"**Regulatory Allocations**" has the meaning set forth in **Section 6.03(a)(vii)** hereof.

"**REIT**" means a real estate investment trust qualifying under Code Section 856.

"**REIT Payment**" has the meaning set forth in **Section 15.11** hereof.

"**REIT Requirements**" has the meaning set forth in **Section 5.01** hereof.

"**REIT Share**" means a share of the Corporation's common stock, par value $0.0001 per share. Where relevant in this Agreement, "REIT Share" includes shares of the Corporation's common stock, par value $0.0001 per share, issued upon conversion of Preferred Shares or Junior Shares.

"**REIT Shares Amount**" means a number of REIT Shares equal to the product of (a) the number of Tendered Units and (b) the Adjustment Factor in effect on the Specified Redemption Date with respect to such Tendered Units; **provided**, **however**, **that** in the event that the Corporation issues to all holders of REIT Shares as of a certain record date rights, options, warrants or convertible or exchangeable securities entitling the Corporation's stockholders to subscribe for or purchase REIT Shares, or any other securities or property (collectively, the "**Rights**"), with the record date for such Rights issuance falling within the period starting on the date of the Notice of Redemption and ending on the day immediately preceding the Specified Redemption Date, which Rights will not be distributed before the relevant Specified Redemption Date, then the REIT Shares Amount shall also include such Rights that a holder of that number of REIT Shares would be entitled to receive, expressed, where relevant hereunder, in a number of REIT Shares determined by the Corporation in good faith.

"**Rights**" has the meaning set forth in the definition of "REIT Shares Amount."

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**Services Agreement**" means any management, development or advisory agreement with a property and/or asset manager for the provision of property management, asset management, leasing, development and/or similar services with respect to the Properties and any agreement for the provision of services of accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, financial advisors and other professional services.

"**Specified Redemption Date**" means the 10th Business Day following receipt by the General Partner of a Notice of Redemption; **provided**, **that**, if the REIT Shares are not Publicly Traded, the Specified Redemption Date means the 30th Business Day following receipt by the General Partner of a Notice of Redemption.

"**Subsidiary**" means, with respect to any Person, any other Person (which is not an individual) of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

"**Substituted Limited Partner**" means a Person who is admitted as a Limited Partner to the Partnership pursuant to **Section 11.04** hereof.

"**Successor Entity**" has the meaning set forth in the definition of "Adjustment Factor."

"**Tax Items**" has the meaning set forth in **Section 6.04(a)** hereof.

"**Tendered Units**" has the meaning set forth in **Section 8.06(a)** hereof.

"**Tendering Partner**" has the meaning set forth in **Section 8.06(a)** hereof.

"**Tendering Party**" has the meaning set forth in **Section 8.06(a)** hereof.

"**Terminating Capital Transaction**" means any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership.

"**Transaction**" shall have the meaning set forth in **Section 4.07(f)**.

"**Transfer**," when used with respect to a Partnership Unit, or all or any portion of a Partnership Interest, means any sale, assignment, bequest, conveyance, devise, gift (outright or in trust), pledge, encumbrance, hypothecation, mortgage, exchange, transfer or other disposition or act of alienation, whether voluntary or involuntary or by operation of law; **provided**, **however**, **that** when the term is used in **Article XI** hereof, "Transfer" does not include (a) any Redemption of Partnership Units by the Partnership or the Corporation, or acquisition of Tendered Units by the Corporation, pursuant to **Section 8.06** hereof or (b) any redemption of Partnership Units pursuant to any Partnership Unit Designation. The terms "**Transferred**" and "**Transferring**" have correlative meanings.

"**Unvested LTIP Units**" has the meaning set forth in **Section 4.06(c)(i)** hereof.

"**Value**" means, on any date of determination with respect to a REIT Share, the average of the daily Market Prices for ten consecutive trading days immediately preceding the date of determination except that, as provided in **Section 4.05(b)** hereof, the Market Price for the trading day immediately preceding the date of exercise of a stock option under any Equity Incentive Plan shall be substituted for such average of daily market prices for purposes of **Section 4.05** hereof; **provided**, **however**, **that** for purposes of **Section 8.06**, the "date of determination" shall be the date of receipt by the Corporation of a Notice of Redemption or, if such date is not a Business Day, the immediately preceding Business Day. The term "**Market Price**" on any date shall mean, with respect to any class or series of outstanding REIT Shares, the Closing Price for such REIT Shares on such date. The "**Closing Price**" on any date shall mean the last sale price for such REIT Shares, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, 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 NASDAQ Stock Market or, if such REIT Shares are not listed or admitted to trading on the NASDAQ Stock Market, 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 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 Board of Directors of the Corporation 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 Board of Directors of the Corporation.

In the event that the REIT Shares Amount includes Rights that a holder of REIT Shares would be entitled to receive, then the Value of such Rights shall be determined by the Corporation acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

"**Vested LTIP Units**" has the meaning set forth in **Section 4.06(c)(i)** hereof.

"**Vesting Agreement**" means each or any, as the context implies, Equity Incentive Plan entered into by an LTIP Unitholder upon acceptance of an award of LTIP Units under an Equity Incentive Plan.

ARTICLE II

ORGANIZATIONAL MATTERS

Section 2.01. **Organization**. The Partnership is a limited partnership organized pursuant to the provisions of the Act and upon the terms and subject to the conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.02. **Name**. The name of the Partnership is "Retail Opportunity Investments Partnership, LP" The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "LP," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners.

Section 2.03. **Registered Office and Agent; Principal Office**. The address of the registered office of the Partnership in the State of Delaware is located at Corporation Service Company, 2711 Centerville Road, Wilmington, Delaware 19808, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office is Corporation Service Company. The principal office of the Partnership is located at 8905 Towne Centre Drive, Suite 108, San Diego, California 92122 or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems advisable.

Section 2.04. **Power of Attorney**.

(a) Each Limited Partner and each Assignee hereby irrevocably constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(i) execute, swear to, seal, acknowledge, deliver, file and record in the appropriate public offices (a) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments, supplements or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (b) all instruments that the General Partner or the Liquidator deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (d) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the distribution or exchange of assets of the Partnership pursuant to the terms of this Agreement; (e) all instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, **Article XI**, **Article XII** or **Article XIII** hereof or the Capital Contribution of any Partner; and (f) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges relating to Partnership Interests; and

(ii) execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or the Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or appropriate or necessary, in the sole and absolute discretion of the General Partner or the Liquidator, to effectuate the terms or intent of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner or the Liquidator to amend this Agreement except in accordance with **Article XIV** hereof or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a special power coupled with an interest, in recognition of the fact that each of the Limited Partners and Assignees will be relying upon the power of the General Partner or the Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the Transfer of all or any portion of such Limited Partner's or Assignee's Partnership Units or Partnership Interest and shall extend to such Limited Partner's or Assignee's heirs, successors, assigns and personal representatives. Each such Limited Partner or Assignee hereby agrees to be bound by any representation made by the General Partner or the Liquidator, acting in good faith pursuant to such power of attorney; and each such Limited Partner or Assignee hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator, taken in good faith under such power of attorney. Each Limited Partner or Assignee shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator, as the case may be, deems necessary to effectuate this Agreement and the purposes of the Partnership.

Section 2.05. **Term**. Pursuant to Sections 17-201(b) and 17-801 of the Act, the term of the Partnership commenced on January 5, 2010 and shall continue perpetually, unless it is dissolved pursuant to the provisions of **Article XIII** hereof or as otherwise provided by law.

Section 2.06. **Partnership Interests as Securities**. All Partnership Interests shall be securities within the meaning of, and governed by, (i) Article 8 of the Delaware Uniform Commercial Code and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction.

ARTICLE III

PURPOSE

Section 3.01. **Purpose and Business**. The purpose and nature of the Partnership is to conduct any business, enterprise or activity permitted by or under the Act; **provided**, **however**, such business and arrangements and interests may be limited to and conducted in such a manner as to permit the Corporation, in the sole and absolute discretion of the General Partner, at all times to be classified as a REIT unless the Corporation, in accordance with its Charter and Bylaws, in its sole discretion has chosen to cease to qualify as a REIT or has chosen not to attempt to qualify as a REIT for any reason or for reasons whether or not related to the business conducted by the Partnership. Without limiting the Corporation's right in its sole discretion to cease qualifying as a REIT, the Partners acknowledge that the qualification of the Corporation as a REIT inures to the benefit of all Partners and not solely to the Corporation, the General Partner or its Affiliates. In connection with the foregoing, the Partnership shall have full power and authority to enter into, perform and carry out contracts of any kind, to borrow and lend money and to issue and guarantee evidence of indebtedness, whether or not secured by mortgage, deed of trust, pledge or other lien and, directly or indirectly, to acquire and construct additional Properties necessary, useful or desirable in connection with its business.

Section 3.02. **Powers**.

(a) The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership.

(b) The Partnership may contribute from time to time Partnership capital to one or more newly formed entities solely in exchange for equity interests therein (or in a wholly owned subsidiary entity thereof).

(c) Notwithstanding any other provision in this Agreement, the General Partner may cause the Partnership not to take, or to refrain from taking, any action that, in the judgment of the Corporation, in its sole and absolute discretion, (i) could adversely affect the ability of the Corporation to continue to qualify as a REIT, (ii) could subject the Corporation to any additional taxes under Code Section 857 or Code Section 4981 or any other related or successor provision of the Code or (iii) could violate any law or regulation of any governmental body or agency having jurisdiction over the General Partner, the Corporation their securities or the Partnership.

Section 3.03. **Partnership Only for Partnership Purposes Specified**. This Agreement shall not be deemed to create a company, venture or partnership between or among the Partners with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in **Section** 3.01 hereof. Except as otherwise provided in this Agreement, no Partner shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Partnership, its properties or any other Partner. No Partner, in its capacity as a Partner under this Agreement, shall be responsible or liable for any indebtedness or obligation of another Partner, and the Partnership shall not be responsible or liable for any indebtedness or obligation of any Partner, incurred either before or after the execution and delivery of this Agreement by such Partner, except as to those responsibilities, liabilities, indebtedness or obligations incurred pursuant to and as limited by the terms of this Agreement and the Act.

Section 3.04. **Representations and Warranties by the Parties**.

(a) Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner, respectively) represents and warrants to each other Partner that (i) the consummation of the transactions contemplated by this Agreement to be performed by such Partner will not result in a breach or violation of, or a default under, any material agreement by which such Partner or any of such Partner's property is bound, or any statute, regulation, order or other law to which such Partner is subject, (ii) subject to the last sentence of this **Section 3.04(a)**, such Partner is neither a "foreign person" within the meaning of Code Section 1445(f) nor a "foreign partner" within the meaning of Code Section 1446(e), (iii) such Partner does not own, directly or indirectly, (a) 9.8% or more of the total combined voting power of all classes of stock entitled to vote, or 9.8% or more of the total number of shares of all classes of stock, of any corporation that is a tenant of either (I) the Corporation or any Qualified REIT Subsidiary, (II) the Partnership or (III) any partnership, venture or limited liability company of which the Corporation, any Qualified REIT Subsidiary or the Partnership is a member or (b) an interest of 9.8% or more in the assets or net profits of any tenant of either (I) the Corporation or any Qualified REIT Subsidiary, (II) the Partnership or (III) any partnership, venture, or limited liability company of which the Corporation, any Qualified REIT Subsidiary or the Partnership is a member and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms. Notwithstanding anything contained herein to the contrary, in the event that the representation contained in the foregoing clause (ii) would be inaccurate if given by a Partner, such Partner (w) shall not be required to make and shall not be deemed to have made such representation, if it delivers to the General Partner in connection with or prior to its execution of this Agreement written notice that it may not truthfully make such representation, (x) hereby agrees that it is subject to, and hereby authorizes the General Partner to withhold, all withholdings to which such a "foreign person" or "foreign partner," as applicable, is subject under the Code and (y) hereby agrees to cooperate fully with the General Partner with respect to such withholdings, including by effecting the timely completion and delivery to the General Partner of all governmental forms required in connection therewith.

(b) Each Partner (including, without limitation, each Substituted Limited Partner as a condition to becoming a Substituted Limited Partner) represents, warrants and agrees that it has acquired and continues to hold its interest in the Partnership for its own account for investment purposes only and not for the purpose of, or with a view toward, the resale or distribution of all or any part thereof, and not with a view toward selling or otherwise distributing such interest or any part thereof at any particular time or under any predetermined circumstances. Each Partner further represents and warrants that it is a sophisticated investor, able and accustomed to handling sophisticated financial and tax matters for itself, particularly real estate investments, and that it has a sufficiently high net worth that it does not anticipate a need for the funds that it has invested in the Partnership in what it understands to be a highly speculative and illiquid investment.

(c) The representations and warranties contained in **Sections 3.04(a)** and **3.04(b**) hereof shall survive the execution and delivery of this Agreement by each Partner (and, in the case of an Additional Limited Partner or a Substituted Limited Partner, the admission of such Additional Limited Partner or Substituted Limited Partner as a Limited Partner in the Partnership) and the dissolution, liquidation and termination of the Partnership.

(d) Each Partner (including, without limitation, each Substituted Limited Partner as a condition to becoming a Substituted Limited Partner) hereby acknowledges that no representations as to potential profit, cash flows, funds from operations or yield, if any, in respect of the Partnership or the General Partner have been made by the Corporation, any Partner or any employee or representative or Affiliate of the Corporation or any Partner, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, that may have been in any manner submitted to such Partner shall not constitute any representation or warranty of any kind or nature, express or implied.

ARTICLE IV

CAPITAL CONTRIBUTIONS

Section 4.01. **Capital Contributions of the Partners**.

(a) **Capital Contributions**. Each Partner has made a Capital Contribution to the Partnership and owns Partnership Units in the amount and designation set forth for such Partner on **Exhibit A**, as the same may be amended from time to time by the General Partner to the extent necessary to reflect accurately sales, exchanges, conversions or other Transfers, redemptions, Capital Contributions, the issuance of additional Partnership Units, or similar events having an effect on a Partner's ownership of Partnership Units. Except as provided by law or in **Section 4.04**, **10.04** or **13.02(d**) hereof, the Partners shall have no obligation or right to make any additional Capital Contributions or loans to the Partnership.

(b) **General Partnership Interest**. The number of Partnership Units held by the General Partner which shall be deemed to be the General Partner Interest of the General Partner shall equal the lesser of one percent (1%) of all outstanding Partnership Units and the amount of Partnership Units held by the General Partner.. Any Partnership Units held by the General Partner in excess of one percent (1%) of all outstanding Partnership Units shall be deemed to be Limited Partner Interests and shall be held by the General Partner in its capacity as a Limited Partner in the Partnership.

Section 4.02. **Classes of Partnership Units**. From and after the date of this Agreement, subject to **Section 4.03(a**) below, the Partnership shall have two classes of Partnership Units, entitled "OP Units" and "LTIP Units." Subject to **Section 4.06** either OP Units or LTIP Units, at the election of the General Partner, in its sole and absolute discretion, may be issued to newly admitted Partners in exchange for any Capital Contributions by such Partners and/or the provision of services by such Partners; provided, that any Partnership Unit that is not specifically designated by the General Partner as being of a particular class shall be deemed to be an OP Unit.

Section 4.03. **Issuances of Additional Partnership Interests**.

(a) **General**. Notwithstanding **Section 7.03(b)** hereof, the General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests, in the form of Partnership Units, for any Partnership purpose, at any time or from time to time, to the Partners (including the General Partner or the Corporation) or to other Persons, and to admit such Persons as Additional Limited Partners, for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partners. Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units (i) upon the conversion, redemption or exchange of any Debt, Partnership Units or other securities issued by the Partnership, (ii) for less than fair market value, so long as the General Partner concludes in good faith that such issuance is in the best interests of the Corporation and the Partnership and (iii) in connection with any merger of any other Person into the Partnership or any Subsidiary of the Partnership if the applicable merger agreement provides that Persons are to receive Partnership Units in exchange for their interests in the Person merging into the Partnership or any Subsidiary of the Partnership. Subject to Delaware law, any additional Partnership Interests may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties as shall be determined by the General Partner, in its sole and absolute discretion without the approval of any Limited Partner, and set forth in a written document thereafter attached to and made an exhibit to this Agreement (each, a "**Partnership Unit Designation**"). Without limiting the generality of the foregoing, the General Partner shall have authority to specify (a) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (b) the right of each such class or series of Partnership Interests to share in Partnership distributions; (c) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; (d) the voting rights, if any, of each such class or series of Partnership Interests; and (e) the conversion, redemption or exchange rights applicable to each such class or series of Partnership Interests. Nothing in this Agreement shall prohibit the General Partner from issuing Partnership Units for less than fair market value if the General Partner concludes in good faith that such issuance is in the best interest of the Partnership. Upon the issuance of any additional Partnership Interest, the General Partner shall amend **Exhibit A** as appropriate to reflect such issuance.

(b) **Issuances to the Corporation**. No additional Partnership Units shall be issued to the Corporation unless (i) the additional Partnership Units are issued to all Partners in proportion to their respective Percentage Interests with respect to the class of Partnership Units so issued, (ii) (a) the additional Partnership Units are (x) OP Units issued in connection with an issuance of REIT Shares or (y) Partnership Units (other than OP Units) issued in connection with an issuance of Preferred Shares, Junior Shares, New Securities or other interests in the Corporation (other than REIT Shares), which Preferred Shares, Junior Shares, New Securities or other interests have designations, preferences and other rights, terms and provisions that are substantially the same as the designations, preferences and other rights, terms and provisions of the additional Partnership Units issued to the Corporation and (b) the Corporation directly or indirectly contributes or otherwise causes to be transferred to the Partnership the cash proceeds or other consideration, if any, received in connection with the issuance of such REIT Shares, Preferred Shares, Junior Shares, New Securities or other interests in the Corporation or (iii) the additional Partnership Units are issued upon the conversion, redemption or exchange of Debt, Partnership Units or other securities issued by the Partnership. In the event that the Partnership issues additional Partnership Units pursuant to this **Section 4.03(b)**, the General Partner shall make such revisions to this Agreement (including but not limited to the revisions described in **Sections 6.02(b)** and **8.06**) as it determines are necessary to reflect the issuance of such additional Partnership Interests.

(c) **No Preemptive Rights**. No Person, including, without limitation, any Partner or Assignee, shall have any preemptive, preferential, participation or similar right or rights to subscribe for or acquire any Partnership Interest.

Section 4.04. **Additional Funds and Capital Contributions**.

(a) **General**. The General Partner may, at any time and from time to time, determine that the Partnership requires additional funds ("**Additional Funds**") for the acquisition or development of additional Properties, for the redemption of Partnership Units or for such other purposes as the General Partner may determine in its sole and absolute discretion. Additional Funds may be obtained by the Partnership, at the election of the General Partner, in any manner provided in, and in accordance with, the terms of this **Section 4.04** without the approval of any Limited Partners.

(b) **Additional Capital Contributions**. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by accepting Capital Contributions from any Partners or other Persons. In connection with any such Capital Contribution (of cash or property), the General Partner is hereby authorized to cause the Partnership from time to time to issue additional Partnership Units (as set forth in **Section 4.03** above) in consideration therefor and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect the issuance of such additional Partnership Units.

(c) **Loans by Third Parties**. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt to any Person upon such terms as the General Partner determines appropriate, including making such Debt convertible, redeemable or exchangeable for Partnership Units; **provided**, **however**, **that** the Partnership shall not incur any such Debt if any Partner would be personally liable for the repayment of such Debt (unless such Partner and/or the Corporation, as the case may be, otherwise agrees).

(d) **General Partner/Corporation Loans**. The General Partner and/or the Corporation, as the case may be, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt with the General Partner and/or the Corporation, as the case may be (a "**General Partner Loan**"), if (i) such Debt is, to the extent permitted by law, on substantially the same terms and conditions (including interest rate, repayment schedule, and conversion, redemption, repurchase and exchange rights) as Funding Debt incurred by the General Partner and/or the Corporation, as the case may be, the net proceeds of which are loaned to the Partnership to provide such Additional Funds or (ii) such Debt is on terms and conditions no less favorable to the Partnership than would be available to the Partnership from any third party; **provided**, **however**, **that** the Partnership shall not incur any such Debt if (a) a breach, violation or default of such Debt would be deemed to occur by virtue of the Transfer by any Limited Partner of any Partnership Interest or (b) such Debt is recourse to any Partner and/or the Corporation, as the case may be (unless the Partner and/or the Corporation, as the case may be, otherwise agrees).

(e) **Issuance of Securities by the Corporation**. The Corporation shall not issue any additional REIT Shares, Preferred Shares, Junior Shares or New Securities unless the Corporation contributes directly or indirectly the cash proceeds or other consideration, if any, received from the issuance of such additional REIT Shares, Preferred Shares, Junior Shares or New Securities, as the case may be, and from the exercise of the rights contained in any such additional New Securities, to the Partnership in exchange for (x) in the case of an issuance of REIT Shares, Partnership Units or (y) in the case of an issuance of Preferred Shares, Junior Shares or New Securities, Partnership Units with designations, preferences and other rights, terms and provisions that are substantially the same as the designations, preferences and other rights, terms and provisions of such Preferred Shares, Junior Shares or New Securities; **provided**, **however**, **that** notwithstanding the foregoing, the Corporation may issue REIT Shares, Preferred Shares, Junior Shares or New Securities (a) pursuant to **Section 4.05** or **8.06(b**) hereof, (b) pursuant to a dividend or distribution (including any stock split) wholly or partly of REIT Shares, Preferred Shares, Junior Shares or New Securities to all of the holders of REIT Shares, Preferred Shares, Junior Shares or New Securities, as the case may be, (c) upon a conversion, redemption or exchange of Preferred Shares, (d) upon a conversion of Junior Shares into REIT Shares, (e) upon a conversion, redemption, exchange or exercise of New Securities or, (f) pursuant to share grants or awards made pursuant to any Equity Incentive Plan of the Corporation. In the event of any issuance of additional REIT Shares, Preferred Shares, Junior Shares or New Securities by the Corporation, and the direct or indirect contribution to the Partnership, by the Corporation, of the cash proceeds or other consideration received from such issuance, if any, the Partnership shall pay the Corporation's expenses associated with such issuance, including any underwriting discounts or commissions (it being understood that if the proceeds actually received by the Corporation are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred by the Corporation and the General Partner in connection with such issuance, then the Corporation shall be deemed to have made, through the General Partner, a Capital Contribution to the Partnership in the amount of the gross proceeds of such issuance and the Partnership shall be deemed simultaneously to have reimbursed the Corporation or the General Partner, as applicable, pursuant to **Section 7.04(b)** for the amount of such underwriter's discount or other expenses). Nothing in this Agreement shall prohibit the General Partner from issuing Partnership Units for less than fair market value if the General Partner concludes in good faith that such issuance is in the best interest of the Partnership.

Section 4.05. **Equity Incentive Plan**.

(a) **Options Granted to Company Employees and Independent Directors**. If at any time or from time to time, in connection with an Equity Incentive Plan, a stock option granted to a Company Employee or Independent Director is duly exercised:

(i) the Corporation shall, as soon as practicable after such exercise, make or cause to be made directly or indirectly a Capital Contribution to the Partnership in an amount equal to the exercise price paid to the Corporation by such exercising party in connection with the exercise of such stock option.

(ii) Notwithstanding the amount of the Capital Contribution actually made pursuant to **Section 4.05(a)(i)** hereof, the Corporation shall be deemed to have contributed directly or indirectly to the Partnership, as a Capital Contribution, in consideration of an additional Limited Partner Interest (expressed in and as additional Partnership Units), an amount equal to the Value of a REIT Share as of the date of exercise multiplied by the number of REIT Shares then being issued in connection with the exercise of such stock option.

(iii) An equitable Percentage Interest adjustment shall be made in which the General Partner shall be treated as having made a cash contribution equal to the amount described in **Section 4.05(a)(ii)** hereof.

(b) **Special Valuation Rule**. For purposes of this **Section 4.05**, in determining the Value of a REIT Share, only the trading date immediately preceding the exercise of the relevant stock option under the Equity Incentive Plan shall be considered.

(c) **Future Equity Incentive Plans**. Nothing in this Agreement shall be construed or applied to preclude or restrain the Corporation from adopting, modifying or terminating any Equity Incentive Plan, for the benefit of employees, directors or other business associates of the Corporation, the Partnership or any of their Affiliates. The Limited Partners acknowledge and agree that, in the event that any such plan is adopted, modified or terminated by the Corporation, amendments to this **Section 4.05** may become necessary or advisable and that any approval or consent of the Limited Partners required pursuant to the terms of this Agreement in order to effect any such amendments requested by the General Partner shall not be unreasonably withheld or delayed.

Section 4.06. **LTIP Units**.

(a) **Issuance of LTIP Units**. The General Partner may from time to time issue LTIP Units to Persons who provide services to the Partnership, for such consideration as the General Partner may determine to be appropriate, and admit such Persons as Limited Partners. Except to the extent a Capital Contribution is made with respect to an LTIP Unit, each LTIP Unit is intended to qualify as a profits interest in the Partnership within the meaning of the Code, the Regulations, and any published guidance by the IRS with respect thereto. Subject to the following provisions of this **Section 4.06** and the special provisions of **Sections 4.07** and **6.03(c)**, LTIP Units shall be treated as OP Units, with all of the rights, privileges and obligations attendant thereto. For purposes of computing the Partners' Percentage Interests, holders of LTIP Units shall be treated as holders of OP Units and LTIP Units shall be treated as OP Units. In particular, the Partnership shall maintain at all times a one-to-one correspondence between LTIP Units and OP Units for conversion, distribution and other purposes, including without limitation complying with the following procedures:

(i) If an Adjustment Event (as defined below) occurs, then the General Partner shall make a corresponding adjustment to the LTIP Units to maintain the same correspondence between OP Units and LTIP Units as existed prior to such Adjustment Event. The following shall be Adjustment Events: (A) the Partnership makes a distribution on all outstanding OP Units in Partnership Units, (B) the Partnership subdivides the outstanding OP Units into a greater number of units or combines the outstanding OP Units into a smaller number of units, or (C) the Partnership issues any Partnership Units in exchange for its outstanding OP Units by way of a reclassification or recapitalization of its OP Units. If more than one Adjustment Event occurs, the adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units in a financing, reorganization, acquisition or other similar business transaction, (y) the issuance of Partnership Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan, or (z) the issuance of any Partnership Units to the Corporation in respect of a capital contribution to the Partnership of proceeds from the sale of securities by the General Partner. If the Partnership takes an action affecting the OP Units other than actions specifically described above as "**Adjustment Events**" and in the opinion of the General Partner such action would require an adjustment to the LTIP Units to maintain the one-to-one correspondence described above, the General Partner shall have the right to make such adjustment to the LTIP Units, to the extent permitted by law and by any Equity Incentive Plan, in such manner and at such time as the General Partner, in its sole discretion, may determine to be appropriate under the circumstances. If an adjustment is made to the LTIP Units as herein provided the Partnership shall promptly file in the books and records of the Partnership an officer's certificate setting forth such adjustment and a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing of such certificate, the Partnership shall mail a notice to each LTIP Unitholder setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment; and

(ii) Unless otherwise provided in an LTIP Award or Vesting Agreement, the LTIP Unitholders shall, when, as and if authorized and declared by the General Partner out of assets legally available for that purpose, be entitled to receive distributions in an amount per LTIP Unit equal to the distributions per OP Unit (the "**Partnership Unit Distribution**"), paid to holders of OP Units on such Partnership Record Date established by the General Partner with respect to such distribution. So long as any LTIP Units are outstanding, no distributions (whether in cash or in kind) shall be authorized, declared or paid on OP Units, unless equal distributions have been or contemporaneously are authorized, declared and paid on the LTIP Units. Subject to the terms of any LTIP Award or Vesting Agreement, an LTIP Unitholder shall be entitled to transfer his or her LTIP Units to the same extent, and subject to the same restrictions as holders of OP Units are entitled to transfer their OP Units pursuant to **Article XI** of this Agreement.

(b) **Priority**. Subject to the provisions of this **Section** 4.06 and the special provisions of **Section 6.03(c**), the LTIP Units shall rank *pari passu* with the OP Units as to the payment of regular and special periodic or other distributions and, subject to **Sections13.02(a)(iv**) and **13.02(c**) distribution of assets upon liquidation, dissolution or winding up. As to the payment of distributions and as to distribution of assets upon liquidation, dissolution or winding up, any class or series of Partnership Units or Partnership Interests which by its terms specifies that it shall rank junior to, on a parity with, or senior to the OP Units shall also rank junior to, or *pari passu* with, or senior to, as the case may be, the LTIP Units.

(c) **Special Provisions**. LTIP Units shall be subject to the following special provisions:

(i) **Vesting Agreements**. LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on transfer pursuant to the terms of a Vesting Agreement. The terms of any Vesting Agreement may be modified by the General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant Vesting Agreement or by the Equity Incentive Plan, if applicable. LTIP Units that have vested under the terms of a Vesting Agreement are referred to as "**Vested LTIP Units**;" all other LTIP Units shall be treated as "**Unvested LTIP Units**."

(ii) **Forfeiture**. Unless otherwise specified in the Vesting Agreement, upon the occurrence of any event specified in a Vesting Agreement as resulting in either the right of the Partnership or the General Partner to repurchase LTIP Units at a specified purchase price or some other forfeiture of any LTIP Units, then if the Partnership or the General Partner exercises such right to repurchase or forfeiture in accordance with the applicable Vesting Agreement, the relevant LTIP Units shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose. Unless otherwise specified in the Vesting Agreement, no consideration or other payment shall be due with respect to any LTIP Units that have been forfeited, other than any distributions declared with respect to a Partnership Record Date prior to the effective date of the forfeiture. In connection with any repurchase or forfeiture of LTIP Units, the balance of the portion of the Capital Account of the LTIP Unitholder that is attributable to all of his or her LTIP Units shall be reduced by the amount, if any, by which it exceeds the target balance contemplated by **Section 6.03(c)**, calculated with respect to the LTIP Unitholder's remaining LTIP Units, if any.

(iii) **Allocations**. LTIP Unitholders shall be entitled to certain special allocations of gain under **Section 6.03(c)**.

(iv) **Redemption**. The Redemption right provided to Limited Partners under **Section 8.06** shall not apply with respect to LTIP Units unless and until they are converted to OP Units as provided in clause (v) below and **Section 4.07**.

(v) **Conversion to OP Units**. Vested LTIP Units are eligible to be converted into OP Units under **Section 4.07**.

(d) **Voting**. LTIP Unitholders shall (a) have the same voting rights as a holder of OP Units, with the LTIP Units voting as a single class with the OP Units and having one vote per LTIP Unit; and (b) have the additional voting rights that are expressly set forth below. So long as any LTIP Units remain outstanding, the Partnership shall not, without the affirmative vote of the holders of at least a majority of the LTIP Units outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of this Agreement applicable to LTIP Units so as to materially and adversely affect any right, privilege or voting power of the LTIP Units or the LTIP Unitholders as such, unless such amendment, alteration, or repeal affects equally, ratably and proportionately the rights, privileges and voting powers of the holders of OP Units; but subject, in any event, to the following provisions:

(i) With respect to any Transaction, so long as the LTIP Units are treated in accordance with **Section 4.07(f)** hereof, the consummation of such Transaction shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such; and

(ii) Any creation or issuance of any Partnership Units or of any class or series of Partnership Interest including without limitation additional OP Units, LTIP Units or Preferred Units, whether ranking senior to, junior to, or on a parity with the LTIP Units with respect to distributions and the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers of the LTIP Units or the LTIP Unitholders as such.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding LTIP Units shall have been converted into OP Units.

Section 4.07. **Conversion of LTIP Units**.

(a) An LTIP Unitholder shall have the right (the "**Conversion Right**"), at his or her option, at any time to convert all or a portion of his or her Vested LTIP Units into OP Units; **provided**, **however**, **that** a holder may not exercise the Conversion Right for less than 100 Vested LTIP Units or, if such holder holds less than 100 Vested LTIP Units, all of the Vested LTIP Units held by such holder. LTIP Unitholders shall not have the right to convert Unvested LTIP Units into OP Units until they become Vested LTIP Units; **provided**, **however**, **that** when an LTIP Unitholder is notified of the expected occurrence of an event that will cause his or her Unvested LTIP Units to become Vested LTIP Units, such LTIP Unitholder may give the Partnership a Conversion Notice conditioned upon and effective as of the time of vesting and such Conversion Notice, unless subsequently revoked by the LTIP Unitholder, shall be accepted by the Partnership subject to such condition. The General Partner shall have the right at any time to cause a conversion of Vested LTIP Units into OP Units. In all cases, the conversion of any LTIP Units into OP Units shall be subject to the conditions and procedures set forth in this **Section 4.07**.

(b) A holder of Vested LTIP Units may convert such Units into an equal number of fully paid and nonassessable OP Units, giving effect to all adjustments (if any) made pursuant to **Section 4.06**. Notwithstanding the foregoing, in no event may a holder of Vested LTIP Units convert a number of Vested LTIP Units that exceeds (x) the Economic Capital Account Balance of such Limited Partner, to the extent attributable to its ownership of LTIP Units, divided by (y) the OP Unit Economic Balance, in each case as determined as of the effective date of conversion (the "**Capital Account Limitation**"). In order to exercise his or her Conversion Right, an LTIP Unitholder shall deliver a notice (a "**Conversion Notice**") in the form attached as **Exhibit D** to the Partnership (with a copy to the General Partner) not less than 10 nor more than 60 days prior to a date (the "**Conversion Date**") specified in such Conversion Notice; **provided**, **however**, **that** if the General Partner has not given to the LTIP Unitholders notice of a proposed or upcoming Transaction (as defined below in **Section 4.07(f)**) at least 30 days prior to the effective date of such Transaction, then LTIP Unitholders shall have the right to deliver a Conversion Notice until the earlier of (x) the 10th day after such notice from the General Partner of a Transaction or (y) the third business day immediately preceding the effective date of such Transaction. A Conversion Notice shall be provided in the manner provided in **Section 15.01**. Each LTIP Unitholder covenants and agrees with the Partnership that all Vested LTIP Units to be converted pursuant to this **Section 4.07(b)** shall be free and clear of all liens. Notwithstanding anything herein to the contrary, a holder of LTIP Units may deliver a Notice of Redemption pursuant to **Section 8.06(a)** of this Agreement relating to those OP Units that will be issued to such holder upon conversion of such LTIP Units into OP Units in advance of the Conversion Date; **provided**, **however**, **that** the redemption of such OP Units by the Partnership shall in no event take place until after the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put an LTIP Unitholder in a position where, if he or she so wishes, the OP Units into which his or her Vested LTIP Units will be converted can be redeemed by the Partnership simultaneously with such conversion, with the further consequence that, if the Corporation elects to assume the Partnership's redemption obligation with respect to such OP Units under **Section 8.06(b)** of this Agreement by delivering to such holder REIT Shares rather than cash, then such holder can have such REIT Shares issued to him or her simultaneously with the conversion of his or her Vested LTIP Units into OP Units. The General Partner shall reasonably cooperate with an LTIP Unitholder to coordinate the timing of the different events described in the foregoing sentence.

(c) The Partnership, at any time at the election of the General Partner, may cause any number of Vested LTIP Units held by an LTIP Unitholder to be converted (a "**Forced Redemption**") into an equal number of OP Units, giving effect to all adjustments (if any) made pursuant to **Section** 4.06; **provided**, **however**, **that** the Partnership may not cause Forced Redemption of any LTIP Units that would not at the time be eligible for conversion at the option of such LTIP Unitholder pursuant to **Section 4.07(b)**. In order to exercise its right of Forced Redemption, the Partnership shall deliver a notice (a "**Forced Redemption Notice**") in the form attached as **Exhibit E** to the applicable LTIP Unitholder not less than 10 nor more than 60 days prior to the Conversion Date specified in such Forced Redemption Notice. A Forced Redemption Notice shall be provided in the manner provided in **Section 15.01**.

(d) A conversion of Vested LTIP Units for which the holder thereof has given a Conversion Notice or the Partnership has given a Forced Redemption Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such LTIP Unitholder, as of which time such LTIP Unitholder shall be credited on the books and records of the Partnership with the issuance as of the opening of business on the next day of the number of OP Units issuable upon such conversion. After the conversion of LTIP Units as aforesaid, the Partnership shall deliver to such LTIP Unitholder, upon his or her written request, a certificate of the General Partner certifying the number of OP Units and remaining LTIP Units, if any, held by such person immediately after such conversion. The Assignee of any Limited Partner pursuant to **Article XI** hereof may exercise the rights of such Limited Partner pursuant to this **Section 4.07** and such Limited Partner shall be bound by the exercise of such rights by the Assignee.

(e) For purposes of making future allocations under **Section 6.03(c)** and applying the Capital Account Limitation, the portion of the Economic Capital Account balance of the applicable LTIP Unitholder that is treated as attributable to his or her LTIP Units shall be reduced, as of the date of conversion, by the product of the number of LTIP Units converted and the OP Unit Economic Balance.

(f) If the Partnership, the General Partner or the Corporation shall be a party to any transaction (including without limitation a merger, consolidation, unit exchange, self tender offer for all or substantially all OP Units or other business combination or reorganization, or sale of all or substantially all of the Partnership's assets, but excluding any transaction which constitutes an Adjustment Event) in each case as a result of which OP Units shall be exchanged for or converted into the right, or the holders of such Units shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (any of the foregoing being referred to herein as a "**Transaction**"), then the General Partner shall, immediately prior to the Transaction, exercise its right to cause a Forced Redemption with respect to the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Transaction or that would occur in connection with the Transaction if the assets of the Partnership were sold at the Transaction price or, if applicable, at a value determined by the General Partner in good faith using the value attributed to the Partnership Units in the context of the Transaction (in which case the Conversion Date shall be the effective date of the Transaction).

In anticipation of such Forced Redemption and the consummation of the Transaction, the Partnership shall use commercially reasonable efforts to cause each LTIP Unitholder to be afforded the right to receive in connection with such Transaction in consideration for the OP Units into which his or her LTIP Units will be converted the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Transaction by a holder of the same number of OP Units, assuming such holder of OP Units is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "**Constituent Person**"), or an affiliate of a Constituent Person. In the event that holders of OP Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Transaction, prior to such Transaction the General Partner shall give prompt written notice to each LTIP Unitholder of such election, and shall use commercially reasonable efforts to afford the LTIP Unitholders the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each LTIP Unit held by such holder into OP Units in connection with such Transaction. If an LTIP Unitholder fails to make such an election, such holder (and any of its transferees) shall receive upon conversion of each LTIP Unit held by him or her (or by any of his or her transferees) the same kind and amount of consideration that a holder of a OP Unit would receive if such OP Unit holder failed to make such an election.

Subject to the rights of the Partnership, the General Partner and the Corporation under any Vesting Agreement and any Equity Incentive Plan, the Partnership shall use commercially reasonable effort to cause the terms of any Transaction to be consistent with the provisions of this **Section 4.07(f)** and to enter into an agreement with the successor or purchasing entity, as the case may be, for the benefit of any LTIP Unitholders whose LTIP Units will not be converted into OP Units in connection with the Transaction that will (i) contain provisions enabling the holders of LTIP Units that remain outstanding after such Transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to the OP Units and (ii) preserve as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in this Agreement for the benefit of the LTIP Unitholders.

Section 4.08. **No Interest; No Return**. No Partner shall be entitled to interest on its Capital Contribution or on such Partner's Capital Account. Except as provided herein or by law, no Partner shall have any right to demand or receive the return of its Capital Contribution from the Partnership.

Section 4.09. **Other Contribution Provisions**. In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, unless otherwise determined by the General Partner in its sole and absolute discretion, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such partner in cash and such Partner had contributed the cash to the capital of the Partnership. In addition, with the consent of the General Partner, one or more Limited Partners may enter into contribution agreements with the Partnership which have the effect of providing a guarantee of certain obligations of the Partnership.

Section 4.10. **Not Publicly Traded**. The General Partner, on behalf of the Partnership, shall use its best efforts not to take any action which would result in the Partnership being a "publicly traded partnership" under and as such term is defined in Code Section 7704(b), and by reason thereof, taxable as a corporation.

Section 4.11. **No Third Party Beneficiary**. No creditor or other third party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or of any of the Partners. In addition, it is the intent of the parties hereto that no distribution to any Limited Partner shall be deemed a return of money or other property in violation of the Act. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Limited Partner is obligated to return such money or property, such obligation shall be the obligation of such Limited Partner and not of the General Partner. Without limiting the generality of the foregoing, a deficit Capital Account of a Partner shall not be deemed to be a liability of such Partner nor an asset or property of the Partnership.

ARTICLE V

DISTRIBUTIONS

Section 5.01. **Requirement and Characterization of Distributions**. Subject to the terms of any Partnership Unit Designation, the General Partner may cause the Partnership to distribute at least quarterly all, or such portion as the General Partner may in its sole and absolute discretion determine, of Available Cash generated by the Partnership during such quarter to the Holders of Partnership Units on such Partnership Record Date with respect to such quarter: (1) first, with respect to any Partnership Interests that are entitled to any preference in distribution, in accordance with the rights of such class(es) of Partnership Interests (and, within such class(es), *pro rata* in proportion to the respective Percentage Interests on such Partnership Record Date) and (2) second, with respect to any Partnership Interests that are not entitled to any preference in distribution, in accordance with the rights of such class of Partnership Interests (and, within such class, *pro rata* in proportion to the respective Percentage Interests on such Partnership Record Date). At the election of the General Partner, distributions payable with respect to any Partnership Units that were not outstanding during the entire quarterly period in respect of which any distribution is made may be prorated based on the portion of the period that such Partnership Units were outstanding.

The General Partner in its sole and absolute discretion may distribute to the Holders Available Cash on a more frequent basis and provide for an appropriate Partnership Record Date. Notwithstanding anything herein to the contrary, the General Partner shall make such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the Corporation's qualification as a REIT, to cause the Partnership to distribute sufficient amounts to enable the Corporation to pay stockholder dividends that will (a) satisfy the requirements for its qualification as a REIT under the Code and Regulations (the "**REIT Requirements**") and (b) except to the extent otherwise determined by the Corporation, in its sole and absolute discretion, avoid any federal income or excise tax liability of the Corporation.

Section 5.02. **Interests in Property not Held Through the Partnership**. To the extent amounts distributed by the Partnership are attributable to amounts received from a property in which the General Partner, the Corporation or any Affiliate of the General Partner or the Corporation holds a direct or indirect interest (other than through the Partnership) (an "**Outside Interest**"), (i) such amounts distributed to the General Partner will be reduced so as to take into account amounts received pursuant to the Outside Interest and (ii) the amounts distributed to the Limited Partners will be increased to the extent necessary so that the overall effect of the distribution is to distribute what would have been distributed had such Outside Interest been held through the Partnership (treating any distribution made in respect of the Outside Interest as if such distribution had been received by the General Partner).

Section 5.03. **Distributions In-Kind**. No right is given to any Partner to demand and receive property other than cash as provided in this Agreement. The General Partner may determine, in its sole and absolute discretion, to make a distribution in-kind of Partnership assets to the Holders, and such assets shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with **Articles V**, VI and X hereof.

Section 5.04. **Amounts Withheld**. All amounts withheld pursuant to the Code or any provisions of any state or local tax law and **Section** 10.04 hereof with respect to any allocation, payment or distribution to any Holder shall be treated as amounts paid or distributed to such Holder pursuant to **Section** 5.01 hereof for all purposes under this Agreement.

Section 5.05. **Distributions Upon Liquidation**. Notwithstanding the other provisions of this **Article** V, net proceeds from a Terminating Capital Transaction, and any other cash received or reductions in reserves made after commencement of the liquidation of the Partnership, shall be distributed to the Holders in accordance with **Section** 13.02 hereof.

Section 5.06. **Distributions to Reflect Issuance of Additional Partnership Units**. Notwithstanding **Section 7.03(b**) hereof, in the event that the Partnership issues additional Partnership Units pursuant to the provisions of **Article** IV hereof, subject to **Section 7.03(d**), the General Partner is hereby authorized to make such revisions to this **Article** V as it determines are necessary or desirable to reflect the issuance of such additional Partnership Units, including, without limitation, making preferential distributions to certain classes of Partnership Units.

Section 5.07. **Restricted Distributions**. Notwithstanding any provision to the contrary contained in this Agreement, neither the Partnership nor the General Partner, on behalf of the Partnership, shall make a distribution to any Holder on account of its Partnership Interest or interest in Partnership Units if such distribution would violate Section 17-607 of the Act or other applicable law.

ARTICLE VI

ALLOCATIONS

Section 6.01. **Timing and Amount of Allocations of Net Income and Net Loss**. Net Income and Net Loss of the Partnership shall be determined and allocated with respect to each Partnership Year of the Partnership as of the end of each such year. Except as otherwise provided in this **Article** VI, and subject to **Section 11.06(c**) hereof, an allocation to a Holder of a share of Net Income or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss.

Section 6.02. **General Allocations**.

(a) **Allocations of Net Income and Net Loss**.

(i) **Net Income**. Except as otherwise provided herein, Net Income for any Partnership Year or other applicable period shall be allocated in the following order and priority:

(A) First, to the General Partner to the extent the cumulative Net Loss allocated to the General Partner pursuant to subparagraph (ii)(F) below exceeds the cumulative Net Income allocated to the General Partner pursuant to this subparagraph (i)(A);

(B) Second, to each DRO Partner until the cumulative Net Income allocated to such DRO Partner pursuant to this subparagraph (i)(B) equals the cumulative Net Loss allocated to such DRO Partner under subparagraph (ii)(E) below (and, among the DRO Partners, *pro rata* in proportion to their respective percentages of the cumulative Net Loss allocated to all DRO Partners pursuant to subparagraph (ii)(E) below);

(C) Third, to the General Partner until the cumulative Net Income allocated to the General Partner pursuant to this subparagraph (i)(C) equals the cumulative Net Loss allocated to the General Partner pursuant to subparagraph (ii)(D) below;

(D) Fourth, to the holders of any Partnership Interests that are entitled to any preference in distribution upon liquidation until the cumulative Net Income allocated under this subparagraph (D) equals the cumulative Net Loss allocated to such Partners under subparagraph (ii)(C);

(E) Fifth, to the holders of any Partnership Units that are entitled to any preference in distribution in accordance with the rights of any other class of Partnership Units until each such Partnership Unit has been allocated, on a cumulative basis pursuant to this subparagraph (i)(E), Net Income equal to the amount of distributions received which are attributable to the preference of such class of Partnership Unit (and, within such class, *pro rata* in proportion to the respective Percentage Interests as of the last day of the period for which such allocation is made); and

(F) Thereafter, with respect to Partnership Units that are not entitled to any preference in distribution or with respect to which distributions are not limited to any preference in distribution, *pro rata* to each such class in accordance with the terms of such class (and, within such class, *pro rata* in proportion to the respective Percentage Interests as of the last day of the period for which such allocation is being made).

(ii) **Net Loss**. Except as otherwise provided herein, Net Loss for any Partnership Year or other applicable period shall be allocated in the following order and priority:

(A) First, to each holder of Partnership Units in proportion to and to the extent of the amount by which the cumulative Net Income allocated to such Partner pursuant to subparagraph (i)(F) above exceeds, on a cumulative basis, the sum of (a) distributions with respect to such Partnership Units pursuant to clause (2) of **Section 5.01** and (b) Net Loss allocated to such Partner pursuant to this subparagraph (ii)(A);

(B) Second, with respect to classes of Partnership Units that are not entitled to any preference in distribution or with respect to which distributions are not limited to any preference in distribution, *pro rata* to each such class in accordance with the terms of such class (and within such class, *pro rata* in proportion to the respective Percentage Interests as of the last day of the period for which such allocation is being made); **provided**, **that** Net Loss shall not be allocated to any Partner pursuant to this subparagraph (ii)(B) to the extent that such allocation would cause such Partner to have an Adjusted Capital Account Deficit (or increase any existing Adjusted Capital Account Deficit) (determined in each case (1) with respect to a Partner who also holds classes of Partnership Units that are entitled to any preferences in distribution upon liquidation, by subtracting from such Partners' Adjusted Capital Account the amount of such preferred distribution to be made upon liquidation and (2) by not including in the Partners' Adjusted Capital Accounts any amount that a Partner is obligated to contribute to the Partnership with respect to any deficit in its Capital Account pursuant to **Section 13.02(d)**) at the end of such Partnership Year or other applicable period;

(C) Third, with respect to classes of Partnership Units that are entitled to any preference in distribution upon liquidation, in reverse order of the priorities of each such class (and within each such class, *pro rata* in proportion to their respective Percentage Interests as of the last day of the period for which such allocation is being made); **provided**, **that** Net Loss shall not be allocated to any Partner pursuant to this subparagraph (ii)(C) to the extent that such allocation would cause such Partner to have an Adjusted Capital Account Deficit (or increase any existing Adjusted Capital Account Deficit) (determined in each case by not including in the Partners' Adjusted Capital Accounts any amount that a Partner is obligated to contribute to the Partnership with respect to any deficit in its Capital Account pursuant to **Section 13.02(d)**) at the end of such Partnership Year or other applicable period;

(D) Fourth, to the General Partner in an amount equal to the excess of (a) the amount of the Partnership's Recourse Liabilities over (b) the aggregate DRO Amounts of all DRO Partners;

(E) Fifth, to and among the DRO Partners, in proportion to their respective DRO Amounts, until such time as the DRO Partners as a group have been allocated cumulative Net Loss pursuant to this subparagraph (ii)(E) equal to the aggregate DRO Amounts of all DRO Partners; and

(F) Thereafter, to the General Partner.

(b) **Allocations to Reflect Issuance of Additional Partnership Units**. Notwithstanding **Section 7.03(b)** hereof, in the event that the Partnership issues additional Partnership Units pursuant to the provisions of **Article IV** hereof, the General Partner is hereby authorized to make such revisions to this **Section 6.02** as it determines are necessary or desirable to reflect the terms of the issuance of such additional Partnership Units.

Section 6.03. **Additional Allocation Provisions**. Notwithstanding the foregoing provisions of this **Article** VI:

(a) **Regulatory Allocations**.

(i) **Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding the provisions of **Section 6.02** hereof, or any other provision of this **Article VI**, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Holder shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This **Section 6.03(a)(i)** is intended to qualify as a "minimum gain chargeback" within the meaning of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) **Partner Minimum Gain Chargeback**. Except as otherwise provided in Regulations Section 1.704-2(i)(4) or in **Section 6.03(a)(i)** hereof, if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Holder who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each General Partner, Limited Partner and other Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This **Section 6.03(a)(ii)** is intended to qualify as a "chargeback of partner nonrecourse debt minimum gain" within the meaning of Regulations Section 1.704-2(i) and shall be interpreted consistently therewith.

(iii) **Nonrecourse Deductions and Partner Nonrecourse Deductions**. Any Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holders of OP Units in accordance with their OP Units. Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holder(s) who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable, in accordance with Regulations Section 1.704-2(i).

(iv) **Qualified Income Offset**. If any Holder unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Partnership income and gain shall be allocated, in accordance with Regulations Section 1.704-1(b)(2)(ii)(d), to such Holder in an amount and manner sufficient to eliminate, to the extent required by such Regulations, the Adjusted Capital Account Deficit of such Holder as quickly as possible. It is intended that this **Section 6.03(a)(iv)** qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(v) **Gross Income Allocation**. In the event that any Holder has an Adjusted Capital Account Deficit at the end of any Partnership Year, each such Holder shall be specially allocated items of Partnership income and gain in the amount of such excess to eliminate such deficit as quickly as possible.

(vi) **Section 754 Adjustment**. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Holder in complete liquidation of its interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Holders in accordance with their Partnership Units in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Holders to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(vii) **Curative Allocations**. The allocations set forth in **Sections 6.03(a)(i)**, **(ii)**, **(iii)**, **(iv)**, **(v)**, and **(vi)** hereof (the "**Regulatory Allocations**") are intended to comply with certain regulatory requirements, including the requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the provisions of **Section 6.01** hereof, the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Holders of Partnership Units so that to the extent possible without violating the requirements giving rise to the Regulatory Allocations, the net amount of such allocations of other items and the Regulatory Allocations to each Holder of a Partnership Unit shall be equal to the net amount that would have been allocated to each such Holder if the Regulatory Allocations had not occurred.

(b) **Allocation of Excess Nonrecourse Liabilities**. The Partnership shall allocate "nonrecourse liabilities" (within the meaning of Regulations Section 1.752-1(a)(2)) of the Partnership that are secured by multiple Properties under any reasonable method chosen by the General Partner in accordance with Regulations Section 1.752-3(a)(3) and (b). The Partnership shall allocate "excess nonrecourse liabilities" of the Partnership under any method approved under Regulations Section 1.752-3(a)(3) as chosen by the General Partner.

(c) **Special Allocations Regarding LTIP Units**. Notwithstanding the provisions of **Section 6.02** above, Liquidating Gains shall first be allocated to the LTIP Unitholders until the Economic Capital Account Balances of such Holders, to the extent attributable to their ownership of LTIP Units, are equal to (i) the OP Unit Economic Balance, multiplied by (ii) the number of their LTIP Units. For this purpose, "**Liquidating Gains**" means net capital gains realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership, including but not limited to net capital gain realized in connection with an adjustment to the Gross Asset Value of Partnership assets under Code Section 704(b). The "**Economic Capital Account Balances**" of the LTIP Unitholders will be equal to their Capital Account balances to the extent attributable to their ownership of LTIP Units, plus the amount of their allocable share of any Partner Minimum Gain or Partnership Minimum Gain attributable to such LTIP Units. Similarly, the "**OP Unit Economic Balance**" shall mean (i) the Capital Account balance of the General Partner, plus the amount of the General Partner's share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to the General Partner's ownership of OP Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under this **Section 6.03(c)** (including, without limitation, any expenses of the Partnership reimbursed to the General Partner pursuant to **Section 7.04(b)**), divided by (ii) the number of the General Partner's OP Units. Any such allocations shall be made among the LTIP Unitholders in proportion to the amounts required to be allocated to each under this **Section 6.03(c)**. The parties agree that the intent of this **Section 6.03(c)** is to make the Capital Account balance associated with each LTIP Unit to be economically equivalent to the Capital Account balance associated with the General Partner's OP Units (on a per-OP Unit/LTIP Unit basis). The General Partner shall be permitted to interpret this **Section 6.03(c**) or to amend this Agreement to the extent necessary and consistent with this intention.

(d) **Allocations to Reflect Outside Interests**. Any income or loss to the Partnership associated with an Outside Interest shall be specially allocated so as to take into account amounts received by, and income or loss allocated to, the General Partner, the Corporation or any Affiliate of the General Partner or the Corporation with respect to such Outside Interest so that the overall effect is to allocate income or loss in the same manner as would have occurred had such Outside Interest been held through the Partnership (treating any allocation in respect of the Outside Interest as if such allocation had been made to the General Partner).

Section 6.04. **Tax Allocations**.

(a) **In General**. Except as otherwise provided in this **Section 6.04**, for income tax purposes under the Code and the Regulations each Partnership item of income, gain, loss and deduction (collectively, "**Tax Items**") shall be allocated among the Holders of Partnership Units in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to **Sections 6.02** and 6.03 hereof.

(b) **Allocations Respecting Section 704(c) Revaluations**. Notwithstanding **Section 6.04(a)** hereof, Tax Items with respect to Property that is contributed to the Partnership with a Gross Asset Value that varies from its basis in the hands of the contributing Partner immediately preceding the date of contribution shall be allocated among the Holders of Partnership Units for income tax purposes pursuant to Regulations promulgated under Code Section 704(c) so as to take into account such variation. The Partnership shall account for such variation under any method approved under Code Section 704(c) and the applicable Regulations as chosen by the General Partner. In the event that the Gross Asset Value of any partnership asset is adjusted pursuant to subsection (b) of the definition of "**Gross Asset Value**" (provided in **Article I** hereof), subsequent allocations of Tax Items with respect to such asset shall take account of the variation, if any, between the adjusted basis of such asset and its Gross Asset Value in the same manner as under Code Section 704(c) and the applicable Regulations or under any method approved under Code Section 7.04(c) and the applicable Regulations as chosen by the General Partner.

ARTICLE VII

MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.01. **Management**.

(a) Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. The General Partner may not be removed by the Partners with or without cause, except with the consent of the General Partner. In addition to the powers now or hereafter granted to a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to the other provisions hereof including **Section 7.03**, shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Partnership, to exercise all powers set forth in **Section 3.02** hereof and to effectuate the purposes set forth in **Section 3.01** hereof, including, without limitation:

(i) the making of any expenditures, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money or selling assets to permit the Partnership to make distributions to its Partners in such amounts as will permit the Corporation (so long as the Corporation desires to maintain or restore its qualification as a REIT) to avoid the payment of any federal income tax (including, for this purpose, any excise tax pursuant to Code Section 4981) and to make distributions to its stockholders sufficient to permit the Corporation to maintain or restore REIT qualification or otherwise to satisfy the REIT Requirements), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by deed to secure debt, mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations that it deems necessary for the conduct of the activities of the Partnership;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership, the registration of any class of securities of the Partnership under the Exchange Act and the listing of any debt securities of the Partnership on any exchange;

(iii) subject to **Section** 11.02 hereof, the acquisition, sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Partnership (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Partnership) or the merger, consolidation, reorganization or other combination of the Partnership with or into another entity;

(iv) the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms that it sees fit, including, without limitation, the financing of the operations and activities of the General Partner, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the Partnership's Subsidiaries) and the repayment of obligations of the Partnership, its Subsidiaries and any other Person in which the Partnership has an equity investment, and the making of capital contributions to and equity investments in the Partnership's Subsidiaries;

(v) the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms it sees fit, including, without limitation, the financing of the conduct of the operations of the General Partner, the Corporation, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the General Partner, the Corporation and their Subsidiaries and the Partnership's Subsidiaries) and the repayment of obligations of the Partnership and its Subsidiaries and any other Person in which the Partnership has an equity investment and the making of capital contributions to its Subsidiaries;

(vi) the management, operation, leasing, landscaping, repair, alteration, demolition, replacement or improvement of any Property, including, without limitation, any Contributed Property, or other asset of the Partnership or any Subsidiary, whether pursuant to a Services Agreement or otherwise;

(vii) the negotiation, execution and performance of any contracts, leases, conveyances or other instruments that the General Partner considers useful or necessary to the conduct of the Partnership's operations or the implementation of the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation out of the Partnership's assets;

(viii) the distribution of Partnership cash or other Partnership assets in accordance with this Agreement, the holding, management, investment and reinvestment of cash and other assets of the Partnership and the collection and receipt of revenues, rents and income of the Partnership;

(ix) the maintenance of such insurance for the benefit of the Partnership and the Partners as the General Partner deems necessary or appropriate, including, without limitation, (i) casualty, liability and other insurance on the Properties and (ii) liability insurance for the Indemnitees hereunder;

(x) the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, limited liability companies, joint ventures or other relationships that the General Partner deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to, any Subsidiary and any other Person in which it has an equity investment from time to time); **provided**, **however**, **that** as long as the Corporation has determined to continue to qualify as a REIT, the General Partner may not engage in any such formation, acquisition or contribution that would cause the Corporation to fail to qualify as a REIT within the meaning of Code Section 856(a) (so long as the Corporation desires to maintain its qualification as a REIT);

(xi) the filing of applications, communicating and otherwise dealing with any and all governmental agencies having jurisdiction over, or in any way affecting, the Partnership's assets or any other aspect of the Partnership business;

(xii) the control of any matters affecting the rights and obligations of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment, of any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, and the representation of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xiii) the undertaking of any action in connection with the Partnership's direct or indirect investment in any Subsidiary or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(xiv) except as otherwise specifically set forth in this Agreement, the determination of the fair market value of any Partnership property distributed in-kind using such reasonable method of valuation as it may adopt; **provided**, **that** such methods are otherwise consistent with the requirements of this Agreement;

(xv) the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(xvi) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power-of-attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership;

(xvii) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, or jointly with any such Subsidiary or other Person;

(xviii) the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest, pursuant to contractual or other arrangements with such Person;

(xix) the making, execution and delivery of any and all deeds, leases, notes, deeds to secure Debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases or legal instruments or agreements in writing necessary or appropriate in the judgment of the General Partner for the accomplishment of any of the powers of the General Partner enumerated in this Agreement;

(xx) the issuance of additional Partnership Units, as appropriate and in the General Partner's sole and absolute discretion, in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to **Article IV** hereof;

(xxi) the selection and dismissal of Company Employees (including, without limitation, employees having titles or offices such as president, vice president, secretary and treasurer), and agents, outside attorneys, accountants, consultants and contractors of the Partnership or the General Partner, the determination of their compensation and other terms of employment or hiring and the delegation to any such Company Employee the authority to conduct the business of the Partnership in accordance with the terms of this Agreement;

(xxii) the distribution of cash to acquire Partnership Units held by a Limited Partner in connection with a Limited Partner's exercise of its Redemption right under **Section 8.06** hereof;

(xxiii) the amendment and restatement of **Exhibit A** hereto to reflect accurately at all times the Capital Contributions and Percentage Interests of the Partners as the same are adjusted from time to time to the extent necessary to reflect redemptions, Capital Contributions, the issuance of Partnership Units, the admission of any Additional Limited Partner or any Substituted Limited Partner or otherwise, which amendment and restatement, notwithstanding anything in this Agreement to the contrary, shall not be deemed an amendment to this Agreement, as long as the matter or event being reflected in **Exhibit A** hereto otherwise is authorized by this Agreement;

(xxiv) the determination regarding whether a payment to a Partner who exercises its Redemption Right under **Section 8.06** that is assumed by the General Partner will be paid in the form of the Cash Amount or the REIT Shares Amount, except as such determination may be limited by **Section 8.06**.

(xxv) the collection and receipt of revenues and income of the Partnership;

(xxvi) the registration of any class of securities of the Partnership under the Securities Act or the Exchange Act, and the listing of any debt securities of the Partnership on any exchange.

(xxvii) an election to dissolve the Partnership pursuant to **Section 13.01(b)** hereof; and

(xxviii) the taking of any action necessary or appropriate to enable the Corporation to qualify as a REIT (so long as the Corporation desires to maintain its qualification as a REIT).

(b) Each of the Limited Partners agrees that, except as provided in **Section 7.03** hereof, the General Partner is authorized to execute, deliver and perform the above-mentioned agreements and transactions on behalf of the Partnership without any further act, approval or vote of the Partners, notwithstanding any other provision of this Agreement, the Act or any applicable law, rule or regulation.

(c) At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital and other reserves in such amounts as the General Partner, in its sole and absolute discretion, deems appropriate and reasonable from time to time.

(d) In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner (including the General Partner) of any action taken (or not taken) by it. Except as may be provided in a separate written agreement between the Partnership and the Limited Partners, the General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of an income tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement **provided**, **that** the General Partner has acted in good faith and pursuant to its authority under this Agreement.

Section 7.02. **Certificate of Limited Partnership**. To the extent that such action is determined by the General Partner to be reasonable and necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Delaware and each other state, the District of Columbia or any other jurisdiction, in which the Partnership may elect to do business or own property. Except as otherwise required under the Act, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents as may be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Delaware and any other state, or the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property.

Section 7.03. **Restrictions on General Partner's Authority**.

(a) The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the written consent of a Majority in Interest of the Outside Limited Partners and may not perform any act that would subject a Limited Partner to liability as a general partner in any jurisdiction or any other liability except as provided herein or under the Act.

(b) The General Partner shall not, without the written consent of a Majority in Interest of the Limited Partners, except as provided in **Sections 4.03(a)**, 5.06, **6.02(b**) and **7.03(c**) hereof, amend, modify or terminate this Agreement.

(c) Notwithstanding **Sections 7.03(b)** and 14.02, the General Partner shall have the exclusive power, without the prior consent of the Limited Partners, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i) to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii) to reflect the admission, substitution or withdrawal of Partners or the termination of the Partnership in accordance with this Agreement, and to amend **Exhibit A** in connection with such admission, substitution or withdrawal;

(iii) to reflect a change that is of an inconsequential nature or does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement;

(iv) to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law;

(v) set forth in the partnership agreement the designations, rights, powers, duties and preferences of the holders of any additional partnership units issued pursuant to the partnership agreement;

(vi) (a) to reflect such changes as are reasonably necessary for the Corporation to maintain or restore its qualification as a REIT or to satisfy the REIT Requirements; or (b) to reflect the Transfer of all or any part of a Partnership Interest among the General Partner, the Corporation and any Qualified REIT Subsidiary;

(vii) to modify either or both the manner in which items of Net Income or Net Loss are allocated pursuant to **Article VI** or the manner in which Capital Accounts are adjusted, computed or maintained (but only to the extent set forth in the definition of "Capital Account" or contemplated by the Code or the Regulations);

(viii) to issue additional Partnership Interests in accordance with **Section 4.03**; and

(ix) to reflect an increase or decrease in a Partner's DRO Amount in accordance with this Agreement (which may be affected through the replacement of Exhibit C with an amended Exhibit C); and

(x) to reflect any other modification to this Agreement as is reasonably necessary for the business or operations of the Partnership or the General Partner.

The General Partner will provide notice to the Limited Partners whenever any action under this **Section 7.03(c)** is taken.

(d) Notwithstanding **Sections 7.03(b)** and **7.03(c**) hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the consent of each Partner adversely affected thereby, if such amendment or action would (i) convert a Limited Partner Interest in the Partnership into a General Partner Interest (except as a result of the General Partner acquiring such Partnership Interest), or (ii) modify the limited liability of a Limited Partner, or (iii) amend this **Section 7.03(d)**.

(e) Notwithstanding **Sections 7.03(b)** and **7.03(c**) hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the written consent of a Majority in Interest of the Outside Limited Partners, if such amendment or action would (i) alter or modify the Redemption rights, Cash Amount or REIT Shares Amount as set forth in **Section 8.06** hereof, or amend or modify any related definitions or (ii) amend this **Section 7.03(d**).

Section 7.04. **Reimbursement of the General Partner and the Corporation**.

(a) Except as provided in this **Section** 7.04 and elsewhere in this Agreement (including the provisions of **Articles** V and VI regarding distributions, payments and allocations to which it may be entitled), the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) The Partnership shall be responsible for and shall pay all expenses relating to the Partnership's, the General Partner's and the Corporation's ownership of their assets and their operations. The General Partner and/or the Corporation is hereby authorized to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. Except to the extent provided in this Agreement, the General Partner, the Corporation and their Affiliates shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all expenses that the General Partner, the Corporation and their Affiliates incur relating to the ownership and operation of, or for the benefit of, the Partnership (including, without limitation, administrative expenses); **provided**, **that** the amount of any such reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership. The Partners acknowledge that all such expenses of the General Partner and/or the Corporation are deemed to be for the benefit of the Partnership. Such reimbursement shall be in addition to any reimbursement made as a result of indemnification pursuant to **Section 7.07** hereof. In the event that certain expenses are incurred for the benefit of the Partnership and other entities (including the General Partner and/or the Corporation), such expenses will be allocated to the Partnership and such other entities in such a manner as the General Partner in its sole and absolute discretion deems fair and reasonable. All payments and reimbursements hereunder shall be characterized for federal income tax purposes as expenses of the Partnership incurred on its behalf, and not as expenses of the General Partner and/or the Corporation.

(c) If the Corporation shall elect to purchase from its stockholders REIT Shares for the purpose of delivering such REIT Shares to satisfy an obligation under any dividend reinvestment program adopted by the Corporation, any employee stock purchase plan adopted by the Corporation or any similar obligation or arrangement undertaken by the Corporation in the future or for the purpose of retiring such REIT Shares, the purchase price paid by the Corporation for such REIT Shares and any other expenses incurred by the Corporation in connection with such purchase shall be considered expenses of the Partnership and shall be advanced to the Corporation or reimbursed to the Corporation, subject to the condition that: (1) if such REIT Shares subsequently are sold by the Corporation, the Corporation shall pay or cause to be paid to the Partnership any proceeds received by the Corporation for such REIT Shares (which sales proceeds shall include the amount of dividends reinvested under any dividend reinvestment or similar program; **provided**, **that** a transfer of REIT Shares for Partnership Units pursuant to **Section 8.06** would not be considered a sale for such purposes); and (2) if such REIT Shares are not retransferred by the Corporation within 30 days after the purchase thereof, or the Corporation otherwise determines not to retransfer such REIT Shares, the Corporation shall cause the Partnership to redeem a number of Partnership Units held by the Corporation equal to the number of such REIT Shares, as adjusted (x) pursuant to **Section 7.07** (in the event the Corporation acquires material assets, other than on behalf of the Partnership) and (y) for stock dividends and distributions, stock splits and subdivisions, reverse stock splits and combinations, distributions of rights, warrants or options, and distributions of evidences of indebtedness or assets relating to assets not received by the General Partner pursuant to a *pro rata* distribution by the Partnership (in which case such advancement or reimbursement of expenses shall be treated as having been made as a distribution in redemption of such number of Partnership Units held by the General Partner).

(d) As set forth in **Section 4.03**, the General Partner shall be treated as having made a Capital Contribution in the amount of all expenses that the Corporation incurs relating to the Corporation's offering of REIT Shares, Preferred Shares, Junior Shares or New Securities.

(e) If and to the extent any reimbursements to the General Partner pursuant to this **Section 7.04** constitute gross income of the General Partner (as opposed to the repayment of advances made by the General Partner on behalf of the Partnership), such amounts shall constitute guaranteed payments with respect to capital within the meaning of Code Section 707(c), shall be treated consistently therewith by the Partnership and all Partners, and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.05. **Outside Activities of the General Partner**. Without limiting the other powers granted to the General Partner under this Agreement, the General Partner and its officers, directors, employees, agents, trustees, Affiliates and members shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partner shall have any rights by virtue of this Agreement in any business ventures of the General Partner.

Section 7.06. **Contracts with Affiliates**.

(a) The Partnership may lend or contribute funds or other assets to its Subsidiaries or other Persons in which it has an equity investment, and such Persons may borrow funds from the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Subsidiary or any other Person.

(b) The Partnership may transfer assets to joint ventures, limited liability companies, partnerships, corporations, business trusts or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law as the General Partner, in its sole and absolute discretion, believes to be advisable.

(c) Except as expressly permitted by this Agreement, neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to the Partnership, directly or indirectly, except pursuant to transactions that are determined by the General Partner in good faith to be fair and reasonable.

(d) The General Partner and/or the Corporation, in its sole and absolute discretion and without the approval of the Limited Partners, may propose and adopt on behalf of the Partnership employee benefit plans funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the Partnership or any of the Partnership's Subsidiaries.

(e) The General Partner is expressly authorized to enter into, in the name and on behalf of the Partnership, any Services Agreement with Affiliates of any of the Partnership or the General Partner, on such terms as the General Partner, in its sole and absolute discretion, believes are advisable.

Section 7.07. **Indemnification**.

(a) To the fullest extent permitted by applicable law, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorney's fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership ("**Actions**") as set forth in this Agreement in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise; **provided**, **however**, **that** the Partnership shall not indemnify an Indemnitee (1) for willful misconduct or a knowing violation of the law, (2) for any transaction for which such Indemnitee received an improper personal benefit in violation or breach of any provision of this Agreement, or (3) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this **Section 7.07** in favor of any Indemnitee having or potentially having liability for any such indebtedness. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this **Section 7.07(a)**. The termination of any proceeding by conviction of an Indemnitee or upon a plea of *nolo contendere* or its equivalent by an Indemnitee, or an entry of an order of probation against an Indemnitee prior to judgment, does not create a presumption that such Indemnitee acted in a manner contrary to that specified in this **Section 7.07(a)** with respect to the subject matter of such proceeding. Any indemnification pursuant to this **Section 7.07** shall be made only out of the assets of the Partnership and any insurance proceeds from the liability policy covering the General Partner and any Indemnitees, and neither the General Partner nor any Limited Partner shall have any obligation to contribute to the capital of the Partnership or otherwise provide funds to enable the Partnership to fund its obligations under this **Section 7.07**.

(b) To the fullest extent permitted by law, expenses incurred by an Indemnitee who is a party to a proceeding or otherwise subject to or the focus of or is involved in any Action shall be paid or reimbursed by the Partnership as incurred by the Indemnitee in advance of the final disposition of the Action upon receipt by the Partnership of (1) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in this **Section 7.07(b)** has been met and (2) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(c) The indemnification provided by this **Section 7.07** shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee unless otherwise provided in a written agreement with such Indemnitee or in the writing pursuant to which such Indemnitee is indemnified.

(d) The Partnership may, but shall not be obligated to, purchase and maintain insurance, on behalf of any of the Indemnitees and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) Any liabilities which an Indemnitee incurs as a result of acting on behalf of the Partnership, the General Partner or the Corporation (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the IRS, penalties assessed by the Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities or judgments or fines under this **Section 7.07**, unless such liabilities arise as a result of (1) such Indemnitee's intentional misconduct or knowing violation of the law, (2) any transaction in which such Indemnitee received a personal benefit in violation or breach of any provision of this Agreement or applicable law, or (3) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful.

(f) In no event may an Indemnitee subject any of the Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this **Section 7.07** because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this **Section 7.07** are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this **Section 7.07** or any provision hereof shall be prospective only and shall not in any way affect the obligations of the Partnership or the limitations on the Partnership's liability to any Indemnitee under this **Section 7.07** as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(i) If and to the extent any payments to the General Partner pursuant to this **Section 7.07** constitute gross income to the General Partner (as opposed to the repayment of advances made on behalf of the Partnership) such amounts shall be treated as "guaranteed payments" for the use of capital within the meaning of Code Section 707(c), shall be treated consistently therewith by the Partnership and all Partners, and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.08. **Liability of the General Partner**.

(a) Notwithstanding anything to the contrary set forth in this Agreement, neither the General Partner or any of its members or officers nor the Corporation or any of its directors or officers shall be liable or accountable in damages or otherwise to the Partnership, any Partners or any Assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission if the General Partner or such member, director or officer acted in good faith.

(b) The Limited Partners expressly acknowledge that the General Partner is acting for the benefit of the Partnership, the Limited Partners and the Corporation's stockholders collectively and that the General Partner is under no obligation to give priority to the separate interests of the Limited Partners or the Corporation's stockholders (including, without limitation, the tax consequences to Limited Partners, Assignees or the Corporation's stockholders) in deciding whether to cause the Partnership to take (or decline to take) any actions. If there is a conflict between the interests of the stockholders of the Corporation on one hand and the Limited Partners on the other, the Limited Partners expressly acknowledge that the General Partner will fulfill its fiduciary duties to such Limited Partners by acting in the best interests of the stockholders of the Corporation. The General Partner shall not be liable under this Agreement to the Partnership or to any Partner for monetary damages for losses sustained, liabilities incurred, or benefits not derived by Limited Partners in connection with such decisions; **provided**, **that** the General Partner has acted in good faith.

(c) Subject to its obligations and duties as General Partner set forth in **Section 7.01(a)** hereof, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees or agents (subject to the supervision and control of the General Partner). The General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) To the extent that, at law or in equity, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Limited Partners, the General Partner shall not be liable to the Partnership or to any other Partner for its good faith reliance on the provisions of this Agreement.

(e) Notwithstanding anything herein to the contrary, except for fraud, willful misconduct or gross negligence, or pursuant to any express indemnities given to the Partnership by any Partner pursuant to any other written instrument, no Partner shall have any personal liability whatsoever, to the Partnership or to the other Partner(s), for the debts or liabilities of the Partnership or the Partnership's obligations hereunder, and the full recourse of the other Partner(s) shall be limited to the interest of that Partner in the Partnership. To the fullest extent permitted by law, no officer, or member of the General Partner shall be liable to the Partnership for money damages except for (1) active and deliberate dishonesty established by a nonappealable final judgment or (2) actual receipt of an improper benefit or profit in money, property or services. Without limitation of the foregoing, and except for fraud, willful misconduct or gross negligence, or pursuant to any such express indemnity, no property or assets of any Partner, other than its interest in the Partnership, shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) in favor of any other Partner(s) and arising out of, or in connection with, this Agreement. This Agreement is executed by the members of the General Partner solely as members of the same and not in their own individual capacities.

(f) Any amendment, modification or repeal of this **Section 7.08** or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's, and its officers' and members', liability to the Partnership and the Limited Partners under this **Section 7.08** as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.09. **Other Matters Concerning the General Partner and the Corporation**.

(a) The General Partner and the Corporation may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner and the Corporation may consult with legal counsel, accountants, appraisers, management consultants, investment bankers, architects, engineers, environmental consultants and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters that the General Partner and the Corporation reasonably believe to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform all and every act and duty that is permitted or required to be done by the General Partner hereunder.

(d) Notwithstanding any other provision of this Agreement or the Act, any action of the General Partner or the Corporation on behalf of the Partnership or any decision of the General Partner or the Corporation to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (1) to protect the ability of the Corporation to continue to qualify as a REIT, (2) for the Corporation otherwise to satisfy the REIT Requirements, or (3) to avoid the Corporation incurring any taxes under Code Section 857 or Code Section 4981, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners.

Section 7.10. **Title to Partnership Assets**. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively with other Partners or Persons, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.11. **Reliance by Third Parties**. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without the consent or approval of any other Partner or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and take any and all actions on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expediency of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying in good faith thereon or claiming thereunder that (1) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (2) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership, and (3) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.01. **Limitation of Liability**. The Limited Partners shall have no liability under this Agreement (other than for breach thereof) except as expressly provided in **Section 10.04**, **13.02(d**) or under the Act.

Section 8.02. **Management of Business**. No Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, member, employee, partner, agent or director of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operations, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, member, employee, partner, agent, representative, stockholder or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.03. **Outside Activities of Limited Partners**. Subject to any agreements entered into pursuant to **Section 7.06(e**) hereof and any other agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership, the Corporation or any Affiliate thereof (including, without limitation, any employment agreement), any Limited Partner and any Assignee, officer, director, employee, agent, trustee, Affiliate, member or shareholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partner shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner, to the extent expressly provided herein), and such Person shall have no obligation pursuant to this Agreement, subject to **Section 7.06(e**) hereof and any other agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership, the Corporation or any Affiliate thereof, to offer any interest in any such business ventures to the Partnership, any Limited Partner, the Corporation or any such other Person, even if such opportunity is of a character that, if presented to the Partnership, any Limited Partner, the Corporation or such other Person, could be taken by such Person.

Section 8.04. **Return of Capital**. Except pursuant to the rights of Redemption set forth in **Section** 8.06 hereof, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement, upon termination of the Partnership as provided herein or upon a merger of the Corporation or a sale by the Corporation of all or substantially all of its assets pursuant to **Section 7.01(a)(iii**) hereof. Except to the extent provided in **Article** VI hereof or otherwise expressly provided in this Agreement, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.05. **Adjustment Factor**. The Partnership shall notify any Limited Partner, on request, of the then current Adjustment Factor or any change made to the Adjustment Factor.

Section 8.06. **Redemption Rights**.

(a) On or after the date specified in any agreement to which OP Units are issued, each Limited Partner shall have the right (subject to the terms and conditions set forth herein and in any other such agreement, as applicable) to require the Partnership to redeem all or a portion of the OP Units held by such Limited Partner (such OP Units being hereafter referred to as "**Tendered Units**") in exchange for the Cash Amount (a "**Redemption**") unless the terms of such OP Units or a separate agreement entered into between the Partnership and the holder of such OP Units provide that such OP Units are not entitled to a right of Redemption. The Tendering Partner shall have no right, with respect to any OP Units so redeemed, to receive any distributions paid on or after the Specified Redemption Date. Any Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Limited Partner who is exercising the right (the "**Tendering Partner**"). The Cash Amount shall be payable to the Tendering Partner on the Specified Redemption Date.

(b) Notwithstanding **Section 8.06(a)** above, if a Limited Partner has delivered to the General Partner a Notice of Redemption then the Corporation may, in its sole and absolute discretion, (subject to the limitations on ownership and transfer of REIT Shares set forth in the Charter) elect to assume and satisfy the Partnership's Redemption obligation and acquire some or all of the Tendered Units from the Tendering Partner in exchange for the REIT Shares Amount (as of the Specified Redemption Date) and, if the Corporation so elects, the Tendering Partner shall sell the Tendered Units to the Corporation in exchange for the REIT Shares Amount. In such event, the Tendering Partner shall have no right to cause the Partnership to redeem such Tendered Units. The Corporation shall give such Tendering Partner written notice of its election on or before the close of business on the fifth Business Day after the its receipt of the Notice of Redemption.

(c) The REIT Shares Amount, if applicable, shall be delivered as duly authorized, validly issued, fully paid and nonassessable REIT Shares and, if applicable, free of any pledge, lien, encumbrance or restriction, other than those provided in the Charter or the Bylaws of the Corporation, the Securities Act, relevant state securities or blue sky laws and any applicable registration rights agreement with respect to such REIT Shares entered into by the Tendering Partner. Notwithstanding any delay in such delivery (but subject to **Section 8.06(e)**), the Tendering Partner shall be deemed the owner of such REIT Shares for all purposes, including without limitation, rights to vote or consent, and receive dividends, as of the Specified Redemption Date. In addition, the REIT Shares for which the Partnership Units might be exchanged shall also bear such restrictive legends that the General Partner determines are appropriate to mark transfer, ownership or other restrictions and limitations applicable to the REIT Shares.

(d) Each Limited Partner covenants and agrees with the General Partner that all Tendered Units shall be delivered to the General Partner free and clear of all liens, claims and encumbrances whatsoever and should any such liens, claims and/or encumbrances exist or arise with respect to such Tendered Units, the General Partner shall be under no obligation to acquire the same. Each Limited Partner further agrees that, in the event any state or local property transfer tax is payable as a result of the transfer of its Tendered Units to the General Partner (or its designee), such Limited Partner shall assume and pay such transfer tax.

(e) Notwithstanding the provisions of **Section 8.06(a)**, **8.06(b)**, **8.06(c)** or any other provision of this Agreement, a Limited Partner (i) shall not be entitled to effect a Redemption for cash or an exchange for REIT Shares to the extent the ownership or right to acquire REIT Shares pursuant to such exchange by such Partner on the Specified Redemption Date could cause such Partner or any other Person to violate the restrictions on ownership and transfer of REIT Shares set forth in the Charter of the Corporation and (ii) shall have no rights under this Agreement to acquire REIT Shares which would otherwise be prohibited under the Charter. To the extent any attempted Redemption or exchange for REIT Shares would be in violation of this **Section 8.06(e)**, it shall be null and void *ab initio* and such Limited Partner shall not acquire any rights or economic interest in the cash otherwise payable upon such Redemption or the REIT Shares otherwise issuable upon such exchange.

(f) Notwithstanding anything herein to the contrary (but subject to **Section 8.06(e)**), with respect to any Redemption or exchange for REIT Shares pursuant to this **Section 8.06**: (i) a portion of the OP Units acquired by the General Partner pursuant thereto shall automatically, and without further action required, be converted into and deemed to be General Partner Interests and all other OP Units shall be deemed to be Limited Partner Interests and held by the General Partner in its capacity as a Limited Partner in the Partnership such that, immediately after such Redemption, the requirements of **Section 4.01(b)** continue to be met; (ii) without the consent of the General Partner, each Limited Partner may effect a Redemption only one time in each fiscal quarter; (iii) without the consent of the General Partner, each Limited Partner may not effect a Redemption for less than 1,000 OP Units or, if the Limited Partner holds less than 1,000 OP Units, all of the OP Units held by such Limited Partner; (iv) without the consent of the General Partner, each Limited Partner may not effect a Redemption during the period after the Partnership Record Date with respect to a distribution and before the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution; (v) the consummation of any Redemption or exchange for REIT Shares shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and (vi) each Tendering Partner shall continue to own all OP Units subject to any Redemption or exchange for REIT Shares, and be treated as a Limited Partner with respect to such OP Units for all purposes of this Agreement, until such OP Units are transferred to the General Partner and paid for or exchanged on the Specified Redemption Date. Until a Specified Redemption Date, the Tendering Partner shall have no rights as a stockholder of the Corporation with respect to such Tendering Partner's OP Units.

(g) In the event that the Partnership issues additional Partnership Interests to any Additional Limited Partner pursuant to **Section 4.04**, the General Partner shall make such revisions to this **Section 8.06** as it determines are necessary to reflect the issuance of such additional Partnership Interests.

ARTICLE IX

BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.01. **Records and Accounting**.

(a) The General Partner shall keep or cause to be kept at the principal office of the Partnership those records and documents required to be maintained by the Act and other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to **Section 8.05** or 9.03 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on, or be in the form for, magnetic tape, photographs, micrographics or any other information storage device, **provided**, **that** the records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

(b) The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or on such other basis as the General Partner determines to be necessary or appropriate. To the extent permitted by sound accounting practices and principles, the Partnership and the General Partner may operate with integrated or consolidated accounting records, operations and principles. The Partnership also shall maintain its tax books on the accrual basis.

Section 9.02. **Partnership Year**. The Partnership Year of the Partnership shall be the calendar year.

Section 9.03. **Reports**.

(a) As soon as practicable, but in no event later than the date on which the Corporation mails its annual report to its stockholders, the General Partner shall cause to be mailed to each Limited Partner an annual report, as of the close of the most recently ended Partnership Year, containing financial statements of the Partnership, or of the Corporation if such statements are prepared solely on a consolidated basis with the Partnership, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the Corporation.

(b) If and to the extent that the Corporation mails quarterly reports to its stockholders, as soon as practicable, but in no event later than the date on such reports are mailed, the General Partner shall cause to be mailed to each Limited Partner a report containing unaudited financial statements, as of the last day of such fiscal quarter, of the Partnership, or of the Corporation if such statements are prepared solely on a consolidated basis with the Partnership, and such other information as may be required by applicable law or regulations, or as the Corporation determines to be appropriate.

(c) The General Partner and/or the Corporation shall have satisfied its obligations under **Section 9.03(a**) and **9.03(b**) hereof by posting or making available the reports required by this **Section 9.03** on the website maintained from time to time by the Partnership provided that such reports are able to be printed or downloaded from such website.

(d) At the request of any Limited Partner, the General Partner shall provide access to the books, records and work paper upon which the reports required by this **Section 9.03** are based, to the extent required by the Act.

ARTICLE X

TAX MATTERS

Section 10.01. **Preparation of Tax Returns**. The General Partner shall arrange for the preparation and timely filing of all returns with respect to Partnership income, gains, deductions, losses and other items required of the Partnership for federal and state income tax purposes and shall use all reasonable effort to furnish, within 90 days of the close of each taxable year, the tax information reasonably required by Limited Partners for federal and state income tax reporting purposes. The Limited Partners shall promptly provide the General Partner with such information relating to the Contributed Properties, including tax basis and other relevant information, as may be reasonably requested by the General Partner from time to time.

Section 10.02. **Tax Elections**. Except as otherwise provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including, but not limited to, the election under Code Section 754 and the election to use the "recurring item" method of accounting provided under Code Section 461(h) with respect to property taxes imposed on the Partnership's Properties. The General Partner shall have the right to seek to revoke any such election (including, without limitation, any election under Code Sections 461(h) and 754) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.03. **Tax Matters Partner**.

(a) The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership in addition to any reimbursement pursuant to **Section 7.04** hereof. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm to assist the tax matters partner in discharging its duties hereunder, so long as the compensation paid by the Partnership for such services is reasonable.

(b) The tax matters partner is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners;

(ii) in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "**final adjustment**") is mailed to the tax matters partner, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the United States Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(iii) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(iv) to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(v) to enter into an agreement with the IRS to extend the period for assessing any tax that is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(vi) to take any other action on behalf of the Partners in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions relating to indemnification of the General Partner set forth in **Section 7.07** hereof shall be fully applicable to the tax matters partner in its capacity as such.

Section 10.04. **Withholding**. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of federal, state, local or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Sections 1441, 1442, 1445 or 1446 and Treasury Regulations thereunder. Any amount paid on behalf of or with respect to a Limited Partner, in excess of any withheld amounts shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within 15 days after notice from the General Partner that such payment must be made unless (i) the Partnership withholds such payment from a distribution that would otherwise be made to the Limited Partner or (ii) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the Available Cash of the Partnership that would, but for such payment, be distributed to the Limited Partner. Each Limited Partner hereby unconditionally and irrevocably grants to the Partnership a security interest in such Limited Partner's Partnership Interest to secure such Limited Partner's obligation to pay to the Partnership any amounts required to be paid pursuant to this **Section 10.04**. In the event that a Limited Partner fails to pay any amounts owed to the Partnership pursuant to this **Section 10.04** when due, the General Partner may, in its sole and absolute discretion, elect to make the payment to the Partnership on behalf of such defaulting Limited Partner, and in such event shall be deemed to have loaned such amount to such defaulting Limited Partner and shall succeed to all rights and remedies of the Partnership as against such defaulting Limited Partner (including, without limitation, the right to receive distributions). Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in The Wall Street Journal, plus four percentage points (but not higher than the maximum lawful rate) from the date such amount is due (*i.e.*, 15 days after demand) until such amount is paid in full. Each Limited Partner shall take such actions as the Partnership or the General Partner shall request in order to perfect or enforce the security interest created hereunder.

Section 10.05. **Organizational Expenses**. The Partnership shall elect to amortize expenses, if any, incurred by it in organizing the Partnership ratably over a 180-month period as provided in Code Section 709.

ARTICLE XI

TRANSFERS AND WITHDRAWALS

Section 11.01. **Transfer**.

(a) No part of the interest of a Partner shall be subject to the claims of any creditor, to any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

(b) No Partnership Interest shall be Transferred, in whole or in part, except in accordance with the terms and conditions set forth in this **Article XI**. Any Transfer or purported Transfer of a Partnership Interest not made in accordance with this **Article XI** shall be null and void *ab initio* unless consented to by the General Partner in its sole and absolute discretion.

(c) No Transfer of any Partnership Interest may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the consent of the General Partner in its sole and absolute discretion; **provided**, **that** as a condition to such consent, the lender will be required to enter into an arrangement with the Partnership and the General Partner to redeem or exchange for REIT Shares any Partnership Units in which a security interest is held by such lender concurrently with such time as such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Code Section 752.

Section 11.02. **Transfer of General Partner's Partnership Interest**.

(a) The General Partner may not transfer any of its Partnership Interests except in connection with (i) a transaction permitted under **Section 11.02(b)**, (ii) any merger (including a triangular merger), consolidation or other combination with or into another Person following the consummation of which the equity holders of the surviving entity are substantially identical to the members of the General Partner, (iii) a transfer to any Person that is the Corporation or a successor thereto, (iv) a transfer to any Subsidiary of the Corporation or (v) as otherwise expressly permitted under this Agreement, nor shall the General Partner withdraw as General Partner except in connection with a transaction permitted under **Section 11.02(b)** or any merger, consolidation, or other combination permitted under clause (ii) of this **Section 11.02(a)**. Any transferee of the entire General Partner Interest pursuant to this **Section 11.02(a)** shall automatically become, without further action or consent of any Limited Partners, the sole general partner of the Partnership, subject to all the rights, privileges, duties and obligations under this Agreement and the Securities Act relating to a general partner. Upon any Transfer permitted by this **Section 11.02(a)**, the transferor Partner shall be relieved of all its obligations under this Agreement. The provisions of **Section 11.03** and **Section 11.04** hereof shall not apply to any Transfer permitted by this **Section 11.02(a)**.

(b) Notwithstanding **Section 11.02(a)** above, the General Partner may, without the consent of the Limited Partners, transfer any or all of its Partnership Interest or interests in itself in connection with any merger or sale of all or substantially all of the assets or shares of the Corporation or the General Partner, as the case may be.

(c) The General Partner shall not enter into an agreement or other arrangement providing for or facilitating the creation of a General Partner other than the General Partner, unless the successor General Partner executes and delivers a counterpart to this Agreement in which such General Partner agrees to be fully bound by all of the terms and conditions contained herein that are applicable to a General Partner.

Section 11.03. **Transfer of Limited Partners' Partnership Interests**.

(a) No Limited Partner shall Transfer all or any portion of its Partnership Interest to any transferee without the written consent of the General Partner, which consent may be withheld in its sole and absolute discretion.

(b) Without limiting the generality of **Section 11.03(a)** hereof, it is expressly understood and agreed that the General Partner will not consent to any Transfer of all or any portion of any Partnership Interest pursuant to **Section 11.03(a)** above unless such Transfer meets each of the following conditions:

(i) The transferee in such Transfer assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred Partnership Interest; **provided**, **that** no such Transfer (unless made pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the approval of the General Partner, in its sole and absolute discretion. Notwithstanding the foregoing, any transferee of any Transferred Partnership Interest shall be subject to any and all ownership limitations contained in the Charter that may limit or restrict such transferee's ability to exercise its Redemption rights, including, without limitation, the Ownership Limit. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. Unless admitted as a Substituted Limited Partner, no transferee, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the rights of an Assignee as provided in **Section 11.05** hereof.

(ii) Such Transfer is effective as of the first day of a fiscal quarter of the Partnership.

(c) If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate, and such power as the Incapacitated Limited Partner possessed to Transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

(d) In connection with any proposed Transfer of a Limited Partner Interest, the General Partner shall have the right to receive an opinion of counsel reasonably satisfactory to it to the effect that the proposed Transfer may be effected without registration under the Securities Act and will not otherwise violate any federal or state securities laws or regulations applicable to the Partnership or the Partnership Interests Transferred.

(e) No Transfer by a Limited Partner of its Partnership Interests (including any Redemption, any other acquisition of Partnership Units by the Partnership or the General Partner) may be made to or by any person, without the consent of the General Partner in its sole discretion, if (i) in the opinion of legal counsel for the Partnership, there is a significant risk that it would result in the Partnership being treated as an association taxable as a corporation or would result in a termination of the Partnership under Code Section 708, (ii) such Transfer would be effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704, (iii) such Transfer would result in the Partnership being unable to qualify for one or more of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof) " within the meaning of Section 7704 of the Code) (the "**Safe Harbors**") or (iv) in the opinion of legal counsel for the Partnership, there is a risk that such transfer would adversely affect the ability of the Corporation to continue to qualify as a REIT or subject the Corporation to any additional taxes under Code Section 857 or Code Section 4981.

Section 11.04. **Substituted Limited Partners**.

(a) A transferee of the interest of a Limited Partner pursuant to a Transfer consented to by the General Partner pursuant to **Section 11.03(a)** 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. The failure or refusal by the General Partner to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or the General Partner. Subject to the foregoing, an Assignee shall not be admitted as a Substituted Limited Partner until and unless it furnishes to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all the terms, conditions and applicable obligations of this Agreement, (ii) a counterpart signature page to this Agreement executed by such Assignee, and (iii) such other documents and instruments as may be required or advisable, in the sole and absolute discretion of the General Partner, to effect such Assignee's admission as a Substituted Limited Partner.

(b) A transferee who has been admitted as a Substituted Limited Partner in accordance with this **Article XI** shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

(c) Upon the admission of a Substituted Limited Partner, the General Partner shall amend **Exhibit A** to reflect the name, address and number of Partnership Units of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and number of Partnership Units of the predecessor of such Substituted Limited Partner.

Section 11.05. **Assignees**. If the General Partner, in its sole and absolute discretion, does not consent to the admission of any transferee of any Partnership Interest as a Substituted Limited Partner in connection with a transfer permitted by the General Partner pursuant to **Section 11.03(a)**, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Net Income, Net Losses and other items of income, gain, loss, deduction and credit of the Partnership attributable to the Partnership Units assigned to such transferee and the rights to Transfer the Partnership Units only in accordance with the provisions of this **Article XI**, but shall not be deemed to be a holder of Partnership Units for any other purpose under this Agreement, and shall not be entitled to effect a Consent or vote or effect a Redemption with respect to such Partnership Units on any matter presented to the Limited Partners for approval (such right to Consent or vote or effect a Redemption, to the extent provided in this Agreement or under the Act, fully remaining with the transferor Limited Partner). In the event that any such transferee desires to make a further assignment of any such Partnership Units, such transferee shall be subject to all the provisions of this **Article XI** to the same extent and in the same manner as any Limited Partner desiring to make an assignment of Partnership Units.

Section 11.06. **General Provisions**.

(a) No Limited Partner may withdraw from the Partnership other than as a result of a permitted Transfer of all of such Limited Partner's Partnership Units in accordance with this **Article XI**, with respect to which the transferee becomes a Substituted Limited Partner, or pursuant to a redemption (or acquisition by the General Partner) of all of its Partnership Units pursuant to a Redemption under **Section 8.06** hereof and/or pursuant to any Partnership Unit Designation.

(b) Any Limited Partner who shall Transfer all of its Partnership Units in a Transfer (i) consented to by the General Partner pursuant to this **Article XI** where such transferee was admitted as a Substituted Limited Partner, (ii) pursuant to the exercise of its rights to effect a redemption of all of its Partnership Units pursuant to a Redemption under **Section 8.06** hereof and/or pursuant to any Partnership Unit Designation, or (iii) to the General Partner, whether or not pursuant to **Section 8.06(b)** hereof, shall cease to be a Limited Partner.

(c) If any Partnership Unit is Transferred in compliance with the provisions of this **Article XI**, or is redeemed by the Partnership, or acquired by the General Partner pursuant to **Section 8.06** hereof, on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit attributable to such Partnership Unit for such Partnership Year shall be allocated to the transferor Partner or the Tendering Party, as the case may be, and, in the case of a Transfer or assignment other than a Redemption, to the transferee Partner, by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d) and the corresponding Regulations, using the "interim closing of the books" method or another permissible method selected by the General Partner (unless the General Partner in its sole and absolute discretion elects to adopt a daily, weekly or monthly proration period, in which case Net Income or Net Loss shall be allocated based upon the applicable method selected by the General Partner). All distributions of Available Cash attributable to such Partnership Unit with respect to which the Partnership Record Date is before the date of such Transfer, assignment or Redemption shall be made to the transferor Partner or the Tendering Party, as the case may be, and, in the case of a Transfer other than a Redemption, all distributions of Available Cash thereafter attributable to such Partnership Unit shall be made to the transferee Partner.

(d) In no event may any Transfer or assignment of a Partnership Interest by any Partner (including any Redemption, any acquisition of Partnership Units by the General Partner or any other acquisition of Partnership Units by the Partnership) be made (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event that such Transfer would cause the Corporation to cease to comply with the REIT Requirements; (v) except with the consent of the General Partner, if such Transfer, in the opinion of counsel to the Partnership or the General Partner, would create a significant risk that such transfer would cause a termination of the Partnership for federal or state income tax purposes; (vi) if such Transfer would, in the opinion of legal counsel to the Partnership, cause the Partnership to cease to be classified as a partnership for federal income tax purposes (except as a result of the Redemption (or acquisition by the General Partner) of all Partnership Units held by all Limited Partners); (vii) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (viii) without the consent of the General Partner, to any benefit plan investor within the meaning of Department of Labor Regulations Section 2510.3-101(f); (ix) if such Transfer would, in the opinion of legal counsel to the Partnership or the General Partner, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (x) if such Transfer requires the registration of such Partnership Interest pursuant to any applicable federal or state securities laws; (xi) except with the consent of the General Partner, if such transfer would be effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704, could cause the Partnership to become a "publicly traded partnership" as such term is defined in Sections 469(k)(2) or 7704(b) of the Code, or could cause the Partnership to fail one or more of the Safe Harbors; (xii) if such Transfer causes the Partnership (as opposed to the Corporation) to become a reporting company under the Exchange Act; or (xiii) if such Transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended.

ARTICLE XII

ADMISSION OF PARTNERS

Section 12.01. **Admission of Successor General Partner**. A successor to all of the General Partner's General Partner Interest pursuant to **Section** 11.02 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to such Transfer. Any such successor shall carry on the business of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission. Concurrently with, and as evidence of, the admission of an Additional Limited Partner, the General Partner shall amend **Exhibit A** and the books and records of the Partnership to reflect the name, address and number of Partnership Units of such Additional Limited Partner.

Section 12.02. **Admission of Additional Limited Partners**.

(a) After the date hereof, a Person (other than an existing Partner) who makes a Capital Contribution to the Partnership in accordance with this Agreement shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in **Section 2.04** hereof, (ii) a counterpart signature page to this Agreement executed by such Person, and (iii) such other documents or instruments as may be required in the sole and absolute discretion of the General Partner in order to effect such Person's admission as an Additional Limited Partner and the satisfaction of all the conditions set forth in this **Section**12.02.

(b) Notwithstanding anything to the contrary in this **Section 12.02**, no Person shall be admitted as an Additional Limited Partner without the consent of the General Partner, which consent may be given or withheld in the General Partner's sole and absolute discretion. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the consent of the General Partner to such admission.

(c) If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit allocable among Partners and Assignees for such Partnership Year shall be allocated *pro rata* among such Additional Limited Partner and all other Partners and Assignees by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d), using the "interim closing of the books" method or another permissible method selected by the General Partner. Solely for purposes of making such allocations, each of such items for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all the Partners and Assignees including such Additional Limited Partner, in accordance with the principles described in **Section 11.06(c)** hereof. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees other than the Additional Limited Partner, and all distributions of Available Cash thereafter shall be made to all the Partners and Assignees including such Additional Limited Partner.

Section 12.03. **Amendment of Agreement and Certificate of Limited Partnership**. For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement (including an amendment of **Exhibit A**) and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to **Section** 2.04 hereof.

Section 12.04. **Limit on Number of Partners**. Unless otherwise permitted by the General Partner, no Person shall be admitted to the Partnership as an Additional Limited Partner if the effect of such admission would be to cause the Partnership to have a number of Partners that would cause the Partnership to become a reporting company under the Exchange Act.

Section 12.05. **Admission**. A Person shall be admitted to the Partnership as a Limited Partner of the Partnership only upon strict compliance, and not upon substantial compliance, with the requirements set forth in this Agreement for admission to the Partnership as an Additional Limited Partner.

ARTICLE XIII

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.01. **Dissolution**. The Partnership shall not be dissolved by the admission of Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business of the Partnership without dissolution. However, the Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each a "**Liquidating Event**"):

(a) a final and nonappealable judgement is entered by a court of competent jurisdiction ruling that the General Partner is bankrupt or insolvent, or a final and nonappealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect, unless, prior to the entry of such order or judgement, a Majority in Interest of the remaining Outside Limited Partners agree in writing, in their sole and absolute discretion, to continue the business of the Partnership and to the appointment, effective as of a date prior to the date of such order or judgement, of a successor General Partner;

(b) an election to dissolve the Partnership made by the General Partner in its sole and absolute discretion, with or without the Consent of a Majority in Interest of the Outside Limited Partners;

(c) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act;

(d) the occurrence of a Terminating Capital Transaction; or

(e) the Redemption (or acquisition by the General Partner) of all Partnership Units other than Partnership Units held by the General Partner; or

(f) the Incapacity or withdrawal of the General Partner, unless all of the remaining Partners in their sole and absolute discretion agree in writing to continue the business of the Partnership and to the appointment, effective as of a date prior to the date of such Incapacity, of a substitute General Partner.

Section 13.02. **Winding Up**.

(a) Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and Partners. After the occurrence of a Liquidating Event, no Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner or, in the event that there is no remaining General Partner or the General Partner has dissolved, become bankrupt within the meaning of the Act or ceased to operate, any Person elected by a Majority in Interest of the Outside Limited Partners (the General Partner or such other Person being referred to herein as the "**Liquidator**") shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property, and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include shares of stock in the General Partner) shall be applied and distributed in the following order:

(i) First, to the satisfaction of all of the Partnership's Debts and liabilities to creditors other than the Partners and their Assignees (whether by payment or the making of reasonable provision for payment thereof);

(ii) Second, to the satisfaction of all of the Partnership's Debts and liabilities to the General Partner (whether by payment or the making of reasonable provision for payment thereof), including, but not limited to, amounts due as reimbursements under **Section 7.04** hereof;

(iii) Third, to the satisfaction of all of the Partnership's Debts and liabilities to the other Partners and any Assignees (whether by payment or the making of reasonable provision for payment thereof); and

(iv) The balance, if any, to the General Partner, the Limited Partners and any Assignees in accordance with their Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

The General Partner shall not receive any additional compensation for any services performed pursuant to this **Article XIII**.

(b) Notwithstanding the provisions of **Section 13.02(a)** hereof that require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Partners as creditors) and/or distribute to the Partners, in lieu of cash, as tenants in common and in accordance with the provisions of **Section 13.02(a)** hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(c) In the event that the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this **Article XIII** to the Partners and Assignees that have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2) to the extent of, and in proportion to, 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) (a "**Capital Account Deficit**"), such Partner shall not be required to make any contribution to the capital of the Partnership with respect to such Capital Account Deficit and such Capital Account Deficit shall not be considered a debt owed to the Partnership or any other person for any purpose whatsoever.

(d) Notwithstanding the foregoing, (i) if the General Partner has a Capital Account Deficit, the General Partner shall contribute to the capital of the Partnership the amount necessary to restore such Capital Account Deficit balance to zero; (ii) if a DRO Partner has a Capital Account Deficit, such DRO Partner shall be obligated to make a contribution to the Partnership with respect to such DRO Partner's Capital Account Deficit balance upon a liquidation of the Partnership or a "liquidation" of such Partner's Partnership Interest within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) (which term shall include a redemption by the Partnership of such DRO Partner's Partnership Interest upon exercise of the Redemption right) in an amount equal to the lesser of (x) such DRO Partner's Capital Account Deficit balance or (y) such DRO Partner's DRO Amount; and (iii) the second sentence of **Section 13.02(c)** shall not apply with respect to any other Partner to the extent, but only to the extent, that such Partner previously has agreed in writing, with the consent of the General Partner, to undertake an express obligation to restore all or any portion of a deficit that may exist in its Capital Account upon a liquidation of the Partnership. Solely for purposes of determining a DRO Partner's Capital Account balance upon a liquidation of such Partner's Partnership Interest, the General Partner shall redetermine the Gross Asset Value of the Partnership's assets on such date based upon the principles set forth in the definition of "**Gross Asset Value**," and shall take into account the DRO Partner's allocable share of any unrealized gain or unrealized loss resulting from such adjustment in determining the DRO Partner's Capital Account balance. No Partner shall have any right to become a DRO Partner, to increase its DRO Amount, or otherwise agree to restore any portion of any Capital Account Deficit without the express written consent of the General Partner, in its sole and absolute discretion. The General Partner shall not have the right to eliminate or decrease any Partner's DRO Amount without the written consent of such Partner unless otherwise agreed to by the parties. Any contribution required of a Partner under this **Section 13.02(d)** shall be made on or before the later of (i) the end of the Partnership Year in which the interest is liquidated or (ii) the ninetieth (90th) day following the date of such liquidation. The proceeds of any contribution to the Partnership made by a DRO Partner with respect to such DRO Partner's Capital Account Deficit balance shall be treated as a Capital Contribution by such DRO Partner and the proceeds thereof shall be treated as assets of the Partnership to be applied as set forth in **Section 13.02(a)**.

(e) In furtherance of **Section** Error! Reference source not found.**13.02(d)(ii)**, a DRO Partner shall cease to be a DRO Partner upon a disposition of all of such DRO Partner's remaining OP Units (including upon an exercise of a Redemption right) six months after the date of such disposition unless at the time of, or during the six-month period following, such disposition, there has been any of the following:

(i) an entry of a decree or order for relief in respect of the Partnership by a court having jurisdiction over a substantial part of the Partnership's assets, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Partnership or of any substantial part of its property, or ordering the winding up or liquidation of the Partnership's affairs, in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law; or

(ii) the commencement against the Partnership of an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law; or

(iii) the commencement by the Partnership of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the entry of an order for relief in an involuntary case under any such law or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Partnership or of any substantial part of its property, or the making by it of a general assignment for the benefit of creditors, or the failure of the Partnership generally to pay its debts as such debts become due or the taking of any action in furtherance of any of the foregoing; or

(iv) the Partnership becoming insolvent.

Following the passage of the six-month period described in this **Section 13.02(e)**, a DRO Partner shall cease to be a DRO Partner at the first time, if any, that all of the conditions set forth in (i) through (iv) above are not in existence.

(f) In the sole and absolute discretion of the General Partner or the Liquidator, a *pro rata* portion of the distributions that would otherwise be made to the Partners pursuant to this **Article XIII** may be:

(i) distributed to a trust established for the benefit of the General Partner and the Limited Partners for the purpose of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership and/or Partnership activities. The assets of any such trust shall be distributed to the General Partner and the Limited Partners, from time to time, in the reasonable discretion of the General Partner or the Liquidator, in the same proportions and amounts as would otherwise have been distributed to the General Partner and the Limited Partners pursuant to this Agreement; or

(ii) withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, **provided**, **that** such withheld or escrowed amounts shall be distributed to the General Partner and Limited Partners in the manner and order of priority set forth in **Section 13.02(a)** hereof as soon as practicable.

Section 13.03. **Deemed Distribution and Recontribution**. Notwithstanding any other provision of this **Article** XIII, in the event that the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but no Liquidating Event has occurred, the Partnership's Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes the Partnership shall be deemed to have contributed all of its assets and liabilities to a new partnership in exchange for an interest in the new partnership; and, immediately thereafter, distributed interests in the new partnership to the Partners in accordance with their respective Capital Accounts in liquidation of the Partnership, and the new partnership is deemed to continue the business of the Partnership. Nothing in this **Section** 13.03 shall be deemed to have constituted any Assignee as a Substituted Limited Partner without compliance with the provisions of **Section** 11.04 hereof.

Section 13.04. **Rights of Limited Partners**. Except as otherwise provided in this Agreement, (a) each Limited Partner shall look solely to the assets of the Partnership for the return of its Capital Contribution, (b) no Limited Partner shall have the right or power to demand or receive property other than cash from the Partnership, and (c) no Limited Partner (other than any Limited Partner who holds Preferred Units, to the extent specifically set forth herein and in the applicable Partnership Unit Designation) shall have priority over any other Limited Partner as to the return of its Capital Contributions, distributions or allocations.

Section 13.05. **Notice of Dissolution**. In the event that a Liquidating Event occurs or an event occurs that would, but for an election or objection by one or more Partners pursuant to **Section 13.01** hereof, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and, in the General Partner's sole and absolute discretion or as required by the Act, to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner), and the General Partner may, or, if required by the Act, shall, publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner).

Section 13.06. **Cancellation of Certificate of Limited Partnership**. Upon the completion of the liquidation of the Partnership cash and property as provided in **Section** 13.02 hereof, the Partnership shall be terminated, a certificate of cancellation shall be filed with the State of Delaware, all qualifications of the Partnership as a foreign limited partnership or association in jurisdictions other than the State of Delaware shall be cancelled, and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.07. **Reasonable Time for Winding-Up**. A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to **Section 13.02** hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

ARTICLE XIV

PROCEDURES FOR ACTIONS AND CONSENTS

OF PARTNERS; AMENDMENTS; MEETINGS

Section 14.01. **Procedures for Actions and Consents of Partners**. The actions requiring consent or approval of Limited Partners pursuant to this Agreement, including **Section** 7.03 hereof, or otherwise pursuant to applicable law, are subject to the procedures set forth in this **Article** XIV.

Section 14.02. **Amendments**. No amendment to this Agreement may be made without the consent of the General Partner. Any amendment requiring Consent of the Limited Partners may be proposed only by the General Partner. Following such proposal, the General Partner shall submit any proposed amendment to the Limited Partners. The General Partner shall seek the written consent of the Limited Partners on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that the General Partner may deem appropriate. For purposes of obtaining a written consent, the General Partner may require a response within a reasonable specified time, but not less than 10 days, and failure to respond in such time period shall constitute a consent that is consistent with the General Partner's recommendation with respect to the proposal; **provided**, **however**, **that** an action shall become effective at such time as requisite consents are received even if prior to such specified time.

Section 14.03. **Meetings of the Partners**.

(a) Meetings of the Partners may be called by the General Partner and shall be called upon the receipt by the General Partner of a written request by a Majority in Interest of the Outside Limited Partners. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners not less than seven days nor more than 30 days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever the vote or Consent of Partners is permitted or required under this Agreement, such vote or Consent may be given at a meeting of Partners or may be given in accordance with the procedure prescribed in **Section 14.03(b)** hereof.

(b) Any action required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a written consent setting forth the action so taken is signed by a majority of the Percentage Interests of the Partners (or such other percentage as is expressly required by this Agreement for the action in question). Such approvals may be obtained by the General Partner by means of written notice to the Limited Partners requiring them to respond in the negative by a specified time, or to be deemed to have approved of the proposed action. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as a vote of a majority of the Percentage Interests of the Partners (or such other percentage as is expressly required by this Agreement). Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

(c) Each Limited Partner may authorize any Person or Persons to act for it by proxy on all matters in which a Limited Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Limited Partner or its attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy (or there is receipt of a proxy authorizing a later date). Every proxy shall be revocable at the pleasure of the Limited Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Limited Partner executing such proxy. The use of proxies will be governed in the same manner as in the case of corporations organized under the Delaware General Corporation Law (including Section 212 thereof).

(d) Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate in its sole and absolute discretion. Without limitation, meetings of Partners may be conducted in the same manner as meetings of the General Partner's stockholders and may be held at the same time as, and as part of, the meetings of the General Partner's stockholders.

(e) On matters on which Limited Partners are entitled to vote, each Limited Partner holding OP Units shall have a vote equal to the number of OP Units held.

(f) Except as otherwise expressly provided in this Agreement, the Consent of Holders of Partnership Interests representing a majority of the Partnership Interests of the Limited Partners shall control.

ARTICLE XV

GENERAL PROVISIONS

Section 15.01. **Addresses and Notice**. Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written communication (including by telecopy, facsimile, or commercial courier service) to the Partner or Assignee at the address set forth in **Exhibit A** or such other address of which the Partner shall notify the General Partner in writing.

Section 15.02. **Titles and Captions**. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to "Articles" or "Sections" are to Articles and Sections of this Agreement.

Section 15.03. **Pronouns and Plurals**. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and *vice versa*.

Section 15.04. **Further Action**. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.05. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.06. **Waiver**.

(a) No failure 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 a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(b) The restrictions, conditions and other limitations on the rights and benefits of the Limited Partners contained in this Agreement, and the duties, covenants and other requirements of performance or notice by the Limited Partners, are for the benefit of the Partnership and, except for an obligation to pay money to the Partnership, may be waived or relinquished by the General Partner, in its sole and absolute discretion, on behalf of the Partnership in one or more instances from time to time and at any time.

Section 15.07. **Counterparts**. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.08. **Applicable Law**. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provisions of this Agreement shall control and take precedence.

Section 15.09. **Entire Agreement**. This Agreement contains all of the understandings and agreements between and among the Partners with respect to the subject matter of this Agreement and the rights, interests and obligations of the Partners with respect to the Partnership.

Section 15.10. **Invalidity of Provisions**. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.11. **Limitation to Preserve REIT Qualification**. Notwithstanding anything else in this Agreement, to the extent that the amount paid, credited, distributed or reimbursed by the Partnership to the General Partner, the Corporation or their officers, directors, members, employees or agents, whether as a reimbursement, fee, expense or indemnity (a "**REIT Payment**"), would constitute gross income to the Corporation for purposes of Code Section 856(c)(2) or Code Section 856(c)(3), then, notwithstanding any other provision of this Agreement, the amount of such REIT Payments, as selected by the General Partner in its discretion from among items of potential distribution, reimbursement, fees, expenses and indemnities, shall be reduced for any Partnership Year so that the REIT Payments, as so reduced, for or with respect to the Corporation, the General Partner, shall not exceed the lesser of:

(i) an amount equal to the excess, if any, of (a) 4.9% of the Corporation's total gross income (but excluding the amount of any REIT Payments) for the Partnership Year that is described in subsections (A) through (H) of Code Section 856(c)(2) over (b) the amount of gross income (within the meaning of Code Section 856(c)(2)) derived by the Corporation from sources other than those described in subsections (A) through (H) of Code Section 856(c)(2) (but not including the amount of any REIT Payments); or

(ii) an amount equal to the excess, if any, of (a) 24% of the Corporation's total gross income (but excluding the amount of any REIT Payments) for the Partnership Year that is described in subsections (A) through (I) of Code Section 856(c)(3) over (b) the amount of gross income (within the meaning of Code Section 856(c)(3)) derived by the Corporation from sources other than those described in subsections (A) through (I) of Code Section 856(c)(3) (but not including the amount of any REIT Payments); **provided**, **however**, **that** REIT Payments in excess of the amounts set forth in clauses (i) and (ii) above may be made if the General Partner, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts shall not adversely affect the Corporation's ability to qualify as a REIT. To the extent that REIT Payments may not be made in a Partnership Year as a consequence of the limitations set forth in this **Section 15.11**, such REIT Payments shall carry over and shall be treated as arising in the following Partnership Year. The purpose of the limitations contained in this **Section 15.11** is to prevent the Corporation from failing to qualify as a REIT under the Code by reason of the Corporation's share of items, including distributions, reimbursements, fees, expenses or indemnities, receivable directly or indirectly from the Partnership, and this **Section 15.11** shall be interpreted and applied to effectuate such purpose.

Section 15.12. **No Partition**. No Partner nor any successor-in-interest to a Partner shall have the right while this Agreement remains in effect to have any property of the Partnership partitioned, or to file a complaint or institute any proceeding at law or in equity to have such property of the Partnership partitioned, and each Partner, on behalf of itself and its successors and assigns hereby waives any such right. It is the intention of the Partners that the rights of the parties hereto and their successors-in-interest to Partnership property, as among themselves, shall be governed by the terms of this Agreement, and that the rights of the Partners and their successors-in-interest shall be subject to the limitations and restrictions as set forth in this Agreement.

Section 15.13. **No Third-Party Rights Created Hereby**. The provisions of this Agreement are solely for the purpose of defining the interests of the Partners, *inter se*; and no other person, firm or entity (*i.e.*, a party who is not a signatory hereto or a permitted successor to such signatory hereto) shall have any right, power, title or interest by way of subrogation or otherwise, in and to the rights, powers, title and provisions of this Agreement. No creditor or other third party having dealings with the Partnership (other than as expressly set forth herein with respect to Indemnitees) shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans to the Partnership or to pursue any other right or remedy hereunder or at law or in equity. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may any such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or any of the Partners.

Section 15.14. **No Rights as Stockholders of the Corporation or Members of the General Partner**. Nothing contained in this Agreement shall be construed as conferring upon the Holders of Partnership Units any rights whatsoever as stockholders of the Corporation or members of the General Partner, as the case may be, including without limitation any right to receive dividends or other distributions made to stockholders of the Corporation or members of the General Partner, as the case may be, or to vote or to consent or receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the Corporation or any other matter.

Section 15.15. **Creditors**. Other than as expressly set forth herein with respect to Indemnitees, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

[S*ignature page follows*]

IN WITNESS WHEREOF, this First Amended and Restated Agreement of Limited Partnership has been executed as of the date first written above.

GENERAL PARTNER:

RETAIL OPPORTUNITY INVESTMENTS GP, LLC

By: _____
Name:
Title:

[Signatures continue on the following page]

LIMITED PARTNER

By: _____
Name:
Title:

[Signatures continue on the following page]

LIMITED PARTNER

_____

Name:

[Signatures continue on the following page]

Exhibit A
PARTNERS AND PARTNERSHIP UNITS

As of September 27, 2013, Closing

Name of Partner	**Partnership Units (Type and Amount)**	**Address**
General Partner: Retail Opportunity Investments GP, LLC	752,146	8905 Towne Centre Drive, Suite 108, San Diego, California 92122 Attention: Chief Financial Officer Facsimile No.: (858) 408-3810
Limited Partners: Retail Opportunity Investments Corp.	71,172,188	8905 Towne Centre Drive, Suite 108, San Diego, California 92122 Attention: Chief Financial Officer Facsimile No.: (858) 408-3810
Abby Sher	23,986	15935 Alcima Ave. Pacific Palisades, CA 90272
Argus Group, Ltd.	24,959	c/o Ronald Sher 10500 NE 8th Street, Suite 850 Bellevue, WA 98004
Ari Blum	14,290	68 Madrone Avenue Larkspur, CA 94939
Blum Family Trust	48,010	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Blum Irrev. Trust, The Joseph	4,602	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Circe Sher	10,889	681 So. Fitch Mountain Road Healdsburg, CA 95448
Clahan Revocable Trust	46,840	c/o Eugene Clahan 16 Meadow Avenue Kentfield, CA 94904

Name of Partner	Partnership Units (Type and Amount)	Address
Estate of Doris Blum**	7,723	505 Sansome Street, Suite 450 San Francisco, CA 94111
Estate of Sylvia Sher**	72,808	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Justin Sher	10,889	268 Bush Street, #3133 San Francisco, CA 94104
Lacey Sher	8,295	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Morgan Blum	14,290	3678 23rd Street San Francisco, CA 94110
Nigel Sher	10,889	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Rachel Sher	8,295	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Rawson, Blum & Co.	732	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Rawson, Living Trust	79,562	c/o David Rawson 2744 Green Street San Francisco, CA 94123
Rebecca Wellington	10,889	2729 51st Avenue SW Seattle, WA 98116
SARM Enterprises	566,499	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Sher GP, Inc.	4,196	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Sher, Merritt & Pamela Living Trust	116,552	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Sher, Ronald	133,323	10500 NE 8th St., Suite 850 Bellevue, WA 98004

Name of Partner	Partnership Units (Type and Amount)	Address
Sydney Sher Marital Trust**	72,808	Ronald Sher, Trustee 10500 NE 8th St., Suite 850 Bellevue, WA 98004
TCA Holdings LLC	1,931,813	10500 NE 8th St., Suite 850 Bellevue, WA 98004
Terranomics	1,478	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Terranomics Investment Partner.	36,528	c/o Metrovation 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Thomas Bomar	24,236	71 Reed Ranch Road Tiburon, CA 94920
Trust B under the Harris Trust**	4,882	David R. Harris, Trustee 12636 Indio Ct. Saratoga, CA 95070
TOTALS	74,462,451 OP Units	

Exhibit B
NOTICE OF REDEMPTION

To: Retail Opportunity Investments GP, LLC
8905 Towne Centre Drive, Suite 108,
San Diego, California 92122

The undersigned Limited Partner or Assignee hereby irrevocably tenders for Redemption _____ OP Units in Retail Opportunity Investments Partnership, LP in accordance with the terms of the Second Amended and Restated Agreement of Limited Partnership of Retail Opportunity Investments Partnership, LP, dated as of September 27, 2013 (the "Agreement"), and the Redemption rights referred to therein. The undersigned Limited Partner or Assignee:

(a) undertakes (i) to surrender such OP Units and any certificate therefor at the closing of the Redemption and (ii) to furnish to the General Partner, prior to the Specified Redemption Date, the documentation, instruments and information required under Section 8.06(g) of the Agreement;

(b) directs that the certified check representing the Cash Amount, or the REIT Shares Amount, as applicable, deliverable upon the closing of such Redemption be delivered to the address specified below;

(c) represents, warrants, certifies and agrees that:

(i) the undersigned Limited Partner or Assignee is a Qualifying Party,

(ii) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, good, marketable and unencumbered title to such OP Units, free and clear of the rights or interests of any other person or entity,

(iii) the undersigned Limited Partner or Assignee has, and at the closing of the Redemption will have, the full right, power and authority to tender and surrender such Partnership Units as provided herein, and

(iv) the undersigned Limited Partner or Assignee has obtained the consent or approval of all persons and entities, if any, having the right to consent to or approve such tender and surrender; and

(d) acknowledges that he will continue to own such OP Units until and unless either (1) such OP Units are acquired by the General Partner pursuant to Section 8.6.B of the Agreement or (2) such redemption transaction closes.

All capitalized terms used herein and not otherwise defined shall have the same meaning ascribed to them respectively in the Agreement.

Dated: _____

Name of Limited Partner or Assignee:

_____

_____
(Signature of Limited Partner or Assignee)

_____
(Street Address)

_____
_____
_____
(City) (State) (Zip Code)

Signature Medallion Guaranteed by:
_____

Issue Check Payable/REIT Shares to: _____

Name: _____

Please insert social security or identifying number: _____

Exhibit C
DRO PARTNERS AND DRO AMOUNTS

DRO PARTNER	DRO AMOUNT

Exhibit D

NOTICE OF ELECTION BY PARTNER TO CONVERT LTIP UNITS INTO OP UNITS

The undersigned Holder of LTIP Units hereby irrevocably (i) elects to convert the number of LTIP Units in Retail Opportunity Investments Partnership, LP (the "Partnership") set forth below into OP Units in accordance with the terms of the Amended and Restated Agreement of Limited Partnership of the Partnership, as amended; and (ii) directs that any cash in lieu of OP Units that may be deliverable upon such conversion be delivered to the address specified below. The undersigned hereby represents, warrants, and certifies that the undersigned (a) has title to such LTIP Units, free and clear of the rights of interests of any other person or entity other than the Partnership; (b) has the full right, power, and authority to cause the conversion of such LTIP Units as provided herein; and (c) has obtained the consent or approval of all persons or entitles, if any, having the right to consent or approve such conversion.

Name of Holder: _____

(Please Print: Exact Name as Registered with Partnership)

Number of LTIP Units to be Converted: _____

Date of this Notice: _____

_____

(Signature of Holder: Sign Exact Name as Registered with Partnership)

_____

(Street Address)

_____

(City) (State) (Zip Code)

Signature Medallion Guaranteed by: _____

Exhibit E

NOTICE OF ELECTION BY PARTNERSHIP TO FORCE CONVERSION OF LTIP UNITS INTO OP UNITS

Retail Opportunity Investments Partnership, LP (the "Partnership") hereby irrevocably elects to cause the number of LTIP Units held by the Holder of LTIP Units set forth below to be converted into OP Units in accordance with the terms of the Amended and Restated Agreement of Limited Partnership of the Partnership, as amended.

Name of Holder:_____

(Please Print: Exact Name as Registered with Partnership)

Number of LTIP Units to be Converted:_____

Date of this Notice: _____

Exhibit 10.1

THIRD AMENDMENT TO
FIRST AMENDED AND RESTATED CREDIT AGREEMENT

THIS THIRD AMENDMENT TO FIRST AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of September 26, 2013, by and among **RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP**, a Delaware limited partnership (the "Borrower"), **RETAIL OPPORTUNITY INVESTMENTS CORP.**, a Maryland corporation ("Parent Guarantor"), the Subsidiaries of Parent Guarantor executing below as Guarantors (each a "Subsidiary Guarantor; the Parent Guarantor and each Subsidiary Guarantor are hereinafter collectively referred to as the "Guarantors"), **KEYBANK NATIONAL ASSOCIATION** ("KeyBank"), as Administrative Agent for itself and the other Lenders from time to time a party to the Credit Agreement (as hereinafter defined) (KeyBank, in its capacity as Administrative Agent, is hereinafter referred to as "Agent"), and each of the undersigned "Lenders" (hereinafter referred to collectively as the "Lenders").

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, KeyBank, Agent and the other Lenders are party to that certain First Amended and Restated Credit Agreement dated as of August 29, 2012, as amended by that certain First Amendment to First Amended and Restated Credit Agreement dated April 15, 2013 and certain Second Amendment to First Amended and Restated Credit Agreement dated August 30, 2013 (as the same may be varied, extended, supplemented, consolidated, amended, replaced, renewed, modified or restated from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the Guarantors have requested that the Agent and the Lenders modify the Credit Agreement in certain respects and the Agent and the Lenders have agreed to such modifications on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth hereinbelow, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and as a material inducement to the Agent and the Lenders to agree to such modifications, the parties do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used in this Amendment, but which are not otherwise expressly defined in this Amendment, shall have the respective meanings given thereto in the Credit Agreement.

2. Modification of the Credit Agreement. Borrower, the Guarantors, Agent and the Lenders do hereby modify and amend the Credit Agreement as follows:

(a) By inserting the following definitions in Section 1.01 of the Credit Agreement, in appropriate alphabetical order:

"Consolidated Unencumbered Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Adjusted Net Operating Income of the UAP Properties for the most recent fiscal quarter period ending on such date multiplied times four (4) to (b) Consolidated Interest

Expense associated with Consolidated Unsecured Indebtedness for the most recent fiscal quarter ending on such date multiplied times four (4).

(b) By deleting the reference to "7.50%" in the definition of the term "Capitalization Rate" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "7.00%".

(c) By deleting in its entirety the second table set forth in the definition of the term "Applicable Rate" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof the following:

Pricing Level	**Credit Rating Level**	**Eurodollar Rate Loans & Letters of Credit Fees**	**Base Rate Loans**
I	Credit Rating Level 1	0.90%	0.00%
II	Credit Rating Level 2	1.00%	0.00%
III	Credit Rating Level 3	1.10%	0.10%
IV	Credit Rating Level 4	1.30%	0.30%
V	Credit Rating Level 5	1.70%	0.70%

(d) By deleting in its entirety the table set forth Section 2.08(a)(ii) of the Credit Agreement, and inserting in lieu thereof the following:

Credit Rating Level	**Facility Fee Rate**
Credit Rating Level 1	0.15%
Credit Rating Level 2	0.15%
Credit Rating Level 3	0.20%
Credit Rating Level 4	0.25%
Credit Rating Level 5	0.30%

(e) By deleting the reference to "2016" in the definition of the term "Initial Maturity Date" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "2017".

(f) By deleting the reference to "2017" in the definition of the term "Maturity Date" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "2018".

(g) By deleting in its entirety the definition of the term "Mortgageability Amount" appearing in Section 1.01 of the Credit Agreement.

(h) By deleting in their entirety clauses (A) and (B) of the definition of the term "Unencumbered Asset Pool Value" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "[Intentionally Deleted]".

(i) By deleting the references to "2017" and "0.25%" in Section 2.13 of the Credit Agreement and inserting in lieu thereof references to "2018" and "0.15%", respectively.

(j) By deleting the reference to "$100,000,000" in Section 2.14(a) of the Credit Agreement and inserting in lieu thereof a reference to "$350,000,000".

(k) By (i) deleting the reference to "$400,000,000" in Section 7.10(a) of the Credit Agreement and inserting in lieu thereof a reference to "$580,000,000" and (ii) deleting the reference to "the Closing Date" in Section 7.10(a) of the Credit Agreement and inserting in lieu thereof a reference to "September 26, 2013".

(l) By deleting in its entirety Section 7.10(g) of the Credit Agreement and inserting in lieu thereof the following:

"(g) Consolidated Unencumbered Interest Coverage Ratio. Permit the Consolidated Unencumbered Interest Coverage Ratio, as of the last day of any fiscal quarter of the Parent Guarantor, to be less than 1.75 to 1.00."

(m) By deleting the reference to "$40,000,000" in Section 7.13 of the Credit Agreement and inserting in lieu thereof a reference to "$75,000,000".

(n) By deleting the contents of Schedule 2.01 to the Credit Agreement in its entirety and inserting in lieu thereof the contents of Schedule 1 attached hereto.

3. Acknowledgment of Borrower and Guarantors. Borrower and the Guarantors hereby acknowledge, represent and agree that the Loan Documents, as modified and amended herein, remain in full force and effect and constitute the valid and legally binding obligation of Borrower and the Guarantors, as applicable, enforceable against Borrower and the Guarantors in accordance with their respective terms (except as enforceability is limited by Debtor Relief Laws or general equitable principles relating to or limiting creditors' rights generally). By execution hereof, the Guarantors consent to the amendments contained herein. Nothing in this Amendment shall be deemed or construed to constitute, and there has not otherwise occurred, a novation, cancellation, satisfaction, release, extinguishment, waiver or substitution of the indebtedness evidenced by the Notes or the other obligations of Borrower or any Guarantor under the Loan Documents.

4. References to Credit Agreement. All references in the Loan Documents to the Credit Agreement shall be deemed a reference to the Credit Agreement, as modified and amended herein.

5. Representations. Borrower and each Guarantor represents and warrants to Agent and the Lenders as follows:

(a) Authorization. The execution, delivery and performance of this Amendment and the transactions contemplated hereby (i) are within the authority of Borrower and the Guarantors, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower and the Guarantors, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which Borrower or any of the Guarantors is subject or any judgment, order, writ, injunction, license or permit applicable to Borrower or any of the Guarantors, (iv) do not and will not conflict with or constitute a default

(whether with the passage of time or the giving of notice, or both) under any Organization Documents of, or any mortgage, indenture, agreement, contract or other instrument binding upon, Borrower or any of the Guarantors or any of their respective properties or to which Borrower or any of the Guarantors is subject, and (v) do not and will not result in or require the imposition of any Lien on any of the properties, assets or rights of Borrower or any of the Guarantors.

(b) Enforceability. This Amendment constitutes the valid and legally binding obligations of Borrower and the Guarantors, enforceable in accordance with the terms and provisions hereof, except as enforceability may be limited by Debtor Relief Laws or general equitable principles relating to or limiting creditors' rights generally.

(c) Approvals. The execution, delivery and performance of this Amendment and the transactions contemplated hereby do not require the approval or consent of any Person or the authorization, consent or approval of, or any filing with, or the giving of any notice to, any Governmental Authority other than those already obtained, taken or made, as the case may be, those specified herein and any disclosure filings with the SEC as may be required with respect to this Amendment.

(d) Reaffirmation. Borrower and each of the Guarantors reaffirms and restates as of the date hereof each and every representation and warranty made by the Borrower and Guarantors in the Loan Documents or otherwise made by or on behalf of such Persons in connection therewith except for representations or warranties that expressly relate to an earlier date.

6. No Default. By execution hereof, Borrower and the Guarantors certify that as of the date of this Amendment and immediately after giving effect to this Amendment no Default or Event of Default has occurred and is continuing.

7. Waiver of Claims. Borrower and each of the Guarantors acknowledges, represents and agrees that as of the date of this Amendment it has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents, the administration or funding of the Loan or with respect to any acts or omissions of Agent or any Lender, or any past or present officers, agents or employees of Agent or any Lender, and Borrower and each of the Guarantors does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

8. Effective Date. This Amendment shall be deemed effective and in full force and effect as of the date hereof upon satisfaction of the following conditions:

(a) the execution and delivery of this Amendment by Borrower, the Guarantors, Agent and the Lenders;

(b) the execution and delivery by Borrower, Guarantors, and the agent and lenders under the Term Loan Agreement of an amendment to the Term Loan Agreement which is substantially the same as this Amendment in all material respects;

(c) Agent shall have received one or more favorable opinions of counsel to Borrower and the Guarantors addressed to Agent and the Lenders covering such matters as the Agent may reasonably request and in form and substance reasonably satisfactory to the Agent;

(d) Agent shall have received a duly completed Compliance Certificate (demonstrating Borrower will be in compliance with the financial covenants in the Credit Agreement after giving effect to the amendments to the Credit Agreement contemplated herein) as of the last day of the fiscal quarter of Borrower's most recently ended prior to the date of this Amendment, signed by a Responsible Officer of Borrower;

(e) Borrower shall have paid all fees and expenses due and payable with respect to this Amendment (including, without limitation, those fees due and payable pursuant to the letter agreement, dated August 27, 2013, executed by Agent, KeyBanc Capital Markets Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner and Smith Incorporated and Parent Guarantor, and the reasonable fees and expenses of counsel to Agent), all of which shall be fully earned and non-refundable under any circumstances when paid; and

(f) Agent shall have received such other assurances, certificates, documents, consents or opinions as the Agent or the Lenders may reasonably request.

9. Amendment as Loan Document. This Amendment shall constitute a Loan Document.

10. Counterparts. This Amendment may be executed in any number of counterparts which shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic image (e.g., "PDF" or "TIF" via electronic mail) shall be effective as delivery of a manually executed counterpart of this Amendment.

11. Miscellaneous. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors, successors-in-title and assigns as provided in the Credit Agreement. All captions in this Amendment are included herein for convenience of reference only and shall not constitute part of this Amendment for any other purpose.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, acting by and through their respective duly authorized officers and/or other representatives, have duly executed this Amendment, under seal, as of the day and year first above written.

BORROWER:

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP, a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC, its general partner, a Delaware limited liability company

By: _____
Name: _____
Title: _____

GUARANTORS:

RETAIL OPPORTUNITY INVESTMENTS CORP., a Maryland corporation

By: _____
Name: _____
Title: _____

RETAIL OPPORTUNITY INVESTMENTS GP, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC PARAMOUNT PLAZA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

ROIC SANTA ANA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC WASHINGTON, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CALIFORNIA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC OREGON, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC PINOLE VISTA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

ROIC ZEPHYR COVE, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC HILLSBORO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC RTC HOLDING I, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CCG HOLDING I, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CYPRESS WEST, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC REDONDO BEACH PLAZA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION, as
Administrative Agent

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

LENDERS:

KEYBANK NATIONAL ASSOCIATION, as a
Lender, L/C Issuer

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A., as a Lender

By: _____
Name: _____
Title: _____

PNC BANK, NATIONAL ASSOCIATION, as a
Lender

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a
Lender

By: _____
Name: _____
Title: _____

BANK OF MONTREAL – CHICAGO BRANCH,
as a Lender

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

JPMORGAN CHASE BANK. N.A., as a Lender

By: _____
Name: _____
Title: _____

REGIONS BANK, as a Lender

By: _____
Name: _____
Title: _____

ROYAL BANK OF CANADA, as a Lender

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: _____
Name: _____
Title: _____

RBS CITIZENS, N.A., as a Lender

By: _____
Name: _____
Title: _____

SCHEDULE 1

COMMITMENTS AND APPLICABLE PERCENTAGES

Lender	Commitment	Applicable Percentage of Commitment
KeyBank National Association	$40,000,000.00	11.8181818182%
Bank of America, N.A.	$40,000,000.00	11.8181818182%
PNC Bank, National Association	$37,500,000.00	10.9090909091%
U.S. Bank National Association	$37,500,000.00	10.9090909091%
Bank of Montreal – Chicago Branch	$32,500,000.00	9.0909090909%
JPMorgan Chase Bank, N.A.	$32,500,000.00	9.0909090909%
Royal Bank of Canada	$32,500,000.00	9.0909090909%
Wells Fargo Bank, National Association	$32,500,000.00	9.0909090909%
RBS Citizens, N.A.	$32,500,000.00	9.0909090909%
Regions Bank	$32,500,000.00	9.0909090909%
TOTAL	$350,000,000.00	100.000000000%

[Signature Page to Third Amendment to First Amended and Restated Credit Agreement – KeyBank/ROI 2013]

Exhibit 10.2

THIRD AMENDMENT TO
FIRST AMENDED AND RESTATED TERM LOAN AGREEMENT

THIS THIRD AMENDMENT TO FIRST AMENDED AND RESTATED TERM LOAN AGREEMENT (this "Amendment"), dated as of September 26, 2013, by and among **RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP**, a Delaware limited partnership (the "Borrower"), **RETAIL OPPORTUNITY INVESTMENTS CORP.**, a Maryland corporation ("Parent Guarantor"), the Subsidiaries of Parent Guarantor executing below as Guarantors (each a "Subsidiary Guarantor; the Parent Guarantor and each Subsidiary Guarantor are hereinafter collectively referred to as the "Guarantors"), **KEYBANK NATIONAL ASSOCIATION** ("KeyBank"), as Administrative Agent for itself and the other Lenders from time to time a party to the Credit Agreement (as hereinafter defined) (KeyBank, in its capacity as Administrative Agent, is hereinafter referred to as "Agent"), and each of the undersigned "Lenders" (hereinafter referred to collectively as the "Lenders").

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, KeyBank, Agent and the other Lenders are party to that certain First Amended and Restated Term Loan Agreement dated as of August 29, 2012, as amended by that certain First Amendment to First Amended and Restated Term Loan Agreement dated April 15, 2013 and certain Second Amendment to First Amended and Restated Term Loan Agreement dated August 30, 2013 (as the same may be varied, extended, supplemented, consolidated, amended, replaced, renewed, modified or restated from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the Guarantors have requested that the Agent and the Lenders modify the Credit Agreement in certain respects and the Agent and the Lenders have agreed to such modifications on the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth hereinbelow, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and as a material inducement to the Agent and the Lenders to agree to such modifications, the parties do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used in this Amendment, but which are not otherwise expressly defined in this Amendment, shall have the respective meanings given thereto in the Credit Agreement.

2. Modification of the Credit Agreement. Borrower, the Guarantors, Agent and the Lenders do hereby modify and amend the Credit Agreement as follows:

(a) By inserting the following definitions in Section 1.01 of the Credit Agreement, in appropriate alphabetical order:

"Consolidated Unencumbered Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Adjusted Net Operating Income of the UAP Properties for the most recent fiscal quarter period ending on such date multiplied times four (4) to (b) Consolidated Interest Expense associated with Consolidated Unsecured Indebtedness for the most recent fiscal quarter ending on such date multiplied times four (4).

(b) By deleting the reference to "7.50%" in the definition of the term "Capitalization Rate" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "7.00%".

(c) By deleting in its entirety the definition of the term "Mortgageability Amount" appearing in Section 1.01 of the Credit Agreement.

(d) By deleting in their entirety clauses (A) and (B) of the definition of the term "Unencumbered Asset Pool Value" appearing in Section 1.01 of the Credit Agreement, and inserting in lieu thereof "[Intentionally Deleted]".

(e) By (i) deleting the reference to "$400,000,000" in Section 7.10(a) of the Credit Agreement and inserting in lieu thereof a reference to "$580,000,000" and (ii) deleting the reference to "the Closing Date" in Section 7.10(a) of the Credit Agreement and inserting in lieu thereof a reference to "September 26, 2013".

(f) By deleting in its entirety Section 7.10(g) of the Credit Agreement and inserting in lieu thereof the following:

"(g) Consolidated Unencumbered Interest Coverage Ratio. Permit the Consolidated Unencumbered Interest Coverage Ratio, as of the last day of any fiscal quarter of the Parent Guarantor, to be less than 1.75 to 1.00."

(g) By deleting the reference to "$40,000,000" in Section 7.13 of the Credit Agreement and inserting in lieu thereof a reference to "$75,000,000".

3. Acknowledgment of Borrower and Guarantors. Borrower and the Guarantors hereby acknowledge, represent and agree that the Loan Documents, as modified and amended herein, remain in full force and effect and constitute the valid and legally binding obligation of Borrower and the Guarantors, as applicable, enforceable against Borrower and the Guarantors in accordance with their respective terms (except as enforceability is limited by Debtor Relief Laws or general equitable principles relating to or limiting creditors' rights generally). By execution hereof, the Guarantors consent to the amendments contained herein. Nothing in this Amendment shall be deemed or construed to constitute, and there has not otherwise occurred, a novation, cancellation, satisfaction, release, extinguishment, waiver or substitution of the indebtedness evidenced by the Notes or the other obligations of Borrower or any Guarantor under the Loan Documents.

4. References to Credit Agreement. All references in the Loan Documents to the Credit Agreement shall be deemed a reference to the Credit Agreement, as modified and amended herein.

5. Representations. Borrower and each Guarantor represents and warrants to Agent and the Lenders as follows:

(a) Authorization. The execution, delivery and performance of this Amendment and the transactions contemplated hereby (i) are within the authority of Borrower and the Guarantors, (ii) have been duly authorized by all necessary proceedings on the part of the Borrower and the Guarantors, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which Borrower or any of the Guarantors is subject or any judgment, order, writ, injunction, license or permit applicable to Borrower or any of the Guarantors, (iv) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any Organization Documents of, or any mortgage, indenture, agreement, contract or other instrument binding upon, Borrower or any of the Guarantors or any of their respective properties or to which Borrower or any of the Guarantors is subject, and (v) do not and will not result in or require the imposition of any Lien on any of the properties, assets or rights of Borrower or any of the Guarantors.

(b) Enforceability. This Amendment constitutes the valid and legally binding obligations of Borrower and the Guarantors, enforceable in accordance with the terms and provisions hereof, except as enforceability may be limited by Debtor Relief Laws or general equitable principles relating to or limiting creditors' rights generally.

(c) Approvals. The execution, delivery and performance of this Amendment and the transactions contemplated hereby do not require the approval or consent of any Person or the authorization, consent or approval of, or any filing with, or the giving of any notice to, any Governmental Authority other than those already obtained, taken or made, as the case may be, those specified herein and any disclosure filings with the SEC as may be required with respect to this Amendment.

(d) Reaffirmation. Borrower and each of the Guarantors reaffirms and restates as of the date hereof each and every representation and warranty made by the Borrower and Guarantors in the Loan Documents or otherwise made by or on behalf of such Persons in connection therewith except for representations or warranties that expressly relate to an earlier date.

6. No Default. By execution hereof, Borrower and the Guarantors certify that as of the date of this Amendment and immediately after giving effect to this Amendment no Default or Event of Default has occurred and is continuing.

7. Waiver of Claims. Borrower and each of the Guarantors acknowledges, represents and agrees that as of the date of this Amendment it has no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents, the administration or funding of the Loan or with respect to any acts or omissions of Agent or any Lender, or any past or present officers, agents or employees of Agent or any Lender, and Borrower and each of the Guarantors does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

8. Effective Date. This Amendment shall be deemed effective and in full force and effect as of the date hereof upon satisfaction of the following conditions:

(a) the execution and delivery of this Amendment by Borrower, the Guarantors, Agent and the Lenders;

(b) the execution and delivery by Borrower, Guarantors, and the agent and lenders under the Revolving Credit Agreement of an amendment to the Revolving Credit Agreement which is substantially the same as this Amendment in all material respects;

(c) Agent shall have received a duly completed Compliance Certificate (demonstrating Borrower will be in compliance with the financial covenants in the Credit Agreement after giving effect to the amendments to the Credit Agreement contemplated herein) as of the last day of the fiscal quarter of Borrower's most recently ended prior to the date of this Amendment, signed by a Responsible Officer of Borrower;

(d) Borrower shall have paid all fees and expenses due and payable with respect to this Amendment (including, without limitation, those fees due and payable pursuant to the letter agreement, dated August 27, 2013, executed by Agent, KeyBanc Capital Markets Inc., Bank of America, N.A., Merrill Lynch, Pierce, Fenner and Smith Incorporated and Parent Guarantor, and the reasonable fees and expenses of counsel to Agent), all of which shall be fully earned and non-refundable under any circumstances when paid; and

(e) Agent shall have received such other assurances, certificates, documents, consents or opinions as the Agent or the Lenders may reasonably request.

9. Amendment as Loan Document. This Amendment shall constitute a Loan Document.

10. Counterparts. This Amendment may be executed in any number of counterparts which shall together constitute but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic image (e.g., "PDF" or "TIF" via electronic mail) shall be effective as delivery of a manually executed counterpart of this Amendment.

11. Miscellaneous. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors, successors-in-title and assigns as provided in the Credit Agreement. All captions in this Amendment are included herein for convenience of reference only and shall not constitute part of this Amendment for any other purpose.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, acting by and through their respective duly authorized officers and/or other representatives, have duly executed this Amendment, under seal, as of the day and year first above written.

BORROWER:

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP, a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC, its general partner, a Delaware limited liability company

By: _____
Name: _____
Title: _____

GUARANTORS:

RETAIL OPPORTUNITY INVESTMENTS CORP., a Maryland corporation

By: _____
Name: _____
Title: _____

RETAIL OPPORTUNITY INVESTMENTS GP, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC PARAMOUNT PLAZA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

ROIC SANTA ANA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC WASHINGTON, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CALIFORNIA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC OREGON, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC PINOLE VISTA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

ROIC ZEPHYR COVE, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC HILLSBORO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC RTC HOLDING I, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CCG HOLDING I, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC CYPRESS WEST, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROIC REDONDO BEACH PLAZA, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ADMINISTRATIVE AGENT:

KEYBANK NATIONAL ASSOCIATION, as Administrative Agent

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

LENDERS:

KEYBANK NATIONAL ASSOCIATION, as a Lender, L/C Issuer

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A., as a Lender

By: _____
Name: _____
Title: _____

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: _____
Name: _____
Title: _____

BANK OF MONTREAL – CHICAGO BRANCH, as a Lender

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

JPMORGAN CHASE BANK. N.A., as a Lender

By: _____
Name: _____
Title: _____

REGIONS BANK, as a Lender

By: _____
Name: _____
Title: _____

ROYAL BANK OF CANADA, as a Lender

By: _____
Name: _____
Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: _____
Name: _____
Title: _____

RBS CITIZENS, N.A., as a Lender

By: _____
Name: _____
Title: _____

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "Agreement") is made as of September 27, 2013, by and among Retail Opportunity Investments Corp., a Maryland corporation (the "REIT"), Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("ROIP") and each person or entity identified as a signatory on Schedule I (each such person or entity a "Seller" and, collectively, the "Sellers"). Capitalized terms used herein but not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Purchase Agreement, as defined below.

WITNESSETH

WHEREAS, pursuant to the terms and provisions of that certain Agreement for Sale and Purchase of Membership Interests dated as of August 15, 2013 by and among the REIT and the Sellers signatory thereto (the "Purchase Agreement"), ROIP intends to purchase all of the membership interests in SARM Five Points Plaza, LLC, a Washington limited liability company (the "Company") from the Sellers (the "Company Interests");

WHEREAS, in connection with the Purchase Agreement, the REIT and, ROIP shall enter into this Agreement with each Seller electing to receive OP Units (as defined in the First Amended and Restated Agreement of Limited Partnership of ROIP (the "Partnership Agreement")) in exchange for their Company Interests in accordance with the terms of the Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants, agreements and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Contribution.

   a. Seller. By executing the signature page to this Agreement, subject to the terms and conditions hereof, the Seller, if Seller is an Accredited Investor (as defined herein) who certifies as to such status by executing and timely delivering the accredited investor questionnaire (each an "Eligible Seller"), hereby agrees to subscribe for and receive, and ROIP agrees to issue, the OP Units to the undersigned Eligible Seller in exchange for the consideration set forth in paragraph (b) of this section.

   b. Consideration. The OP Units to be issued to each Seller (except for the Seller receiving cash under the Purchase Agreement) payable upon the consummation of the transactions contemplated by the Purchase Agreement (the "Closing") shall equal the amount of cash payable to such Seller pursuant to the Purchase Agreement for the Company Interests divided by the Fair Market Value (as defined below) of one OP Unit (the "Consideration"). The Fair Market Value of one OP Unit shall equal the product of (a) the average closing price of the shares of common stock of the REIT (the "Common Stock") on the principal market on which the shares of Common Stock trades during the 10 calendar days immediately preceding the third day before the Closing (the "Stock Price") and (b) 1.00. If the Common Stock is not listed on an exchange then the Stock Price shall be determined in good faith by the board of directors of REIT.

2. Registration Rights. Simultaneously herewith, the REIT and Sellers shall enter into a registration rights agreement (the "Registration Rights Agreement") which shall provide for the registration under the Securities Act of 1933, as amended (the "Securities Act") for resale by the Sellers of certain shares of Common Stock which may be issued to Sellers in accordance with the provisions of the Partnership Agreement, upon the presentation of the OP Units for redemption.

3. Closing.

a. Conditions Precedent.

i. Conditions to Each Parties Obligations. No government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign (collectively, a "Governmental Authority") shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement (which condition may not be waived by any party) nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending that seeks the foregoing.

ii. Conditions to Obligations of the REIT and ROIP. The obligations of the REIT and ROIP to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions (any of which may be waived by the REIT and ROIP, in whole or in part, in their sole discretion):

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of each Seller contained in this Agreement, shall be true and correct at the Closing.

(2) *Performance by the Sellers*. Each Seller shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for each Seller to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *No Material Adverse Change*. There shall have not occurred between the date hereof and the Closing any material adverse change in any of the assets, business, financial condition, results of operation or prospects of the Company.

(5) *Bankruptcy*. There shall not have been a bankruptcy or similar insolvency proceeding with respect to the Company.

iii. Conditions to Obligations of the Sellers. The obligation of each Seller to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions:

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of the REIT and ROIP contained in this Agreement shall be true and correct at the Closing.

(2) *Performance by the REIT and ROIP*. The REIT and ROIP shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Sellers to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of the Sellers to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *Registration Rights Agreement*. The REIT and ROIP shall have entered into the registration rights agreement substantially in the form attached as Exhibit M to the Purchase Agreement. This condition may not be waived by any party.

b. Time and Place. Subject to satisfaction or waiver of the conditions in set forth in paragraph (3)(a) of this section, the closing of the transactions contemplated hereby shall occur on the Closing. The closing shall take place at the offices of the Escrow Agent (as defined in the 2013 Agreement) or such other place as determined by agreement of the parties.

c. Delivery of OP Units. The issuance of the OP Units shall be evidenced by an amendment to the Partnership Agreement. On the Closing, (or as soon as reasonably practicable thereafter), ROIP shall deliver or cause to be delivered to each Seller an executed copy of such amendment.

d. Closing Deliveries. On the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered through the attorney-in-fact or the power of attorney (both as described and set forth in the Partnership Agreement) any other documents reasonably requested by the REIT and ROIP or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Company Interests, free and clear of all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and to effectuate the transactions contemplated hereby.

e. Tax Withholding. The REIT and ROIP shall be entitled to deduct and withhold, from the Consideration payable pursuant to this Agreement to any Seller, such amounts as the REIT or ROIP is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder (the "Code") or any provision of federal, state, local or foreign tax law. To the extent that amounts are so withheld by the REIT or ROIP, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding was made by the REIT or ROIP.

4. Representations, Warranties and Covenants of Seller. Each Seller, severally and not jointly, hereby represents and warrants to, and covenants with the REIT and ROIP as of the date hereof as follows:

a. Organization; Authority. If such Seller is an individual, such Seller has the legal capacity and authority to execute, deliver and perform its obligations under this Agreement, and no individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity (collectively, a "Person") has any community property rights, by virtue of marriage or otherwise, with respect to such Company Interests (unless the person holding such rights is also a signatory hereto). If such Seller is a Person other than an individual, such Seller has been duly organized, is validly existing and in good standing under the applicable laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority (collectively, the "Laws") of its jurisdiction of organization, and has all requisite power and authority to enter this Agreement, each agreement contemplated hereby and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization and Enforceability. If such Seller is a Person other than an individual, the execution, delivery and performance of this Agreement by such Seller has been duly and validly authorized by all necessary action required of such Seller. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of such Seller pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of such Seller, each enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Ownership of Interest. Such Seller is the record owner of the Company Interests owned by it as set forth on Schedule I, and has the power and authority to transfer, sell, assign and convey to the REIT or ROIP, as applicable, such Company Interests, free and clear of any Liens and, upon delivery of the Consideration for such Company Interests as provided herein, the REIT or ROIP, as applicable, will acquire good and valid title thereto, free and clear of any Liens. Except as provided for or contemplated by this Agreement or the other applicable documents, there are no rights, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (i) relating to the Company Interests owned by such Seller or (ii) to purchase, transfer or to otherwise acquire, or to in any way encumber, any of the interests which comprise such Company Interests or any securities or obligations of any kind convertible into any of the interests which comprise such Company Interests, or other equity interests or profit participation of any kind in the Company.

d. Consents and Approvals. No consent, waiver, approval, authorization, order, license, certificate or permit of, or filing or registration with a Person or any Governmental Authority or under any Laws is required to be obtained by such Seller in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

e. No Violation. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (A) the organizational documents, if any, of such Seller, (B) any agreement, document or instrument to which such Seller is a party or by which such Seller is bound, (C) does not and will not violate any Laws applicable to or binding upon the Seller, or (D) any term or provision of any judgment, order, writ, injunction, or decree binding on such Seller is (or its assets or properties).

f. Non Foreign Person. Such Seller is a United States person (as defined in the Code) and is, therefore, not subject to the provisions of the Code relating to the withholding of sales or exchange proceeds to foreign persons.

g. Taxes. Such Seller has paid all taxes relating to its Company Interests required to be paid by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so).

h. Solvency. Such Seller has been and will be solvent at all times prior to and for the ninety (90) day period following the transfer of its Company Interests to ROIP.

i. Litigation. There is no litigation or proceeding, either judicial or administrative, pending or threatened, affecting all or any portion of Seller's Company Interests or Seller's ability to consummate the transactions contemplated hereby which, if adversely determined, would adversely affect the Seller's ability to consummate the transactions contemplated hereby. Seller has not received notice of any, and to its knowledge there is no, outstanding order, writ, injunction or decree of any Governmental Authority against or affecting all or any portion of its Company Interests, which in any such case would impair Seller's ability to enter into and perform all of its obligations under this Agreement.

j. Seller's Investment Representations and Warranties. Seller represents and warrants to the REIT and ROIP as follows:

i. Upon the issuance of OP Units to Seller, (i) Seller shall become subject to, and shall be bound by, the terms and provisions of the Partnership Agreement (a copy of which Seller acknowledges having received and reviewed), including the terms of the power of attorney contained therein, and (ii) Seller agrees to execute a counterpart signature page to the Partnership Agreement.

ii. Such Seller is knowledgeable, sophisticated and experienced in business and financial matters; such Seller has previously invested in securities similar to the OP Units or Common Stock, as applicable, and fully understands the limitations on transfer imposed by the federal securities Laws. Such Seller has received and carefully reviewed this Agreement and the other applicable documents as well as all information and documents about or pertaining to the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, and the issuance of the OP Units and the Common Stock, as applicable, as such Seller deems necessary or desirable, and has been given the opportunity to obtain, and has obtained, any additional information or documents and to ask questions and receive answers about such information and documents, the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, which such Seller deems necessary or desirable to evaluate the merits and risks related to its investment (including, making an informed business decision) in the OP Units or the Common Stock, as applicable; and such Seller understands and has taken cognizance of all risk factors related to the purchase of the OP Units and the Common Stock, as applicable. Such Seller is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of such Seller's advisors (including tax advisors), and not upon that of the REIT or ROIP, as applicable, or any of the REIT's or ROIP's, as applicable, affiliates, for purposes of evaluating, entering into, and consummating the transactions contemplated hereby. Seller is capable of bearing the economic risks of the transactions contemplated herein.

iii. The OP Units to be issued to Seller, and any Common Stock issued upon redemption thereof, will be acquired by Seller solely for his, her or its own account for investment only and not as a nominee agent for any other person and not with a view to, or with any intention of, an offer, distribution or resale thereof, in whole or in part, or the grant of any participation therein, in each case, in violation of any applicable securities laws.

iv. Seller is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act) ("Accredited Investor"). Such Seller will, upon request, execute and/or deliver any additional documents deemed by the REIT or ROIP to be necessary or desirable to confirm such Seller's Accredited Investor status.

v. Seller acknowledges that (A) the OP Units to be issued to Seller have not been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) ROIP's reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of Seller contained herein, (C) such OP Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no, and there is not expected to be any, public market for the OP Units, and (E) ROIP has no obligation or intention to register such OP Units for resale under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws. Seller further acknowledges that because of the restrictions on transfer or assignment of such OP Units to be issued hereunder which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of the investment commitment evidenced by this Agreement and any OP Units acquired hereby for an indefinite period of time.

vi. Seller acknowledges that the OP Units to be issued to Seller hereunder may not be redeemed for shares of Common Stock for a period of one-year from the date of Closing.

vii. Seller acknowledges that (A) any shares of Common Stock issued upon redemption of the OP Units may not have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) such Common Stock, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, and (C) there may be no public market for the Common Stock. Seller further acknowledges that because of the restrictions on transfer or assignment of any Common Stock to be issued upon redemption of the OP Units which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of the investment commitment evidenced by this Agreement and any Common Stock acquired upon redemption of OP Units for an indefinite period of time.

viii. Seller agrees to the imprinting of the legend on certificates, if any, on any shares of Common Stock issued upon redemption thereof as set forth in the Partnership Agreement.

ix. Each Seller agrees that it will execute all documents which the REIT or ROIP may reasonably request at such time as the REIT or ROIP may reasonably request in order to satisfy themselves that the offer and sale of the OP Units and, in the future, any shares of Common Stock have been conducted in such manner as to qualify for an exemption from registration under the Securities Act, as a private placement under Section 4(2) thereof and/or Regulation D promulgated thereunder, as determined by the REIT and/or ROIP.

k. Continuing Efforts. Subject to the terms and conditions herein provided, such Seller covenants and agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper and/or appropriate to consummate and make effective the transactions contemplated by this Agreement.

l. No Brokers or Finders. The Seller has not entered into any agreement and is not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person similar agent or firm with respect to this Agreement or the issuance of any OP Units contemplated hereby, except for any such person or similar agent or firm the fees and expenses for which such Seller shall be solely responsible for and pay.

m. No Claims. Each Seller represents and warrants that it does not have any claims against the Company or any of its officers, directors or agents for breach of fiduciary obligations, breach of the terms of applicable organizational documents, fraud, self-dealing or any other similar cause of action.

n. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, no Seller shall be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

o. Survival of Representations and Warranties of the Seller. Each Seller agrees and acknowledges that (a) the representations and warranties set forth in paragraph (j) shall survive indefinitely and (b) all other representations and warranties set forth in this section shall survive for a period of one-year following the Closing.

5. Representations, Warranties and Covenants of the REIT and ROIP. The REIT and ROIP hereby represent and warrant to, and covenant with, each Seller as of the date hereof as follows:

a. Organization; Authority.

i. The REIT is a corporation duly organized, validly existing and in good standing under the Laws of the State of Maryland. The REIT has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

ii. ROIP is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware. ROIP has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of the REIT or ROIP pursuant to this Agreement or the other applicable documents in connection with the exercise of the Buyer's Purchase Option constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the REIT or ROIP, each enforceable against the REIT or ROIP in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Consents and Approvals. No consent, waiver, approval or authorization of, or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the REIT or ROIP in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

d. No Violation. None of the execution, delivery or performance of this Agreement, the other applicable documents in connection with the exercise of the Buyer's Purchase Option, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under (a) the organizational documents of the REIT or ROIP, (b) any term or provision of any judgment, order, writ, injunction, or decree binding on the REIT or ROIP, or (c) any other agreement to which the REIT or ROIP is a party thereto.

e. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, the REIT and ROIP shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

f. Partnership Agreement. ROIP has furnished to Seller a true, correct and complete copy of the Partnership Agreement.

g. Issuance of OP Units. At the Closing: (i) the OP Units issued by ROIP to Seller will be duly authorized by the REIT or ROIP, as applicable, and, when issued against Consideration therefor, will be validly issued by the REIT or ROIP, fully paid and non-assessable; and (ii) Seller will be admitted as a limited partner of the Partnership entitled to all of the rights, privileges and other benefits of limited partners holding similar interests under the Partnership Agreement.

h. Reservation and Listing of Common Stock. The shares of Common Stock to be issued by the REIT upon redemption of the OP Units will be reserved for issuance and the REIT will use commercially reasonable efforts to list such Common Stock on the NASDAQ Stock Market or on any other similar exchange where the REIT has shares of Common Stock listed (subject to official notice of issuance) prior to the date upon which any of the OP Units becomes redeemable for shares of Common Stock.

i. No Broker's or Finders. The REIT and ROIP have not entered into any agreement and are not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person or similar agent or firm with respect to this Agreement or the purchase and issuance of any OP Units contemplated hereby.

6. Tax Cooperation.

The REIT, ROIP and each Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of tax returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

7. Indemnification.

a. Indemnification. For a period of one (1) year from and after the Closing, each Seller, severally and not jointly, agrees to indemnify, hold harmless, and defend the REIT, ROIP and their successors and assigns (collectively, the "REIT's Indemnified Persons") from and against, and reimburse each of the REIT's Indemnified Persons with respect to, any and all losses, damages, liabilities, costs, and expenses, including interest from the date of such loss to the time of payment, penalties, and reasonable attorney fees (collectively, the "Damages") incurred by any of the REIT's Indemnified Persons by reason of or arising out of or in connection with:

(1) Any breach or inaccuracy of any representation or warranty of such Seller made in this Agreement or any Subscription Document;

(2) Any failure by such Seller to perform any covenant required to be performed by such Seller pursuant to this Agreement or any Subscription Document; and

(3) Any claim, demand, cause of action, complaint or action arising out of any facts or circumstances that occurred prior to Closing, regardless of fault.

This indemnification extends to any Damages suffered by any of REIT's Indemnified Persons, whether or not a claim is made against any of REIT's Indemnified Persons by any third party. Nothing contained herein shall make a person who is subject to the foregoing indemnification obligation liable for more than the aggregate Purchase Price for such Seller's Company Interests.

b. Defense of Claim. If any claim is asserted against a party that would give rise to a claim by that party against the other party for indemnification, the party to be indemnified will promptly give written notice to the indemnifying party concerning such claim and the indemnifying party will, at no expense to the indemnified party, defend the claim.

8. Benefit of Agreement: Successors and Assigns; Assignment. This Agreement is only for the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns and is not intended to be for the benefit of any third party, creditor or other person to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) any party hereto; and no such third party, creditor or other person shall obtain any right under this Agreement against any party hereto by reason of any debt, liability or obligation (or otherwise). This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective heirs, executors, administrators, and permitted successors and assigns.

This Agreement may not be assigned, in whole or in part, by any party hereto without the consent of all of the other parties hereto.

9. Entire Agreement Amendments. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all agreements and understandings (written and oral) with respect to such subject matter. No amendment or termination of this Agreement or any provision of this Agreement shall be effective unless it is in writing and signed by each of the parties hereto. No waiver hereunder shall be valid unless in writing, executed by the party against whom such waiver is sought to be enforced.

10. Severability. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

11. Equitable Remedies. The parties agree that irreparable damage would occur to the REIT and ROIP 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 the REIT and ROIP shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Seller and to enforce specifically the terms and provisions hereof in any federal or state court located in New York, this being in addition to any other remedy to which the REIT and ROIP is entitled under this Agreement or otherwise at law or in equity. Notwithstanding the foregoing, this Agreement shall not bar any equitable remedies otherwise available to the Seller pursuant to the terms and provisions contained in section.

12. Further Assurances. The Sellers will, from time to time, execute and deliver to the REIT or ROIP all such other and further instruments and documents and take or cause to be taken all such other and further action as the REIT or ROIP may reasonably request in order to effect the transactions contemplated by this Agreement. Notwithstanding the foregoing, the REIT or ROIP may request from the Seller such additional information as it may deem necessary to evaluate the eligibility of such Seller to acquire the OP Units, and may request from time to time such information as it may deem necessary to determine the eligibility of such Seller to hold OP Units or to enable ROIP or the REIT to determine the Seller's compliance with applicable regulatory requirements or tax status, and such Seller shall provide such information as may reasonably be requested.

13. Time of the Essence. Time is of the essence with respect to all obligations under this Agreement.

14. Descriptive Headings. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

15. No Personal Liability Conferred. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or stockholder of the REIT or ROIP.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) days (any day that is not a Saturday, Sunday or legal holiday in the State of California, each such day a "Business Day") after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within 24 hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

If to the REIT or ROIP:

Renaissance Towne Centre–La Jolla
8905 Towne Center Drive, 108
San Diego, CA 92122
Attn: Chief Financial Officer

With a copy to:

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019
Attention: Jay Bernstein
Facsimile: (212) 878-8375

If to a Seller:

To the address indicated for such Seller on the Schedule I to this Agreement.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, without reference to conflicts of law principles thereof.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that not all parties shall have signed the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dated first set forth above.

RETAIL OPPORTUNITY INVESTMENTS CORP.,
a Maryland corporation

By: _____
Name: Michael B. Haines
Title: Chief Financial Officer

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP,
a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC,
its general partner

By: _____
Name: Michael B. Haines
Title: Authorized Person

SELLERS:

SARM ENTERPRISES,
a California general partnership

By: _____
Name: _____
Title: _____

_____
Abby Sher

_____
Circe A. Sher

RACHEL SHER

By: _____
Ronald Sher, her attorney in fact

_____
Lacey L. Sher

_____
Rebecca C. Wellington

_____
Justin W. Sher

NIGEL I. SHER

By: _____
Ronald Sher, his attorney in fact

Schedule I

Sellers	Address	Number of Company Interests*	Number of OP Units
Sarm Enterprises	10500 NE 8th St, Suite 850 Bellevue, WA 98004	21.635768%	566,499
Abby Sher	15935 Alcima Ave. Pacific Palisades, CA 90272	0.916080%	23,986
Circe A. Sher	681 So. Fitch Mountain Road Healdsburg, CA 95448	0.415888%	10,889
Rachel Sher	10500 NE 8th St, Suite 850 Bellevue, WA 98004	0.316800%	8,295
Lacey L. Sher	10500 NE 8th St, Suite 850 Bellevue, WA 98004	0.316800%	8,295
Rebecca C. Wellington	2729 51st Avenue SW Seattle, WA 98116	0.415888%	10,889
Justin Sher	268 Bush Street, #3133 San Francisco, CA 94104	0.415888%	10,889
Nigel I. Sher	10500 NE 8th St, Suite 850 Bellevue, WA 98004	0.415888%	10,889

* Does not include 75.151% interest owned by Sher Western Enterprises

Exhibit 10.4

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "Agreement") is made as of September 27, 2013, by and among Retail Opportunity Investments Corp., a Maryland corporation (the "REIT"), Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("ROIP") and each person or entity identified as a signatory on Schedule I (each such person or entity a "Seller" and, collectively, the "Sellers"). Capitalized terms used herein but not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Purchase Agreement, as defined below.

WITNESSETH

WHEREAS, pursuant to the terms and provisions of that certain Agreement for Sale and Purchase of Partnership Interests dated as of August 15, 2013 by and among the REIT and the Sellers signatory thereto (the "Purchase Agreement"), ROIP intends to purchase all of the remaining general partner and limited partnership interests in Terranomics Crossroads Associates Limited Partnership, a California limited partnership (the "Company") held by the Sellers that ROIP has not yet acquired (the "Company Interests");

WHEREAS, in connection with the Purchase Agreement, the REIT and, ROIP shall enter into this Agreement with each Seller electing to receive OP Units (as defined in the First Amended and Restated Agreement of Limited Partnership of ROIP (the "Partnership Agreement")) in exchange for their Company Interests in accordance with the terms of the Purchase Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants, agreements and other terms contained in this Agreement, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Contribution.

   a. Seller. By executing the signature page to this Agreement, subject to the terms and conditions hereof, the Seller, if Seller is an Accredited Investor (as defined herein) who certifies as to such status by executing and timely delivering the accredited investor questionnaire (each an "Eligible Seller"), hereby agrees to subscribe for and receive, and ROIP agrees to issue, the OP Units to the undersigned Eligible Seller in exchange for the consideration set forth in paragraph (b) of this section.

   b. Consideration. The OP Units to be issued to each Seller payable upon the consummation of the transactions contemplated by the Purchase Agreement (the "Closing") shall equal the amount of cash payable to such Seller pursuant to the Purchase Agreement for the Company Interests divided by the Fair Market Value (as defined below) of one OP Unit (the "Consideration"). The Fair Market Value of one OP Unit shall equal the product of (a) the average closing price of the shares of common stock of the REIT (the "Common Stock") on the principal market on which the shares of Common Stock trades during the 10 calendar days immediately preceding the third day before the Closing (the "Stock Price") and (b) 1.05 (except that with respect to the OP Units issued to the persons listed on Schedule II attached hereto the Fair Market Value shall be the Stock Price). If the Common Stock is not listed on an exchange then the Stock Price shall be determined in good faith by the board of directors of REIT.

2. Registration Rights. Simultaneously herewith, the REIT and Sellers shall enter into a registration rights agreement (the "Registration Rights Agreement") which shall provide for the registration under the Securities Act of 1933, as amended (the "Securities Act") for resale by the Sellers of certain shares of Common Stock which may be issued to Sellers in accordance with the provisions of the Partnership Agreement, upon the presentation of the OP Units for redemption.

3. Closing.

a. Conditions Precedent.

i. Conditions to Each Parties Obligations. No government or agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign (collectively, a "Governmental Authority") shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, judgment, injunction or other order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of any of the transactions contemplated in this Agreement (which condition may not be waived by any party) nor shall any of the same brought by a Governmental Authority of competent jurisdiction be pending that seeks the foregoing.

ii. Conditions to Obligations of the REIT and ROIP. The obligations of the REIT and ROIP to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions (any of which may be waived by the REIT and ROIP, in whole or in part, in their sole discretion):

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of each Seller contained in this Agreement, shall be true and correct at the Closing.

(2) *Performance by the Sellers*. Each Seller shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for each Seller to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of such Seller to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *No Material Adverse Change*. There shall have not occurred between the date hereof and the Closing any material adverse change in any of the assets, business, financial condition, results of operation or prospects of the Company.

(5) *Bankruptcy*. There shall not have been a bankruptcy or similar insolvency proceeding with respect to the Company.

iii. Conditions to Obligations of the Sellers. The obligation of each Seller to effect the actions contemplated by this Agreement are further subject to satisfaction of the following conditions:

(1) *Representations and Warranties*. Except as would not have a material adverse effect, the representations and warranties of the REIT and ROIP contained in this Agreement shall be true and correct at the Closing.

(2) *Performance by the REIT and ROIP*. The REIT and ROIP shall have performed in all material respects all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing.

(3) *Consents, Etc.* All necessary consents and approvals of Governmental Authorities or third parties (including lenders) for the Sellers to consummate the transactions contemplated hereby (except for those the absence of which would not have a material adverse effect on the ability of the Sellers to consummate the transactions contemplated by this Agreement) shall have been obtained.

(4) *Registration Rights Agreement*. The REIT and ROIP shall have entered into the registration rights agreement substantially in the form attached as Exhibit M to the Purchase Agreement. This condition may not be waived by any party.

b. Time and Place. Subject to satisfaction or waiver of the conditions in set forth in paragraph (3)(a) of this section, the closing of the transactions contemplated hereby shall occur on the Closing. The closing shall take place at the offices of the Escrow Agent (as defined in the Purchase Agreement) or such other place as determined by agreement of the parties.

c. Delivery of OP Units. The issuance of the OP Units shall be evidenced by an amendment to the Partnership Agreement. On the Closing, (or as soon as reasonably practicable thereafter), ROIP shall deliver or cause to be delivered to each Seller an executed copy of such amendment.

d. Closing Deliveries. On the Closing, the parties shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered through the attorney-in-fact or the power of attorney (both as described and set forth in the Partnership Agreement) any other documents reasonably requested by the REIT and ROIP or reasonably necessary or desirable to assign, transfer, convey, contribute and deliver the Company Interests, free and clear of all pledges, claims, liens, charges, restrictions, controls, easements, rights of way, exceptions, reservations, leases, licenses, grants, covenants and conditions, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and to effectuate the transactions contemplated hereby.

e. Tax Withholding. The REIT and ROIP shall be entitled to deduct and withhold, from the Consideration payable pursuant to this Agreement to any Seller, such amounts as the REIT or ROIP is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated or issued thereunder (the "Code") or any provision of federal, state, local or foreign tax law. To the extent that amounts are so withheld by the REIT or ROIP, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding was made by the REIT or ROIP.

4. Representations, Warranties and Covenants of Seller. Each Seller, severally and not jointly, hereby represents and warrants to, and covenants with the REIT and ROIP as of the date hereof as follows:

a. Organization; Authority. If such Seller is an individual, such Seller has the legal capacity and authority to execute, deliver and perform its obligations under this Agreement, and no individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity (collectively, a "Person") has any community property rights, by virtue of marriage or otherwise, with respect to such Company Interests (unless the person holding such rights is also a signatory hereto). If such Seller is a Person other than an individual, such Seller has been duly organized, is validly existing and in good standing under the applicable laws, statutes, rules, regulations, codes, orders, ordinances, judgments, injunctions, decrees and policies of any Governmental Authority (collectively, the "Laws") of its jurisdiction of organization, and has all requisite power and authority to enter this Agreement, each agreement contemplated hereby and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization and Enforceability. If such Seller is a Person other than an individual, the execution, delivery and performance of this Agreement by such Seller has been duly and validly authorized by all necessary action required of such Seller. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of such Seller pursuant to this Agreement constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of such Seller, each enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Ownership of Interest. Such Seller is the record owner of the Company Interests owned by it as set forth on Schedule I, and has the power and authority to transfer, sell, assign and convey to the REIT or ROIP, as applicable, such Company Interests, free and clear of any Liens and, upon delivery of the Consideration for such Company Interests as provided herein, the REIT or ROIP, as applicable, will acquire good and valid title thereto, free and clear of any Liens. Except as provided for or contemplated by this Agreement or the other applicable documents, there are no rights, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (i) relating to the Company Interests owned by such Seller or (ii) to purchase, transfer or to otherwise acquire, or to in any way encumber, any of the interests which comprise such Company Interests or any securities or obligations of any kind convertible into any of the interests which comprise such Company Interests, or other equity interests or profit participation of any kind in the Company.

d. Consents and Approvals. No consent, waiver, approval, authorization, order, license, certificate or permit of, or filing or registration with a Person or any Governmental Authority or under any Laws is required to be obtained by such Seller in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

e. No Violation. None of the execution, delivery or performance of this Agreement, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under or give to others any right of termination, acceleration, cancellation or other right under, (A) the organizational documents, if any, of such Seller, (B) any agreement, document or instrument to which such Seller is a party or by which such Seller is bound, (C) does not and will not violate any Laws applicable to or binding upon the Seller, or (D) any term or provision of any judgment, order, writ, injunction, or decree binding on such Seller is (or its assets or properties).

f. Non Foreign Person. Such Seller is a United States person (as defined in the Code) and is, therefore, not subject to the provisions of the Code relating to the withholding of sales or exchange proceeds to foreign persons.

g. Taxes. Such Seller has paid all taxes relating to its Company Interests required to be paid by it (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so).

h. Solvency. Such Seller has been and will be solvent at all times prior to and for the ninety (90) day period following the transfer of its Company Interests to ROIP.

i. Litigation. There is no litigation or proceeding, either judicial or administrative, pending or threatened, affecting all or any portion of Seller's Company Interests or Seller's ability to consummate the transactions contemplated hereby which, if adversely determined, would adversely affect the Seller's ability to consummate the transactions contemplated hereby. Seller has not received notice of any, and to its knowledge there is no, outstanding order, writ, injunction or decree of any Governmental Authority against or affecting all or any portion of its Company Interests, which in any such case would impair Seller's ability to enter into and perform all of its obligations under this Agreement.

j. Seller's Investment Representations and Warranties. Seller represents and warrants to the REIT and ROIP as follows:

i. Upon the issuance of OP Units to Seller, (i) Seller shall become subject to, and shall be bound by, the terms and provisions of the Partnership Agreement (a copy of which Seller acknowledges having received and reviewed), including the terms of the power of attorney contained therein, and (ii) Seller agrees to execute a counterpart signature page to the Partnership Agreement.

ii. Such Seller is knowledgeable, sophisticated and experienced in business and financial matters; such Seller has previously invested in securities similar to the OP Units or Common Stock, as applicable, and fully understands the limitations on transfer imposed by the federal securities Laws. Such Seller has received and carefully reviewed this Agreement and the other applicable documents as well as all information and documents about or pertaining to the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, and the issuance of the OP Units and the Common Stock, as applicable, as such Seller deems necessary or desirable, and has been given the opportunity to obtain, and has obtained, any additional information or documents and to ask questions and receive answers about such information and documents, the REIT or ROIP, as applicable, and the business and prospects of the REIT or ROIP, as applicable, which such Seller deems necessary or desirable to evaluate the merits and risks related to its investment (including, making an informed business decision) in the OP Units or the Common Stock, as applicable; and such Seller understands and has taken cognizance of all risk factors related to the purchase of the OP Units and the Common Stock, as applicable. Such Seller is relying upon its own independent analysis and assessment (including with respect to taxes), and the advice of such Seller's advisors (including tax advisors), and not upon that of the REIT or ROIP, as applicable, or any of the REIT's or ROIP's, as applicable, affiliates, for purposes of evaluating, entering into, and consummating the transactions contemplated hereby. Seller is capable of bearing the economic risks of the transactions contemplated herein.

iii. The OP Units to be issued to Seller, and any Common Stock issued upon redemption thereof, will be acquired by Seller solely for his, her or its own account for investment only and not as a nominee agent for any other person and not with a view to, or with any intention of, an offer, distribution or resale thereof, in whole or in part, or the grant of any participation therein, in each case, in violation of any applicable securities laws.

iv. Seller is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act) ("Accredited Investor"). Such Seller will, upon request, execute and/or deliver any additional documents deemed by the REIT or ROIP to be necessary or desirable to confirm such Seller's Accredited Investor status.

v. Seller acknowledges that (A) the OP Units to be issued to Seller have not been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) ROIP's reliance on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of Seller contained herein, (C) such OP Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no, and there is not expected to be any, public market for the OP Units, and (E) ROIP has no obligation or intention to register such OP Units for resale under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws. Seller further acknowledges that because of the restrictions on transfer or assignment of such OP Units to be issued hereunder which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of the investment commitment evidenced by this Agreement and any OP Units acquired hereby for an indefinite period of time.

vi. Seller acknowledges that the OP Units to be issued to Seller hereunder may not be redeemed for shares of Common Stock for a period of one-year from the date of Closing.

vii. Seller acknowledges that (A) any shares of Common Stock issued upon redemption of the OP Units may not have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws, (B) such Common Stock, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, and (C) there may be no public market for the Common Stock. Seller further acknowledges that because of the restrictions on transfer or assignment of any Common Stock to be issued upon redemption of the OP Units which are set forth in the Partnership Agreement, Seller may have to bear the economic risk of the investment commitment evidenced by this Agreement and any Common Stock acquired upon redemption of OP Units for an indefinite period of time.

viii. Seller agrees to the imprinting of the legend on certificates, if any, on any shares of Common Stock issued upon redemption thereof as set forth in the Partnership Agreement.

ix. Each Seller agrees that it will execute all documents which the REIT or ROIP may reasonably request at such time as the REIT or ROIP may reasonably request in order to satisfy themselves that the offer and sale of the OP Units and, in the future, any shares of Common Stock have been conducted in such manner as to qualify for an exemption from registration under the Securities Act, as a private placement under Section 4(2) thereof and/or Regulation D promulgated thereunder, as determined by the REIT and/or ROIP.

k. Continuing Efforts. Subject to the terms and conditions herein provided, such Seller covenants and agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper and/or appropriate to consummate and make effective the transactions contemplated by this Agreement.

l. No Brokers or Finders. The Seller has not entered into any agreement and is not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person similar agent or firm with respect to this Agreement or the issuance of any OP Units contemplated hereby, except for any such person or similar agent or firm the fees and expenses for which such Seller shall be solely responsible for and pay.

m. No Claims. Each Seller represents and warrants that it does not have any claims against the Company or any of its officers, directors or agents for breach of fiduciary obligations, breach of the terms of applicable organizational documents, fraud, self-dealing or any other similar cause of action.

n. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, no Seller shall be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

o. Survival of Representations and Warranties of the Seller. Each Seller agrees and acknowledges that (a) the representations and warranties set forth in paragraph (j) shall survive indefinitely and (b) all other representations and warranties set forth in this section shall survive for a period of one-year following the Closing.

5. Representations, Warranties and Covenants of the REIT and ROIP. The REIT and ROIP hereby represent and warrant to, and covenant with, each Seller as of the date hereof as follows:

a. Organization; Authority.

i. The REIT is a corporation duly organized, validly existing and in good standing under the Laws of the State of Maryland. The REIT has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

ii. ROIP is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware. ROIP has all requisite power and authority to enter this Agreement and the other applicable documents and to carry out the transactions contemplated hereby and thereby.

b. Due Authorization. This Agreement and each agreement, document and instrument executed and delivered by or on behalf of the REIT or ROIP pursuant to this Agreement or the other applicable documents in connection with the exercise of the Buyer's Purchase Option constitutes, or when executed and delivered will constitute, the legal, valid and binding obligation of the REIT or ROIP, each enforceable against the REIT or ROIP in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

c. Consents and Approvals. No consent, waiver, approval or authorization of, or filing with, any Person or Governmental Authority or under any applicable Laws is required to be obtained by the REIT or ROIP in connection with the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

d. No Violation. None of the execution, delivery or performance of this Agreement, the other applicable documents in connection with the exercise of the Buyer's Purchase Option, any agreement contemplated hereby between the parties to this Agreement and the transactions contemplated hereby between the parties to this Agreement does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a breach of, or constitute a default under (a) the organizational documents of the REIT or ROIP, (b) any term or provision of any judgment, order, writ, injunction, or decree binding on the REIT or ROIP, or (c) any other agreement to which the REIT or ROIP is a party thereto.

e. No Other Representations or Warranties. Other than the representations and warranties expressly set forth in this section, the REIT and ROIP shall not be deemed to have made any other representation or warranty in connection with this Agreement or the transactions contemplated hereby.

f. Partnership Agreement. ROIP has furnished to Seller a true, correct and complete copy of the Partnership Agreement.

g. Issuance of OP Units. At the Closing: (i) the OP Units issued by ROIP to Seller will be duly authorized by the REIT or ROIP, as applicable, and, when issued against Consideration therefor, will be validly issued by the REIT or ROIP, fully paid and non-assessable; and (ii) Seller will be admitted as a limited partner of the Partnership entitled to all of the rights, privileges and other benefits of limited partners holding similar interests under the Partnership Agreement.

h. Reservation and Listing of Common Stock. The shares of Common Stock to be issued by the REIT upon redemption of the OP Units will be reserved for issuance and the REIT will use commercially reasonable efforts to list such Common Stock on the NASDAQ Stock Market or on any other similar exchange where the REIT has shares of Common Stock listed (subject to official notice of issuance) prior to the date upon which any of the OP Units becomes redeemable for shares of Common Stock.

i. No Broker's or Finders. The REIT and ROIP have not entered into any agreement and are not otherwise liable or responsible to pay any brokers' or finders' fees or expenses to any person or similar agent or firm with respect to this Agreement or the purchase and issuance of any OP Units contemplated hereby.

6. Tax Cooperation.

The REIT, ROIP and each Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of tax returns related to the transactions pursuant to this Agreement and any audit, litigation or administrative, judicial or other inquiry or proceeding with respect to taxes related to the transactions pursuant to this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such action or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

7. Indemnification.

a. Indemnification. For a period of one (1) year from and after the Closing, each Seller, severally and not jointly, agrees to indemnify, hold harmless, and defend the REIT, ROIP and their successors and assigns (collectively, the "REIT's Indemnified Persons") from and against, and reimburse each of the REIT's Indemnified Persons with respect to, any and all losses, damages, liabilities, costs, and expenses, including interest from the date of such loss to the time of payment, penalties, and reasonable attorney fees (collectively, the "Damages") incurred by any of the REIT's Indemnified Persons by reason of or arising out of or in connection with:

(1) Any breach or inaccuracy of any representation or warranty of such Seller made in this Agreement or any Subscription Document;

(2) Any failure by such Seller to perform any covenant required to be performed by such Seller pursuant to this Agreement or any Subscription Document; and

(3) Any claim, demand, cause of action, complaint or action arising out of any facts or circumstances that occurred prior to Closing, regardless of fault.

This indemnification extends to any Damages suffered by any of REIT's Indemnified Persons, whether or not a claim is made against any of REIT's Indemnified Persons by any third party. Nothing contained herein shall make a person who is subject to the foregoing indemnification obligation liable for more than the aggregate Purchase Price for such Seller's Company Interests.

b. Defense of Claim. If any claim is asserted against a party that would give rise to a claim by that party against the other party for indemnification, the party to be indemnified will promptly give written notice to the indemnifying party concerning such claim and the indemnifying party will, at no expense to the indemnified party, defend the claim.

8. Benefit of Agreement: Successors and Assigns; Assignment. This Agreement is only for the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns and is not intended to be for the benefit of any third party, creditor or other person to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) any party hereto; and no such third party, creditor or other person shall obtain any right under this Agreement against any party hereto by reason of any debt, liability or obligation (or otherwise). This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, and their respective heirs, executors, administrators, and permitted successors and assigns.

This Agreement may not be assigned, in whole or in part, by any party hereto without the consent of all of the other parties hereto.

9. Entire Agreement Amendments. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all agreements and understandings (written and oral) with respect to such subject matter. No amendment or termination of this Agreement or any provision of this Agreement shall be effective unless it is in writing and signed by each of the parties hereto. No waiver hereunder shall be valid unless in writing, executed by the party against whom such waiver is sought to be enforced.

10. Severability. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included herein.

11. Equitable Remedies. The parties agree that irreparable damage would occur to the REIT and ROIP 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 the REIT and ROIP shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by a Seller and to enforce specifically the terms and provisions hereof in any federal or state court located in New York, this being in addition to any other remedy to which the REIT and ROIP is entitled under this Agreement or otherwise at law or in equity. Notwithstanding the foregoing, this Agreement shall not bar any equitable remedies otherwise available to the Seller pursuant to the terms and provisions contained in section.

12. Further Assurances. The Sellers will, from time to time, execute and deliver to the REIT or ROIP all such other and further instruments and documents and take or cause to be taken all such other and further action as the REIT or ROIP may reasonably request in order to effect the transactions contemplated by this Agreement. Notwithstanding the foregoing, the REIT or ROIP may request from the Seller such additional information as it may deem necessary to evaluate the eligibility of such Seller to acquire the OP Units, and may request from time to time such information as it may deem necessary to determine the eligibility of such Seller to hold OP Units or to enable ROIP or the REIT to determine the Seller's compliance with applicable regulatory requirements or tax status, and such Seller shall provide such information as may reasonably be requested.

13. Time of the Essence. Time is of the essence with respect to all obligations under this Agreement.

14. Descriptive Headings. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

15. No Personal Liability Conferred. This Agreement shall not create or permit any personal liability or obligation on the part of any officer, director, partner, employee or stockholder of the REIT or ROIP.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (a) delivered personally, (b) five (5) days (any day that is not a Saturday, Sunday or legal holiday in the State of California, each such day a "Business Day") after being mailed by certified mail, return receipt requested and postage prepaid, (c) one (1) Business Day after being sent by a nationally recognized overnight courier or (d) transmitted by facsimile if confirmed within 24 hours thereafter by a signed original sent in the manner provided in clause (a), (b) or (c) to the parties at the following addresses (or at such other address for a party as shall be specified by notice from such party):

If to the REIT or ROIP:

Renaissance Towne Centre–La Jolla
8905 Towne Center Drive, 108
San Diego, CA 92122
Attn: Chief Financial Officer

With a copy to:

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019
Attention: Jay Bernstein
Facsimile: (212) 878-8375

If to a Seller:

To the address indicated for such Seller on the Schedule I to this Agreement.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, without reference to conflicts of law principles thereof.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding that not all parties shall have signed the same counterpart.

19. Special Redemption Right. Notwithstanding any provision of the Partnership Agreement or this Agreement to the contrary, the Sellers listed on Schedule II attached hereto shall have the right to redeem that certain number of OP Units set forth opposite the Sellers name on Schedule II attached hereto at any time after issuance thereof in exchange solely for cash (and not common stock of the REIT).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dated first set forth above.

RETAIL OPPORTUNITY INVESTMENTS CORP.,
a Maryland corporation

By: _____
Name: Michael B. Haines
Title: Chief Financial Officer

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP,
a Delaware limited partnership

By: Retail Opportunity Investments GP, LLC,
its general partner

By: _____
Name: Michael B. Haines
Title: Authorized Person

SELLERS:

TCA HOLDINGS, LLC, a Washington
limited liability company

By: ARGUS GROUP, LTD., a Washington corporation, its Manager

By: _____
Name: _____
Title: _____

SHER GP, INC., a Washington corporation

By: _____
Name: _____
Title: _____

ESTATE OF DORIS BLUM

_____
Personal Representative of the Estate of Doris Blum

_____
BLUM FAMILY TRUST

_____
Trustee of the Blum Family Trust

JOSEPH BLUM IRREVOCABLE TRUST

_____
Trustee of the Joseph Blum Irrevocable Trust

_____
Ari Blum

_____
Morgan Blum

_____
Thomas Bomar

TRUST B UNDER THE HARRIS TRUST
U/A DATED 7/22/88

_____
Trustee of Trust B under the Harris Trust u/a
dated 7/22/88

RAWSON, BLUM & COMPANY

By: _____
Name: _____
Title: _____

RAWSON LIVING TRUST

_____
Trustee of the Rawson Living Trust

ARGUS GROUP, LTD.

By: _____
Name: _____
Title: _____

EUGENE E. AND KATHLEEN B. CLAHAN REVOCABLE TRUST U/A DATED 11/11/88

_____
Trustee of the Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88

MERRITT AND PAMELA SHER LIVING TRUST

_____
Trustee of the Merritt and Pamela Sher Living Trust

ESTATE OF SYLVIA SHER

_____
Personal Representative of the
Estate of Sylvia Sher

SYDNEY SHER MARITAL TRUST

_____
Trustee of the Sydney Sher Marital Trust

TERRANOMICS INVESTMENT
PARTNERSHIP

By: _____
Name: _____
Title: _____

TERRANOMICS, a California corporation

By: _____
Name: _____
Title: _____

RONALD SHER

_____
Ronald Sher

Schedule I

Sellers	Address	Number of Company Interests	Number of Company Units	Number of OP Units
TCA Holdings, LLC	10500 NE 8th St., Suite 850 Bellevue, WA 98004	37.431126%	2,361.19391	1,931,813
Sher GP, INC.,	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004	0.081310%	5.12912	4,196
Estate of Doris Blum	505 Sansome Street, Suite 450 San Francisco, CA 94111	0.142514%	8.98990	7,723
Blum Family Trust	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111	0.930250%	58.68110	48,010
Joseph Blum Irrevocable Trust	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111	0.089165%	5.62460	4,602
Ari Blum	68 Madrone Avenue Larkspur, CA 94939	0.276881%	17.46570	14,290
Morgan Blum	3678 23rd Street San Francisco, CA 94110	0.276881%	17.46570	14,290
Thomas Bomar	71 Reed Ranch Road Tiburon, CA 94920	0.469594%	29.62250	24,236
Trust B under the Harris Trust u/a dated 7/22/88	David R. Harris, Trustee 12636 Indio Ct. Saratoga, CA 95070	0.090094%	5.68320	4,882
Rawson, Blum & Company	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111	0.014188%	0.89500	732
Rawson Living Trust	c/o David Rawson 2744 Green Street San Francisco, CA 94123	1.541606%	97.24610	79,562

Argus Group, Ltd.	c/o Ronald Sher 10500 NE 8th Street, Suite 850 Bellevue, WA 98004	0.483618%	30.50710	24,959
Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88	c/o Eugene Clahan 16 Meadow Avenue Kentfield, CA 94904	0.907587%	57.25150	46,840
Merritt and Pamela Sher Living Trust	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004	2.258326%	142.45765	116,552
Estate of Sylvia Sher	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004	1.343570%	84.75380	72,808
Sydney Sher Marital Trust	Ronald Sher, Trustee 10500 NE 8th St., Suite 850 Bellevue, WA 98004	1.343570%	84.75380	72,808
Terranomics Investment Partnership	c/o Metrovation 10500 NE 8th St., Suite 850 Bellevue, WA 98004	0.707780%	44.64750	36,528
Terranomics	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004	0.028647%	1.80710	1,478
Ronald Sher	10500 NE 8th St., Suite 850 Bellevue, WA 98004	2.583293%	162.95685	133,323

Schedule II

Sellers Entitled to Special Redemption Right

Sellers	Number of OP Units
Estate of Doris Blum	7,723
Trust B under the Harris Trust u/a dated 7/22/88	4,882
Sydney Sher Marital Trust	72,808
Estate of Sylvia Sher	72,808

Exhibit 10.5

TAX PROTECTION AGREEMENT

This TAX PROTECTION AGREEMENT (this "Agreement") is entered into as of September 27, 2013, by and among Retail Opportunity Investments Corp., a Delaware corporation (the "REIT"), Retail Opportunity Investments Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"), each Protected Partner identified as a signatory on Schedule I, as amended from time to time, and each Guaranty Partner identified as a signatory on Schedule II, as amended from time to time.

RECITALS

WHEREAS, pursuant to that certain Agreement for Sale and Purchase of Partnership Interests, effective as of August __, 2013, between the Operating Partnership and the "Sellers" signatory thereto (the "Purchase Agreement"), the Operating Partnership intends to purchase all of the membership interests in SARM Five Points Plaza, LLC, a Washington limited liability company (the "Company") from the Sellers;

WHEREAS, in connection with the Purchase Agreement, the REIT and the Operating Partnership shall enter into this Agreement with each Seller electing to receive common units of partnership interest in the Operating Partnership ("OP Units") in exchange for such Seller's ownership interests in the Company pursuant to the Purchase Agreement;

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS

Capitalized terms employed herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement. Otherwise, for purposes of this Agreement the following definitions shall apply:

Section 1.1 "Affiliate" means, with respect to any Person, any 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.

Section 1.2 "Agreement" has the meaning set forth in the preamble.

Section 1.3 "Closing Date" means the closing of the Buyer's acquisition of ownership interests in the Company pursuant to the Purchase Agreement.

Section 1.4 "Code" means the United States Internal Revenue Code of 1986, as amended.

Section 1.5 "Collateral" has the meaning set forth in Section 1.24 under the definition of "Qualified Liability."

Section 1.6 "Debt Gross Up Amount" has the meaning set forth in Section 1.15 under the definition of "Make Whole Amount."

Section 1.7 "Debt Notification Event" means, with respect to a Qualified Liability for which a Guaranty Partner has previously executed a guaranty, any transaction in which such liability shall be refinanced, otherwise repaid (excluding for this purpose, scheduled payments of principal occurring prior to the maturity date of such liability), or guaranteed by any of the REIT, the Operating Partnership, or one or more of their Affiliates, or guaranteed by one or more partners of the Operating Partnership.

Section 1.8 "Exchange" has the meaning set forth in Section 2.1(b) of this Agreement.

Section 1.9 "Fundamental Transaction" means a merger, consolidation or other combination of the Operating Partnership with or into any other entity, a transfer of all or substantially all of the assets of the Operating Partnership, any reclassification, recapitalization or change of the outstanding equity interests of the Operating Partnership, or a conversion of the Operating Partnership into another form of entity. Notwithstanding the above, a Fundamental Transaction shall not include any transaction to the extent that a Protected Party is provided with an opportunity to participate in such transaction in a manner that does not result in the recognition of taxable income or gain by such Protected Partner under Section 704(c) of the Code, regardless of whether such Protected Partner elects to participate in such transaction in such manner or otherwise.

Section 1.10 "Gross Up Amount" has the meaning set forth in Section 1.15 under the definition of "Make Whole Amount."

Section 1.11 "Guaranteed Liability" means any Qualified Liability that is guaranteed, in whole or in part, by one or more Guaranty Partners in accordance with Section 2.4(b) of this Agreement.

Section 1.12 "Guaranty Opportunity" has the meaning set forth in Section 2.4(b).

Section 1.13 "Guaranty Partner" means: (i) each signatory on Schedule II attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Guaranty Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Guaranty Partner in such OP Units; and (iii) with respect to a Guaranty Partner that is Pass Through Entity, and solely for purposes of computing the amount to be paid under Section 2.4 with respect to such Guaranty Partner, any person who (y) holds an interest in such Guaranty Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Guaranty Partner in its own gross income.

Section 1.14 "Guaranty Permissible Liability" means a liability with respect to which the lender permits a guaranty.

Section 1.15 "Make Whole Amount" means:

(a) with respect to any Protected Partner that recognizes gain under Section 704(c) of the Code as a result of a Tax Protection Period Transfer, *the sum of* (i) *the product of* (x) the income and gain recognized by such Protected Partner under Section 704(c) of the Code in respect of such Tax Protection Period Transfer (taking into account any adjustments under Section 743 of the Code to which such Protected Partner is entitled) *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on such Protected Partner as a result of the receipt by such Protected Partner of a payment under Section 2.2 (the "Gross Up Amount"); *provided, however*, that the Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that such Protected Partner might have that would reduce its actual tax liability; and

(b) with respect to any Guaranty Partner that recognizes gain as a result of a breach by the Operating Partnership of the provisions of Section 2.4 hereof, *the sum of* (i) *the product of* (x) the income and gain recognized by such Guaranty Partner by reason of such breach, *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on such Guaranty Partner as a result of the receipt by such Guaranty Partner of a payment under Section 2.4 (the "Debt Gross Up Amount"); *provided, however*, that the Debt Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that a Guaranty Partner might have that would reduce its actual tax liability.

For purposes of calculating the amount of Section 704(c) gain that is allocated to a Protected Partner, any "reverse Section 704(c) gain" allocated to such partner pursuant to Treasury Regulations § 1.704-3(a)(6) that is treated as reverse 704(c) gain solely as a result of the revaluation of assets of the Company in connection with or prior to the acquisition of interests in the Company by the Operating Partnership pursuant to the Purchase Agreement shall be taken into account; and any "reverse 704(c) gain" resulting from any subsequent revaluation (including a revaluation resulting in an increase in the book value of any asset following a revaluation resulting in a decrease in the book value of such asset) shall not be taken into account; and the total amount of 704(c) gain and income taken into account for purpose of calculating the Make Whole Amount shall not exceed the initial Section 704(c) gain amount as of the Closing Date (as set forth on Exhibit A).

Section 1.16 "Make Whole Tax Rate" means, with respect to a Protected Partner who is entitled to receive a payment under Section 2.2 and with respect to a Guaranty Partner who is entitled to receive payment under Section 2.4, the highest combined statutory Federal, state and local tax rate in respect of the income or gain that gave rise to such payment, taking into account the character of the income and gain in the hands of such Protected Partner or Guaranty Partner, as applicable (reduced, in the case of Federal taxes, assuming a full deduction is allowed for income taxes paid to a state or locality), for the taxable year in which the event that gave rise to such payment under Section 2.2 or Section 2.4 occurred.

Section 1.17 "OP Agreement" means the Agreement of Limited Partnership of Retail Opportunity Investments Partnership, L.P., as amended from time to time.

Section 1.18 "Partners' Representative" Means Ron Sher and his executors, administrators or permitted assigns.

Section 1.19 "Pass Through Entity" means a partnership, grantor trust, or S corporation for Federal income tax purposes.

Section 1.20 "Permitted Disposition" means a sale, exchange or other disposition of OP Units (i) by a Protected Partner or Guaranty Partner: (a) to such Protected Partner's or Guaranty Partner's children, spouse or issue; (b) to a trust for such Protected Partner or Guaranty Partner or such Protected Partner's or Guaranty Partner's children, spouse or issue; (c) in the case of a trust which is a Protected Partner or Guaranty Partner, to its beneficiaries, or any of them, whether current or remainder beneficiaries; (d) to a revocable *inter vivos* trust of which such Protected Partner or Guaranty Partner is a trustee; (e) in the case of any partnership or limited liability company which is a Protected Partner or Guaranty Partner, to its partners or members; and/or (f) in the case of any corporation which is a Protected Partner or Guaranty Partner, to its shareholders, and (ii) by a party described in clauses (a), (b), (c) or (d) to a partnership, limited liability company or corporation of which the only partners, members or shareholders, as applicable, are parties described in clauses (a), (b), (c) or (d); *provided*, that for purposes of the definition of Tax Protection Period, such Protected Partner or Guaranty Partner shall be treated as continuing to own any OP Units which were subject to a Permitted Disposition unless and until there has been a sale, exchange or other disposition of such OP Units by a permitted transferee which is not another Permitted Disposition.

Section 1.21 "Person" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

Section 1.22 "Protected Partner" means: (i) each signatory on Schedule I attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Protected Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Protected Partner in such OP Units; and (iii) with respect to a Protected Partner that is Pass Through Entity, and solely for purposes of computing the amount to be paid under Section 2.2 with respect to such Protected Partner, any person who (y) holds an interest in such Protected Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Protected Partner in its own gross income.

Section 1.23 "Protected Property" mean that certain project commonly known as Five Points Plaza Shopping Center in the City of Huntington Beach, County of Orange, State of California, with street address 18593 Main St Huntington Beach, CA 92648, and related personal property, and any property acquired in Exchange for the Protected Property as set forth in Section 2.1(b).

Section 1.24 "Qualified Liability" means either:

(a) A direct or indirect liability of the Operating Partnership (or of an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes) with respect to which all of the following requirements are satisfied:

(i) the liability is secured by real property or other assets (the "Collateral") owned directly or indirectly by the Operating Partnership (or by an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes);

(ii) on the date on which the Operating Partnership designated such liability as a Qualified Liability, the fair market value (as reasonably determined in good faith by the Operating Partnership) of the Collateral was at least 1.5 times the outstanding principal amount (and any accrued and unpaid interest) of the liability and any other Qualified Liabilities secured by such Collateral at such time, *provided* that if interest on such liability is not required to be paid at least annually or if the documents evidencing such liability permit the borrower to borrow additional amounts that are secured by the Collateral, the outstanding principal amount of such liability shall include the maximum amount that could be so added to the principal amount of such liability without a default;

(iii) the liability constitutes "qualified nonrecourse financing" as defined in Section 465(b)(6) of the Code with respect to the Operating Partnership;

(iv) no other person has executed any guaranties with respect to such liability other than: (A) guaranties by the Guaranty Partners; (B) guaranties by Affiliates of the Operating Partnership, provided that each applicable Guaranty Partner indemnifies each such Affiliate against any liability of such Affiliate (to the extent such liability does not exceed such Guaranty Partner's Required Liability Amount) arising solely from the existence or performance of such guaranty; and (C) recourse carve out guaranties (*i.e.*, bad-boy guaranties); and

(v) the Collateral does not provide security for another liability (other than another Qualified Liability) that ranks senior to, or *pari passu* with, the liability described in clause (i) above.

For purposes of determining whether clause (ii) has been satisfied in situations where one or more potential Qualified Liabilities are secured by more than one item of Collateral, the Operating Partnership shall allocate such liabilities among such items of Collateral in proportion to their relative fair market values (as reasonably determined in good faith by the Operating Partnership);

(b) A direct liability of the Operating Partnership that

(i) is not secured by any of the assets of the Operating Partnership and is a general, recourse obligation of the Operating Partnership, and

(ii) is not provided by a lender that has an interest in the Operating Partnership or is related to the Operating Partnership within the meaning of Section 465(b)(3)(C) or the Code; or

(c) Any other indebtedness approved by the Partners' Representative (or his successor or designee) in his sole and absolute discretion.

Section 1.25 "Required Liability Amount" means, with respect to each Guaranty Partner, 110% of such Guaranty Partner's estimated "negative tax capital account" as of the Closing Date, a current estimate of which is set forth on Exhibit B hereto for each such Guaranty Partner.

Section 1.26 "Section 2.4 Notice" has the meaning set forth in Section 2.4(c).

Section 1.27 "Tax Protection Period" means, twelve (12) years; *provided*, *however*, that such period shall end with respect to any Protected Partner or Guaranty Partner to the extent that such Partner owns less than fifty percent (50%) of the OP Units originally owned by the Protected Partner or Guaranty Partner as of the Closing Date, disregarding the sale, exchange or other disposition of any such OP Units sold, exchanged or otherwise disposed of by the Protected Partner or Guaranty Partner in a Permitted Disposition.

Section 1.28 "Tax Protection Period Transfer" has the meaning set forth in Section 2.1(a) of this Agreement.

Section 1.29 "Transfer" means any direct or indirect sale, exchange, transfer or other disposition, whether voluntary or involuntary.

Section 1.30 "Treasury Regulations" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE II

TAX PROTECTIONS

Section 2.1 Taxable Transfers.

(a) Unless the Partners' Representative expressly consents in writing to a Tax Protection Period Transfer, during the Tax Protection Period, the Operating Partnership shall indemnify the Protected Partners as set forth in Section 2.2 if the Operating Partnership or any entity in which the Operating Partnership holds a direct or indirect interest shall cause or permit: (i) any Transfer of all or any portion of the Protected Property (including any interest in the Protected Property or in any entity owning, directly or indirectly, an interest in the Protected Property, other than the Operating Partnership) in a transaction that results in the recognition of taxable income or gain by any Protected Partner under Section 704(c) of the Code with respect to the Protected Property; or (ii) any Fundamental Transaction that results in the recognition of taxable income or gain by any Protected Partner under Section 704(c) of the Code with respect to the Protected Property (such a Transfer or Fundamental Transaction, a "Tax Protection Period Transfer").

(b) Section 2.1(a) shall not apply to any Tax Protection Period Transfer of the Protected Property (including any interest therein or in the entity owning, directly or indirectly, the Protected Property): (i) in a transaction in which no gain is required to be recognized by a Protected Partner (an "Exchange"), including a transaction qualifying under Section 1031 or Section 721 (or any successor statutes) of the Code; *provided*, *however*, that any property acquired by the Operating Partnership in the Exchange shall remain subject to the provisions of this Article II in place of the exchanged Protected Property for the remainder of the Tax Protection Period; (ii) as a result of the condemnation or other taking of the Protected Property by a governmental entity in an eminent domain proceeding or otherwise, *provided* that the Operating Partnership shall use commercially reasonable efforts to structure such disposition as either a tax-free like-kind exchange under Section 1031 or a tax-free reinvestment of proceeds under Section 1033, *provided* that in no event shall the Operating Partnership be obligated to acquire or invest in any property that it otherwise would not have acquired or invested in.

Section 2.2 Indemnification for Taxable Transfers.

(a) In the event of a Tax Protection Period Transfer described in Section 2.1(a), each Protected Partner shall receive from the Operating Partnership an amount of cash equal to the Make Whole Amount applicable to such Tax Protection Period Transfer. Any Make Whole Payments required under this Section 2.2(a) shall be made to each Protected Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Protected Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Protected Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Protected Partner at such time.

(b) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Protected Partner under Section 2.1(a) shall be a claim against the Operating Partnership for the Make Whole Amount as set forth in this Section 2.2, and no Protected Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.1(a) or bring a claim against any person that acquires the Protected Property from the Operating Partnership in violation of Section 2.1(a).

Section 2.3 Section 704(c) Gains.

The initial amount of Section 704(c) gain allocable to each Protected Partner as of the Closing Date is set forth on Exhibit A hereto. The parties acknowledge that the initial amount of such Section 704(c) gain may be adjusted over time as required by Section 704(c) of the Code and the Regulations promulgated thereunder.

Section 2.4 Debt Maintenance and Allocation.

(a) During the Tax Protection Period, the Operating Partnership shall: (i) maintain on a continuous basis an amount of Qualified Liabilities at least equal to the Required Liability Amount; and (ii) provide the Partners' Representative, thirty (30) days prior to the Closing Date, with a description of the nature and amount of any Qualified Liabilities that are available to be guaranteed by the Guaranty Partners pursuant to Section 2.4(b) of this Agreement. For the avoidance of doubt, and notwithstanding any other provision of this Agreement, the Operating Partnership shall not be required to maintain any amount of Qualified Liabilities in excess of the aggregate Required Liability Amount of all Guaranty Partners.

(b) (i) At the Closing Date and during the Tax Protection Period as described in Section 2.4(c), the Operating Partnership shall provide each Guaranty Partner with the opportunity to execute a guaranty, substantially in the form attached hereto as Exhibit C or otherwise in a form and manner that is reasonably acceptable to the Partners' Representative, of one or more Qualified Liabilities that are Guaranty Permissible Liabilities in an amount up to such Guaranty Partner's Required Liability Amount (each such opportunity and each opportunity required by Section 2.4(c), a "Guaranty Opportunity"), and (ii) after the Tax Protection Period, and for so long as a Guaranty Partner is a partner in the Operating Partnership, the Operating Partnership shall use commercially reasonable efforts to make Guaranty Opportunities available to each Guaranty Partner, *provided* that in the case of this clause (ii), the Operating Partnership shall not be required to incur any indebtedness that it would not otherwise have incurred, as determined by the Operating Partnership in its reasonable discretion; *provided*, *however*, that in the case of clauses (i) and (ii) the aggregate amount of all guaranties required to be made available by the Operating Partnership for execution by all Guaranty Partners need not exceed the aggregate Required Liability Amount of all Guaranty Partners. The Operating Partnership shall have the discretion to identify the Qualified Liability or Qualified Liabilities that shall be made available for guaranty by each Guaranty Partner. Each Guaranty Partner and its indirect owners may allocate the Guaranty Opportunity afforded to such Guaranty Partner in any manner they choose. The Operating Partnership agrees to file its tax returns allocating any debt subject to a Guaranty to the applicable Guaranty Partners; *provided* that the Operating Partnership shall not be required to make such allocations to the extent it determines in good faith that there may not be "substantial authority" (within the meaning of Section 6662(d)(2)(B)(i) of the Code) for such allocations and so notifies the Guaranty Partner. Each Guaranty Partner shall bear the costs incurred by it in connection with the execution of any guaranty to which it is a party. To the extent a Guaranty Partner executes a guaranty, the Guaranty Partner and the Operating Partnership shall jointly deliver a copy of such guaranty to the lender under the Guaranteed Liability.

(c) During the Tax Protection Period, the Operating Partnership shall not allow a Debt Notification Event to occur unless the Operating Partnership provides at least thirty (30) days' written notice (a "Section 2.4 Notice") to each Guaranty Partner that may be affected thereby. The Section 2.4 Notice shall describe the Debt Notification Event and designate one or more Qualified Liabilities that may be guaranteed by the Guaranty Partners pursuant to Section 2.4(b) of this Agreement in an amount equal to the amount of the refinanced or repaid Qualifying Debt that was guaranteed by such Guaranty Partner immediately prior to the date of the refinancing or repayment. Any Guaranty Partner that desires to execute a guaranty following the receipt of a Section 2.4 Notice shall provide the Operating Partnership with notice thereof within fifteen (15) days after the date of the Section 2.4 Notice.

(d) Provided the Operating Partnership satisfies its obligations under Section 2.4(a), (b) and (c) of this Agreement, it shall have no liability under Section 2.4(e) for breach of Section 2.4, whether or not such Guaranty Partner accepts such Guaranty Opportunity. In the event a Guaranty Partner does not accept a Guaranty Opportunity, such person shall no longer be a Guaranty Partner and shall have no further rights to be offered subsequent Guaranty Opportunities. Furthermore, the Operating Partnership makes no representation or warranty to any Guaranty Partner concerning the treatment or effect of any guaranty under Federal, state, local, or foreign Tax law, and bears no responsibility for any Tax liability of any Guaranty Partner or Affiliate thereof that is attributable to a reallocation, by a taxing authority, of debt subject to a guaranty (other than an act or omission that is indemnifiable under Section 2.4(e)of this Agreement).

(e) If the Operating Partnership shall fail to comply with any provision of this Section 2.4, the Operating Partnership shall pay, within thirty (30) days of such failure, a Make Whole Payment to each Guaranty Partner who recognizes income or gain as a result of such failure equal to the estimated Make Whole Amount applicable to such failure. Any Make Whole Payments required under this Section 2.4(e) shall be made to each Guaranty Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Guaranty Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Guaranty Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Guaranty Partner at such time.

(f) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Guaranty Partner for a breach or violation of the covenants set forth in Section 2.4 shall be a claim a claim against the Operating Partnership for the Make Whole Amount as set forth in Section 2.4(e), and no Guaranty Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.4.

Section 2.5 Dispute Resolution. Any controversy, dispute, or claim of any nature arising out of, in connection with, or in relation to the interpretation, performance, enforcement or breach of this Agreement (and any closing document executed in connection herewith) shall be governed by Section 18.11 of the Purchase Agreement.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Notices. All notices, demands, declarations, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms of this Agreement shall be given in the same manner as in the OP Agreement.

Section 3.2 Titles and Captions. All Article or Section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to “Articles” and “Sections” are to Articles and Sections of this Agreement.

Section 3.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 3.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain form taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 3.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 3.6 Creditors. Other than as expressly set forth herein, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Operating Partnership.

Section 3.7 Waiver. No failure 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 a breach thereof shall constitute waiver of any such breach or any covenant, duty, agreement or condition.

Section 3.8 Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.9 Applicable Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of California, without regard to the principles of conflicts of law.

Section 3.10 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of other remaining provisions contained herein shall not be affected thereby.

Section 3.11 Entire Agreement. This Agreement contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and amends, restates and supersedes the OP Agreement and any other prior written or oral understandings or agreements among them with respect thereto.

Section 3.12 No Rights as Stockholders. Nothing contained in this Agreement shall be construed as conferring upon the holders of the OP Units any rights whatsoever as stockholders of the REIT, including, without limitation, any right to receive dividends or other distributions made to stockholders of the REIT or to vote or to consent or to receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the REIT or any other matter.

Section 3.13 Tax Advice and Cooperation. Each party hereto acknowledges and agrees that it has not received and is not relying upon tax advice from any other party hereto, and that it has and will continue to consult its own tax advisors. Each party hereto agrees to cooperate to the extent reasonably requested by any other party in connection with the filing of any tax returns or any audit, litigation or other proceeding related to taxes associated with the matters described herein, such cooperation shall include the retention and, upon request, provision of records and information that are relevant to such matters, and making employees available on a mutually convenient basis to provide such additional information as may reasonably be requested.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

REIT:

RETAIL OPPORTUNITY INVESTMENT CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____

OPERATING PARTNERSHIP:

RETAIL OPPORTUNITY INVESTMENT PARTNERSHIP, L.P.,
a Delaware limited partnership

By: RETAIL OPPORTUNITY INVESTMENT CORP.
a Delaware corporation,

By: _____
Name: _____
Title: _____

PROTECTED PARTNERS:

SARM ENTERPRISES,
a California general partnership

By: _____
Name: _____
Title: _____

_____
Abby
Sher

_____
Circe
A.
Sher

RACHEL SHER

By: _____
Ronald Sher, her attorney in fact

_____
Lacey L. Sher

_____
Rebecca C. Wellington

_____
Justin W. Sher

NIGEL I. SHER

By: _____
Ronald Sher, her attorney in fact

SCHEDULE I

PROTECTED PARTNERS

1. SARM Enterprises
2. Abby Sher
3. Nigel Sher
4. Circe Sher
5. Rachel Sher
6. Lacey Sher
7. Rebecca Wellington
8. Justin Sher

SCHEDULE II

GUARANTY PARTNERS

1. SARM Enterprises
2. Abby Sher
3. Nigel Sher
4. Circe Sher
5. Rachel Sher
6. Lacey Sher
7. Rebecca Wellington
8. Justin Sher

EXHIBIT A

ALLOCATIONS OF SECTION 704(c) GAIN[1]

Partners	**Total 704c Gain**
SARM Enterprises	$ 9,764,593
Abby Sher	422,482
Nigel Sher	197,247
Circe Sher	198,325
Rachel Sher	147,914
Lacey Sher	149,186
Rebecca Wellington	196,358
Justin Sher	196,234
Total	$11,272,339

[1] Amounts listed do not reflect adjustments under Code Section 743(b).

EXHIBIT B

REQUIRED LIABILITY AMOUNT

Partners	**Required Liability**
SARM Enterprises	$ 2,353,000
Abby Sher	109,000
Nigel Sher	55,000
Circe Sher	56,000
Rachel Sher	39,000
Lacey Sher	41,000
Rebecca Wellington	54,000
Justin Sher	54,000
Total	$2,761,000

EXHIBIT C

FORM OF GUARANTY

Exhibit 10.6

TAX PROTECTION AGREEMENT

This TAX PROTECTION AGREEMENT (this "Agreement") is entered into as of September 27, 2013, by and among Retail Opportunity Investments Corp., a Delaware corporation (the "REIT"), Retail Opportunity Investments Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"), each Protected Partner identified as a signatory on Schedule I, as amended from time to time, and each Guaranty Partner identified as a signatory on Schedule II, as amended from time to time.

RECITALS

WHEREAS, pursuant to that certain Agreement for Sale and Purchase of Partnership Interests, effective as of August __, 2013, between the Operating Partnership and the "Sellers" signatory thereto (the "Purchase Agreement"), the Operating Partnership will acquire 51% of the general partnership interests and limited partnership interests in Terranomics Crossroads Associates Limited Partnership, a California limited partnership (the "Company");

WHEREAS, in connection with the Purchase Agreement, the REIT and the Operating Partnership shall enter into this Agreement with each Seller electing to receive common units of partnership interest in the Operating Partnership ("OP Units") in exchange for such Seller's ownership interests in the Company pursuant to the Purchase Agreement;

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS

Capitalized terms employed herein and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement. Otherwise, for purposes of this Agreement the following definitions shall apply:

Section 1.1 "Affiliate" means, with respect to any Person, any 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.

Section 1.2 "Agreement" has the meaning set forth in the preamble.

Section 1.3 "Closing Date" means the closing of the Buyer's acquisition of ownership interests in the Company pursuant to the Purchase Agreement.

Section 1.4 "Code" means the United States Internal Revenue Code of 1986, as amended.

Section 1.5 "Collateral" has the meaning set forth in Section 1.24 under the definition of "Qualified Liability."

Section 1.6 "Debt Gross Up Amount" has the meaning set forth in Section 1.15 under the definition of "Make Whole Amount."

Section 1.7 "Debt Notification Event" means, with respect to a Qualified Liability for which a Guaranty Partner has previously executed a guaranty, any transaction in which such liability shall be refinanced, otherwise repaid (excluding for this purpose, scheduled payments of principal occurring prior to the maturity date of such liability), or guaranteed by any of the REIT, the Operating Partnership, or one or more of their Affiliates, or guaranteed by one or more partners of the Operating Partnership.

Section 1.8 "Exchange" has the meaning set forth in Section 2.1(b) of this Agreement.

Section 1.9 "Fundamental Transaction" means a merger, consolidation or other combination of the Operating Partnership with or into any other entity, a transfer of all or substantially all of the assets of the Operating Partnership, any reclassification, recapitalization or change of the outstanding equity interests of the Operating Partnership, or a conversion of the Operating Partnership into another form of entity. Notwithstanding the above, a Fundamental Transaction shall not include any transaction to the extent that a Protected Party is provided with an opportunity to participate in such transaction in a manner that does not result in the recognition of taxable income or gain by such Protected Partner under Section 704(c) of the Code, regardless of whether such Protected Partner elects to participate in such transaction in such manner or otherwise.

Section 1.10 "Gross Up Amount" has the meaning set forth in Section 1.15 under the definition of "Make Whole Amount."

Section 1.11 "Guaranteed Liability" means any Qualified Liability that is guaranteed, in whole or in part, by one or more Guaranty Partners in accordance with Section 2.4(b) of this Agreement.

Section 1.12 "Guaranty Opportunity" has the meaning set forth in Section 2.4(b).

Section 1.13 "Guaranty Partner" means: (i) each signatory on Schedule II attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Guaranty Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Guaranty Partner in such OP Units; and (iii) with respect to a Guaranty Partner that is Pass Through Entity, and solely for purposes of computing the amount to be paid under Section 2.4 with respect to such Guaranty Partner, any person who (y) holds an interest in such Guaranty Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Guaranty Partner in its own gross income.

Section 1.14 "Guaranty Permissible Liability" means a liability with respect to which the lender permits a guaranty.

Section 1.15 "Make Whole Amount" means:

(a) with respect to any Protected Partner that recognizes gain under Section 704(c) of the Code as a result of a Tax Protection Period Transfer, *the sum of* (i) *the product of* (x) the income and gain recognized by such Protected Partner under Section 704(c) of the Code in respect of such Tax Protection Period Transfer (taking into account any adjustments under Section 743 of the Code to which such Protected Partner is entitled) *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on such Protected Partner as a result of the receipt by such Protected Partner of a payment under Section 2.2 (the "Gross Up Amount"); *provided, however*, that the Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that such Protected Partner might have that would reduce its actual tax liability; and

(b) with respect to any Guaranty Partner that recognizes gain as a result of a breach by the Operating Partnership of the provisions of Section 2.4 hereof, *the sum of* (i) *the product of* (x) the income and gain recognized by such Guaranty Partner by reason of such breach, *multiplied by* (y) the Make Whole Tax Rate, *plus* (ii) an amount equal to the combined Federal, applicable state and local income taxes (calculated using the Make Whole Tax Rate) imposed on such Guaranty Partner as a result of the receipt by such Guaranty Partner of a payment under Section 2.4 (the "Debt Gross Up Amount"); *provided, however*, that the Debt Gross Up Amount shall be computed without regard to any losses, credit, or other tax attributes that a Guaranty Partner might have that would reduce its actual tax liability.

For purposes of calculating the amount of Section 704(c) gain that is allocated to a Protected Partner, any "reverse Section 704(c) gain" allocated to such partner pursuant to Treasury Regulations § 1.704-3(a)(6) that is treated as reverse 704(c) gain solely as a result of the revaluation of assets of the Company in connection with or prior to the acquisition of interests in the Company by the Operating Partnership pursuant to the Purchase Agreement shall be taken into account; and any "reverse 704(c) gain" resulting from any subsequent revaluation (including a revaluation resulting in an increase in the book value of any asset following a revaluation resulting in a decrease in the book value of such asset) shall not be taken into account; and the total amount of 704(c) gain and income taken into account for purpose of calculating the Make Whole Amount shall not exceed the initial Section 704(c) gain amount as of the Closing Date (as set forth on Exhibit A).

Section 1.16 "Make Whole Tax Rate" means, with respect to a Protected Partner who is entitled to receive a payment under Section 2.2 and with respect to a Guaranty Partner who is entitled to receive payment under Section 2.4, the highest combined statutory Federal, state and local tax rate in respect of the income or gain that gave rise to such payment, taking into account the character of the income and gain in the hands of such Protected Partner or Guaranty Partner, as applicable (reduced, in the case of Federal taxes, assuming a full deduction is allowed for income taxes paid to a state or locality), for the taxable year in which the event that gave rise to such payment under Section 2.2 or Section 2.4 occurred.

Section 1.17 "OP Agreement" means the Agreement of Limited Partnership of Retail Opportunity Investments Partnership, L.P., as amended from time to time.

Section 1.18 "Partners' Representative" Means Ron Sher and his executors, administrators or permitted assigns.

Section 1.19 "Pass Through Entity" means a partnership, grantor trust, or S corporation for Federal income tax purposes.

Section 1.20 "Permitted Disposition" means a sale, exchange or other disposition of OP Units (i) by a Protected Partner or Guaranty Partner: (a) to such Protected Partner's or Guaranty Partner's children, spouse or issue; (b) to a trust for such Protected Partner or Guaranty Partner or such Protected Partner's or Guaranty Partner's children, spouse or issue; (c) in the case of a trust which is a Protected Partner or Guaranty Partner, to its beneficiaries, or any of them, whether current or remainder beneficiaries; (d) to a revocable *inter vivos* trust of which such Protected Partner or Guaranty Partner is a trustee; (e) in the case of any partnership or limited liability company which is a Protected Partner or Guaranty Partner, to its partners or members; and/or (f) in the case of any corporation which is a Protected Partner or Guaranty Partner, to its shareholders, and (ii) by a party described in clauses (a), (b), (c) or (d) to a partnership, limited liability company or corporation of which the only partners, members or shareholders, as applicable, are parties described in clauses (a), (b), (c) or (d); *provided*, that for purposes of the definition of Tax Protection Period, such Protected Partner or Guaranty Partner shall be treated as continuing to own any OP Units which were subject to a Permitted Disposition unless and until there has been a sale, exchange or other disposition of such OP Units by a permitted transferee which is not another Permitted Disposition.

Section 1.21 "Person" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

Section 1.22 "Protected Partner" means: (i) each signatory on Schedule I attached hereto, as amended from time to time; (ii) any person who holds OP Units and who acquired such OP Units from another Protected Partner in a transaction in which such person's adjusted basis in such OP Units, as determined for Federal income tax purposes, is determined, in whole or in part, by reference to the adjusted basis of the other Protected Partner in such OP Units; and (iii) with respect to a Protected Partner that is Pass Through Entity, and solely for purposes of computing the amount to be paid under Section 2.2 with respect to such Protected Partner, any person who (y) holds an interest in such Protected Partner, either directly or through one or more Pass Through Entities, and (z) is required to include all or a portion of the income of such Protected Partner in its own gross income.

Section 1.23 "Protected Property" mean that certain project commonly known as the Crossroads Shopping Center in the City of Bellevue, County of King, State of Washington, with street address 15600 NE 8th Street, Bellevue, WA 98008, and related personal property, and any property acquired in Exchange for the Protected Property as set forth in Section 2.1(b).

Section 1.24 "Qualified Liability" means either:

(a) A direct or indirect liability of the Operating Partnership (or of an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes) with respect to which all of the following requirements are satisfied:

(i) the liability is secured by real property or other assets (the "Collateral") owned directly or indirectly by the Operating Partnership (or by an entity whose separate existence from the Operating Partnership is disregarded for Federal income tax purposes);

(ii) on the date on which the Operating Partnership designated such liability as a Qualified Liability, the fair market value (as reasonably determined in good faith by the Operating Partnership) of the Collateral was at least 1.5 times the outstanding principal amount (and any accrued and unpaid interest) of the liability and any other Qualified Liabilities secured by such Collateral at such time, *provided* that if interest on such liability is not required to be paid at least annually or if the documents evidencing such liability permit the borrower to borrow additional amounts that are secured by the Collateral, the outstanding principal amount of such liability shall include the maximum amount that could be so added to the principal amount of such liability without a default;

(iii) the liability constitutes "qualified nonrecourse financing" as defined in Section 465(b)(6) of the Code with respect to the Operating Partnership;

(iv) no other person has executed any guaranties with respect to such liability other than: (A) guaranties by the Guaranty Partners; (B) guaranties by Affiliates of the Operating Partnership, provided that each applicable Guaranty Partner indemnifies each such Affiliate against any liability of such Affiliate (to the extent such liability does not exceed such Guaranty Partner's Required Liability Amount) arising solely from the existence or performance of such guaranty; and (C) recourse carve out guaranties (*i.e.*, bad-boy guaranties); and

(v) the Collateral does not provide security for another liability (other than another Qualified Liability) that ranks senior to, or *pari passu* with, the liability described in clause (i) above.

For purposes of determining whether clause (ii) has been satisfied in situations where one or more potential Qualified Liabilities are secured by more than one item of Collateral, the Operating Partnership shall allocate such liabilities among such items of Collateral in proportion to their relative fair market values (as reasonably determined in good faith by the Operating Partnership);

(b) A direct liability of the Operating Partnership that

(i) is not secured by any of the assets of the Operating Partnership and is a general, recourse obligation of the Operating Partnership, and

(ii) is not provided by a lender that has an interest in the Operating Partnership or is related to the Operating Partnership within the meaning of Section 465(b)(3)(C) or the Code; or

(c) Any other indebtedness approved by the Partners' Representative (or his successor or designee) in his sole and absolute discretion.

Section 1.25 "Required Liability Amount" means, with respect to each Guaranty Partner, 110% of such Guaranty Partner's estimated "negative tax capital account" as of the Closing Date, a current estimate of which is set forth on Exhibit B hereto for each such Guaranty Partner.

Section 1.26 "Section 2.4 Notice" has the meaning set forth in Section 2.4(c).

Section 1.27 "Tax Protection Period" means, twelve (12) years; *provided*, *however*, that such period shall end with respect to any Protected Partner or Guaranty Partner to the extent that such Partner owns less than fifty percent (50%) of the OP Units originally owned by the Protected Partner or Guaranty Partner as of the Closing Date, disregarding the sale, exchange or other disposition of any such OP Units sold, exchanged or otherwise disposed of by the Protected Partner or Guaranty Partner in a Permitted Disposition.

Section 1.28 "Tax Protection Period Transfer" has the meaning set forth in Section 2.1(a) of this Agreement.

Section 1.29 "Transfer" means any direct or indirect sale, exchange, transfer or other disposition, whether voluntary or involuntary.

Section 1.30 "Treasury Regulations" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE II

TAX PROTECTIONS

Section 2.1 Taxable Transfers.

(a) Unless the Partners' Representative expressly consents in writing to a Tax Protection Period Transfer, during the Tax Protection Period, the Operating Partnership shall indemnify the Protected Partners as set forth in Section 2.2 if the Operating Partnership or any entity in which the Operating Partnership holds a direct or indirect interest shall cause or permit: (i) any Transfer of all or any portion of the Protected Property (including any interest in the Protected Property or in any entity owning, directly or indirectly, an interest in the Protected Property, other than the Operating Partnership) in a transaction that results in the recognition of taxable income or gain by any Protected Partner under Section 704(c) of the Code with respect to the Protected Property; or (ii) any Fundamental Transaction that results in the recognition of taxable income or gain by any Protected Partner under Section 704(c) of the Code with respect to the Protected Property (such a Transfer or Fundamental Transaction, a "Tax Protection Period Transfer").

(b) Section 2.1 (a) shall not apply to any Tax Protection Period Transfer of the Protected Property (including any interest therein or in the entity owning, directly or indirectly, the Protected Property): (i) in a transaction in which no gain is required to be recognized by a Protected Partner (an "Exchange"), including a transaction qualifying under Section 1031 or Section 721 (or any successor statutes) of the Code; *provided*, *however*, that any property acquired by the Operating Partnership in the Exchange shall remain subject to the provisions of this Article II in place of the exchanged Protected Property for the remainder of the Tax Protection Period; (ii) as a result of the condemnation or other taking of the Protected Property by a governmental entity in an eminent domain proceeding or otherwise, *provided* that the Operating Partnership shall use commercially reasonable efforts to structure such disposition as either a tax-free like-kind exchange under Section 1031 or a tax-free reinvestment of proceeds under Section 1033, *provided* that in no event shall the Operating Partnership be obligated to acquire or invest in any property that it otherwise would not have acquired or invested in.

Section 2.2 Indemnification for Taxable Transfers.

(a) In the event of a Tax Protection Period Transfer described in Section 2.1(a), each Protected Partner shall receive from the Operating Partnership an amount of cash equal to the Make Whole Amount applicable to such Tax Protection Period Transfer. Any Make Whole Payments required under this Section 2.2(a) shall be made to each Protected Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Protected Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Protected Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Protected Partner at such time.

(b) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Protected Partner under Section 2.1(a) shall be a claim against the Operating Partnership for the Make Whole Amount as set forth in this Section 2.2, and no Protected Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.1(a) or bring a claim against any person that acquires the Protected Property from the Operating Partnership in violation of Section 2.1(a).

Section 2.3 Section 704(c) Gains. The initial amount of Section 704(c) gain allocable to each Protected Partner as of the Closing Date is set forth on Exhibit A hereto. The parties acknowledge that the initial amount of such Section 704(c) gain may be adjusted over time as required by Section 704(c) of the Code and the Regulations promulgated thereunder.

Section 2.4 Debt Maintenance and Allocation.

(a) During the Tax Protection Period, the Operating Partnership shall: (i) maintain on a continuous basis an amount of Qualified Liabilities at least equal to the Required Liability Amount; and (ii) provide the Partners' Representative, thirty (30) days prior to the Closing Date, with a description of the nature and amount of any Qualified Liabilities that are available to be guaranteed by the Guaranty Partners pursuant to Section 2.4(b) of this Agreement. For the avoidance of doubt, and notwithstanding any other provision of this Agreement, the Operating Partnership shall not be required to maintain any amount of Qualified Liabilities in excess of the aggregate Required Liability Amount of all Guaranty Partners.

(b) (i) At the Closing Date and during the Tax Protection Period as described in Section 2.4(c), the Operating Partnership shall provide each Guaranty Partner with the opportunity to execute a guaranty, substantially in the form attached hereto as Exhibit C or otherwise in a form and manner that is reasonably acceptable to the Partners' Representative, of one or more Qualified Liabilities that are Guaranty Permissible Liabilities in an amount up to such Guaranty Partner's Required Liability Amount (each such opportunity and each opportunity required by Section 2.4(c), a "Guaranty Opportunity"), and (ii) after the Tax Protection Period, and for so long as a Guaranty Partner is a partner in the Operating Partnership, the Operating Partnership shall use commercially reasonable efforts to make Guaranty Opportunities available to each Guaranty Partner, *provided* that in the case of this clause (ii), the Operating Partnership shall not be required to incur any indebtedness that it would not otherwise have incurred, as determined by the Operating Partnership in its reasonable discretion; *provided, however,* that in the case of clauses (i) and (ii) the aggregate amount of all guaranties required to be made available by the Operating Partnership for execution by all Guaranty Partners need not exceed the aggregate Required Liability Amount of all Guaranty Partners. The Operating Partnership shall have the discretion to identify the Qualified Liability or Qualified Liabilities that shall be made available for guaranty by each Guaranty Partner. Each Guaranty Partner and its indirect owners may allocate the Guaranty Opportunity afforded to such Guaranty Partner in any manner they choose. The Operating Partnership agrees to file its tax returns allocating any debt subject to a Guaranty to the applicable Guaranty Partners; *provided* that the Operating Partnership shall not be required to make such allocations to the extent it determines in good faith that there may not be "substantial authority" (within the meaning of Section 6662(d)(2)(B)(i) of the Code) for such allocations and so notifies the Guaranty Partner. Each Guaranty Partner shall bear the costs incurred by it in connection with the execution of any guaranty to which it is a party. To the extent a Guaranty Partner executes a guaranty, the Guaranty Partner and the Operating Partnership shall jointly deliver a copy of such guaranty to the lender under the Guaranteed Liability.

(c) During the Tax Protection Period, the Operating Partnership shall not allow a Debt Notification Event to occur unless the Operating Partnership provides at least thirty (30) days' written notice (a "Section 2.4 Notice") to each Guaranty Partner that may be affected thereby. The Section 2.4 Notice shall describe the Debt Notification Event and designate one or more Qualified Liabilities that may be guaranteed by the Guaranty Partners pursuant to Section 2.4(b) of this Agreement in an amount equal to the amount of the refinanced or repaid Qualifying Debt that was guaranteed by such Guaranty Partner immediately prior to the date of the refinancing or repayment. Any Guaranty Partner that desires to execute a guaranty following the receipt of a Section 2.4 Notice shall provide the Operating Partnership with notice thereof within fifteen (15) days after the date of the Section 2.4 Notice.

(d) Provided the Operating Partnership satisfies its obligations under Section 2.4(a), (b) and (c) of this Agreement, it shall have no liability under Section 2.4(e) for breach of Section 2.4, whether or not such Guaranty Partner accepts such Guaranty Opportunity. In the event a Guaranty Partner does not accept a Guaranty Opportunity, such person shall no longer be a Guaranty Partner and shall have no further rights to be offered subsequent Guaranty Opportunities. Furthermore, the Operating Partnership makes no representation or warranty to any Guaranty Partner concerning the treatment or effect of any guaranty under Federal, state, local, or foreign Tax law, and bears no responsibility for any Tax liability of any Guaranty Partner or Affiliate thereof that is attributable to a reallocation, by a taxing authority, of debt subject to a guaranty (other than an act or omission that is indemnifiable under Section 2.4(e)of this Agreement).

(e) If the Operating Partnership shall fail to comply with any provision of this Section 2.4, the Operating Partnership shall pay, within thirty (30) days of such failure, a Make Whole Payment to each Guaranty Partner who recognizes income or gain as a result of such failure equal to the estimated Make Whole Amount applicable to such failure. Any Make Whole Payments required under this Section 2.4(e) shall be made to each Guaranty Partner on or before April 15 of the year following the year in which the Tax Protection Period Transfer took place; *provided that*, if the Guaranty Partner is required to make estimated tax payments that would include such gain, the Operating Partnership shall make payment to such Guaranty Partner on or before the due date for such estimated tax payment and such payment from the Operating Partnership shall be in an amount that corresponds to the estimated tax being paid by the Guaranty Partner at such time.

(f) Notwithstanding any provision of this Agreement to the contrary, the sole and exclusive rights and remedies of any Guaranty Partner for a breach or violation of the covenants set forth in Section 2.4 shall be a claim a claim against the Operating Partnership for the Make Whole Amount as set forth in Section 2.4(e), and no Guaranty Partner shall be entitled to pursue a claim for specific performance of the covenants set forth in Section 2.4.

Section 2.5 Dispute Resolution.Any controversy, dispute, or claim of any nature arising out of, in connection with, or in relation to the interpretation, performance, enforcement or breach of this Agreement (and any closing document executed in connection herewith) shall be governed by Section 18.11 of the Purchase Agreement.

ARTICLE III

GENERAL PROVISIONS

Section 3.1 Notices. All notices, demands, declarations, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms of this Agreement shall be given in the same manner as in the OP Agreement.

Section 3.2 Titles and Captions. All Article or Section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically provided otherwise, references to “Articles” and “Sections” are to Articles and Sections of this Agreement.

Section 3.3 Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 3.4 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain form taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 3.5 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 3.6 Creditors. Other than as expressly set forth herein, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Operating Partnership.

Section 3.7 Waiver. No failure 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 a breach thereof shall constitute waiver of any such breach or any covenant, duty, agreement or condition.

Section 3.8 Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 3.9 Applicable Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of California, without regard to the principles of conflicts of law.

Section 3.10 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of other remaining provisions contained herein shall not be affected thereby.

Section 3.11 Entire Agreement. This Agreement contains the entire understanding and agreement among the Partners with respect to the subject matter hereof and amends, restates and supersedes the OP Agreement and any other prior written or oral understandings or agreements among them with respect thereto.

Section 3.12 No Rights as Stockholders. Nothing contained in this Agreement shall be construed as conferring upon the holders of the OP Units any rights whatsoever as stockholders of the REIT, including, without limitation, any right to receive dividends or other distributions made to stockholders of the REIT or to vote or to consent or to receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the REIT or any other matter.

Section 3.13 Tax Advice and Cooperation. Each party hereto acknowledges and agrees that it has not received and is not relying upon tax advice from any other party hereto, and that it has and will continue to consult its own tax advisors. Each party hereto agrees to cooperate to the extent reasonably requested by any other party in connection with the filing of any tax returns or any audit, litigation or other proceeding related to taxes associated with the matters described herein, such cooperation shall include the retention and, upon request, provision of records and information that are relevant to such matters, and making employees available on a mutually convenient basis to provide such additional information as may reasonably be requested.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

REIT:

RETAIL OPPORTUNITY INVESTMENT CORP.,
a Delaware corporation

By: _____
Name: _____
Title: _____

OPERATING PARTNERSHIP:

RETAIL OPPORTUNITY INVESTMENT PARTNERSHIP, L.P.,
a Delaware limited partnership

By: RETAIL OPPORTUNITY INVESTMENT CORP., a Delaware corporation,
Its General Partner

By: _____
Name: _____
Title: _____

PROTECTED PARTNERS:

TCA HOLDINGS, LLC, a Washington
limited liability company

By: ARGUS GROUP, LTD., a Washington corporation, its Manager

By: _____
Name: _____
Title: _____

SHER GP, INC., a Washington corporation

By: _____
Name: _____
Title: _____

BLUM FAMILY TRUST

_____
Trustee of the Blum Family Trust

JOSEPH BLUM IRREVOCABLE TRUST

_____
Trustee of the Joseph Blum Irrevocable Trust

_____
Ari Blum

_____
Morgan Blum

_____
Thomas Bomar

RAWSON, BLUM & COMPANY

By: _____
Name: _____
Title: _____

RAWSON LIVING TRUST

_____
Trustee of the Rawson Living Trust

ARGUS GROUP, LTD.

By: _____
Name: _____
Title: _____

EUGENE E. AND KATHLEEN B. CLAHAN REVOCABLE TRUST U/A DATED 11/11/88

Trustee of the Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88

MERRITT AND PAMELA SHER LIVING TRUST

_____
Trustee of the Merritt and Pamela Sher Living Trust

TERRANOMICS INVESTMENT
PARTNERSHIP

By: _____
Name: _____
Title: _____

TERRANOMICS, a California corporation

By: _____
Name: _____
Title: _____

RONALD SHER

_____
Ronald Sher

SCHEDULE I

PROTECTED PARTNERS

1. Argus Group, Ltd.
2. Blum Family Trust, J&N Blum, Trustees
3. The Joseph Blum Irrevocable Trust
4. Thomas Bomar
5. Eugene E & Kathleen B Clahan Revocable Trust U/A Dated 11/11/88
6. Rawson, Blum & Co.
7. The Rawson Living Trust
8. Merritt & Pamela Sher Living Trust
9. Ronald Sher
10. Sher GP, Inc.
11. Terranomics Investment Partnership
12. Terranomics
13. TCA Holdings, LLC
14. Ari Blum
15. Morgan Blum

SCHEDULE II

GUARANTY PARTNERS

1. Argus Group, Ltd.
2. Blum Family Trust, J&N Blum, Trustees
3. The Joseph Blum Irrevocable Trust
4. Thomas Bomar
5. Eugene E & Kathleen B Clahan Revocable Trust U/A Dated 11/11/88
6. Rawson, Blum & Co.
7. The Rawson Living Trust
8. Merritt & Pamela Sher Living Trust
9. Ronald Sher
10. Sher GP, Inc.
11. Terranomics Investment Partnership
12. Terranomics
13. Ari Blum
14. Morgan Blum

EXHIBIT A

ALLOCATIONS OF SECTION 704(c) GAIN[1]

Argus Group, Ltd.	$ 1,037,523
Blum Family Trust, J&N Blum, Trustees	2,180,302
The Joseph Blum Irrevocable Trust	208,981
Thomas Bomar	1,063,487
Eugene E & Kathleen B Clahan Revocable Trust U/A Dated 11/11/88	2,209,613
Rawson, Blum & Co.	37,443
The Rawson Living Trust	3,613,186
Merritt & Pamela Sher Living Trust	10,484,898
Ronald Sher	11,044,962
Sher GP, Inc.	195,140
Terranomics Investment Partnership	1,833,048
Terranomics	219,275
TCA Holdings, LLC	29,475,646
Ari Blum	645,699
Morgan Blum	645,699
	$64,894,901

1 Amounts listed do not reflect adjustments under Code Section 743(b) made since 1988.

EXHIBIT B

REQUIRED LIABILITY AMOUNT

Argus Group, Ltd.	$ 804,000
Blum Family Trust, J&N Blum, Trustees	1,734,000
The Joseph Blum Irrevocable Trust	166,000
Thomas Bomar	837,000
Eugene E & Kathleen B Clahan Revocable Trust U/A Dated 11/11/88	1,707,000
Rawson, Blum & Co.	30,000
The Rawson Living Trust	2,873,000
Merritt & Pamela Sher Living Trust	10,105,000
Ronald Sher	10,791,000
Sher GP, Inc.	319,000
Terranomics Investment Partnership	1,502,000
Terranomics	230,000
Ari Blum	513,000
Morgan Blum	513,000
	$32,124,000

EXHIBIT C

FORM OF GUARANTY

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of September 27, 2013, is made and entered into by and among Retail Opportunity Investment Corp., a Maryland corporation (the "**Company**"), and certain persons listed on Schedule 1 hereto (such persons, in their capacity as holders of Registrable Securities, the "**Holders**" and each the "**Holder**").

WITNESSETH:

WHEREAS, the operating partnership of the Company, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("**ROIP**"), and the Holders have entered into a Contribution Agreement, dated September 27, 2013 (the "**Contribution Agreement**"), pursuant to which the Holders contributed their membership interests in SARM Five Points Plaza, LLC, a Washington limited liability company, to ROIP in exchange for operating partnership units of ROIP (such units in the aggregate, the "**OP Units**"), which such OP Units upon presentation for redemption by the Holders in accordance with the provisions of the First Amended and Restated Agreement of Limited Partnership of ROIP, may be redeemed for shares of common stock, par value $0.0001 per share, of the Company (the "**Common Stock**"); and

WHEREAS, the Company desires to enter into this Agreement with the Holders in order to grant the Holders the registration rights contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"**Affiliate**" shall mean, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person; (ii) any Person who, from time to time, is a member of the Immediate Family of a specified Person; (iii) any Person who, from time to time, is an officer or director or manager of a specified Person; or (iv) any Person who, directly or indirectly, is the beneficial owner of 50% or more of any class of equity securities or other ownership interests of the specified Person, or of which the specified Person is directly or indirectly the owner of 50% or more of any class of equity securities or other ownership interests.

"**Agreement**" shall mean this Registration Rights Agreement as originally executed and as amended, supplemented or restated from time to time.

"**Board**" shall mean the Board of Directors of the Company.

"**Business Day**" shall mean each day other than a Saturday, a Sunday or any other day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

"**Commission**" shall mean the Securities and Exchange Commission and any successor thereto.

"**Common Stock**" shall have the meaning set forth in the Recitals hereof.

"**Company**" shall have the meaning set forth in the introductory paragraph hereof.

"**Contribution Agreement**" shall have the meaning set forth in the Recitals hereof.

"**Control**" (including the terms "**Controlling**," "**Controlled by**" and "**under common Control with**") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person through the ownership of Voting Power, by contract or otherwise.

"**Controlling Person**" shall have the meaning set forth in Section 5 hereof.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended (or any corresponding provision of succeeding law) and the rules and regulations thereunder.

"**Holder**" shall have the meaning set forth in the introductory paragraph hereof.

"**OP Units**" shall have the meaning set forth in the Recitals hereof.

"**Person**" shall mean any individual, partnership, corporation, limited liability company, joint venture, association, trust, unincorporated organization or other governmental or legal entity.

"**Registrable Securities**" shall mean the Common Stock that may be acquired by the Holders in connection with the exercise by such Holders of the redemption rights associated with the OP Units; provided, however, such Registrable Securities shall cease to be Registrable Securities upon the occurrence of the earliest of the following: (i) the date on which a registration statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and all such Registrable Securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement, (ii) the date on which such Registrable Securities shall have been sold and all transfer restrictions and restrictive legends with respect to such Registrable Securities are removed upon the consummation of such sale, (iii) the date on which such Registrable Securities become eligible to be publicly sold pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iv) such Registrable Securities have ceased to be outstanding.

"**Registration Expenses**" shall mean (i) the fees and disbursements of counsel and independent public accountants for the Company incurred in connection with the Company's performance of or compliance with this Agreement, including the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance, and any premiums and other costs of policies of insurance obtained by the Company against liabilities arising out of the sale of any securities and (ii) all registration, filing and stock exchange fees, all fees and expenses of complying with securities or "blue sky" laws, all fees and expenses of custodians, transfer agents and registrars, and all printing expenses, messenger and delivery expenses; provided, however, "Registration Expenses" shall not include any out-of-pocket expenses of the Holders, transfer taxes, underwriting or brokerage commissions or discounts associated with effecting any sales of Registrable Securities that may be offered, which expenses shall be borne by each Holder of Registrable Securities on a *pro rata* basis with respect to the Registrable Securities so sold.

"**ROIP**" shall have the meaning set forth in the Recitals hereof.

"**Securities Act**" shall mean the Securities Act of 1933, as amended (or any successor corresponding provision of succeeding law), and the rules and regulations thereunder.

"**Shelf Registration Statement**" shall have the meaning set forth in Section 2(a) hereof.

"**Underwritten Offering**" shall mean a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

"**Voting Power**" shall mean voting securities or other voting interests ordinarily (and apart from rights accruing under special circumstances) having the right to vote in the election of board members or Persons performing substantially equivalent tasks and responsibilities with respect to a particular entity.

Section 2. Shelf Registrations.

a. Shelf Registration. The Company agrees to use commercially reasonable efforts to file with the Commission a registration statement under the Securities Act for the offering on a continuous or delayed basis in the future covering resales of the Registrable Securities (the "**Shelf Registration Statement**"), such filing to be made (subject to Section 3) no later than the date that is one-year after the date on which the OP Units were issued as provided in the Contribution Agreement. Subject to Section 3, the Company shall use commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Shelf Registration Statement shall be on an appropriate form and the registration statement and any form of prospectus included therein (or prospectus supplement relating thereto) shall reflect the plan of distribution or method of sale as the Holders may from time to time notify the Company.

b. Effectiveness. The Company shall use commercially reasonable efforts to keep the Shelf Registration Statement continuously effective for the period beginning on the date on which the Shelf Registration Statement is declared effective and ending on the date that all of the Registrable Securities registered under the Shelf Registration Statement cease to be Registrable Securities. During the period that the Shelf Registration Statement is effective, the Company shall supplement or make amendments to the Shelf Registration Statement, if required by the Securities Act or if reasonably requested by the Holders (whether or not required by the form on which the securities are being registered), including to reflect any specific plan of distribution or method of sale, and shall use commercially reasonable efforts to have such supplements and amendments declared effective, if required, as soon as practicable after filing.

Section 3. Black-Out Periods.

Notwithstanding anything herein to the contrary, the Company shall have the right to postpone the filing of a registration statement and the right, exercisable from time to time by delivery of a notice authorized by the Board at such times as the Company in its good faith judgment may reasonably determine is necessary and advisable, to require the Holders not to sell pursuant to a registration statement or similar document under the Securities Act filed pursuant to Section 2 or to suspend the use or effectiveness thereof if at the time of the delivery of such notice (i) it has determined that the use of any registration statement or similar document under the Securities Act filed pursuant to Section 2 would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a significant transaction, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, (ii) 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, or (iii) the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X under the Securities Act or (iv) the Company is not eligible to use Form S-3 for purposes of registering the resale of the Registrable Securities. The Company, as soon as practicable, shall (i) give the Holders prompt written notice in the event that the Company has suspended sales of Registrable Securities pursuant to this Section 3, (ii) give the Holders prompt written notice of the termination of such suspension of sales of the Registrable Securities and (iii) promptly file any amendment or reports necessary for any registration statement or prospectus of the Holders in connection with the completion of such event.

Each Holder agrees by acquisition of the Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in this Section 3, such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the notice of completion of such event.

Section 4. Registration Procedures.

a. In connection with the filing of any registration statement as provided in this Agreement, the Company shall use commercially reasonable efforts to, as expeditiously as reasonably practicable:

(i) prepare and file with the Commission the requisite registration statement (including a prospectus therein and any supplement thereto) to effect such registration and use commercially reasonable efforts to cause such registration statement to become effective; provided, however, that before filing such registration statement or any amendments or supplements thereto, the Company will furnish copies of all such documents proposed to be filed to counsel for the sellers of Registrable Securities covered by such registration statement and provide reasonable time for such sellers and their counsel to comment upon such documents if so requested by a Holder;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the period in which such registration statement is required to be kept effective;

(iii) furnish to each Holder of the Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits other than those which are being incorporated into such registration statement by reference), such number of copies of the prospectus contained in such registration statements (including each complete prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act in conformity with the requirements of the Securities Act, and such other documents, as the Holders may reasonably request;

(iv) register or qualify all Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the Holders and the underwriters of the securities being registered, if any, shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable the Holders to consummate the disposition in such jurisdiction of the securities owned by the Holders, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign company or to register as a broker or dealer in any jurisdiction where it would not otherwise be required to qualify but for this Section 4(a)(iv), or to consent to general service of process in any such jurisdiction, or to be subject to any material tax obligation in any such jurisdiction where it is not then so subject;

(v) immediately notify the Holders at any time when the Company becomes aware that a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and, at the request of the Holders, promptly prepare and furnish to the Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an 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 in the light of the circumstances under which they were made;

(vi) comply or continue to comply in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission thereunder so as to enable any Holder to sell its Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, as further agreed to in Section 6 hereof;

(vii) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(viii) cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend; and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(ix) list all Registrable Securities covered by such registration statement on any securities exchange or national quotation system on which any such class of securities is then listed or quoted and cause to be satisfied all requirements and conditions of such securities exchange or national quotation system to the listing or quoting of such securities that are reasonably within the control of the Company including, without limitation, registering the applicable class of Registrable Securities under the Exchange Act, if appropriate, and using commercially reasonable efforts to cause such registration to become effective pursuant to the rules of the Commission;

(x) in connection with any sale, transfer or other disposition by any Holder of any Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold and not bearing any Securities Act legend, and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(xi) notify each Holder, promptly after it shall receive notice thereof, of the time when such registration statement, or any post-effective amendments to the registration statement, shall have become effective, or a supplement to any prospectus forming part of such registration statement has been filed;

(xii) notify each Holder of any request by the Commission for the amendment or supplement of such registration statement or prospectus for additional information; and

(xiii) advise each Holder, promptly after it shall receive notice or obtain knowledge thereof, of (A) the issuance of any stop order, injunction or other order or requirement by the Commission suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for such purpose, and use commercially reasonable efforts to prevent the issuance of any stop order, injunction or other order or requirement or to obtain its withdrawal if such stop order, injunction or other order or requirement should be issued, (B) the suspension of the registration of the subject shares of the Registrable Securities in any state jurisdiction and (C) the removal of any such stop order, injunction or other order or requirement or proceeding or the lifting of any such suspension.

b. In connection with the filing of any registration statement covering Registrable Securities and as a condition to Holder's participation in the registration, each Holder shall furnish in writing to the Company such information regarding such Holder (and any of its Affiliates), the Registrable Securities to be sold, the intended method of distribution of such Registrable Securities and such other information requested by the Company as is necessary or advisable for inclusion in the registration statement relating to such offering pursuant to the Securities Act. Such writing shall expressly state that it is being furnished to the Company for use in the preparation of a registration statement, preliminary prospectus, supplementary prospectus, final prospectus or amendment or supplement thereto, as the case may be.

Each Holder agrees by acquisition of the Registrable Securities that (i) upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(a)(v), such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(a)(v); (ii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (A) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii); and (iii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (B) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement in the applicable state jurisdiction(s) until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii).

Section 5. Indemnification.

a. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder, its partners, officers, directors, employees, agents and representatives, and each Person (a "Controlling Person"), if any, who controls such Holder (within the meaning of the Section 15 of the Securities Act or Section 20 of the Exchange Act), against any losses, claims, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the registration statement under which such Registrable Securities were registered and sold under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or arising out of or based upon 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, and the Company will reimburse each Holder for any reasonable legal or any other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, liability, action or proceedings; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Holder specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders or any such controlling Person and shall survive the transfer of such securities by the Holders.

b. Indemnification by the Holders. Each Holder agrees to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 5(a)) the Company, each member of the Board, each officer, employee, agent and representative of the Company and each of their respective Controlling Persons, with respect to any untrue statement or alleged untrue statement of a material fact in or omission or alleged omission to state a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Holder regarding such Holder giving such indemnification specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such Board member, officer, employee, agent, representative or Controlling Person and shall survive the transfer of such securities by any Holder. The obligation of a Holder to indemnify will be several and not joint among the Holders of Registrable Securities and the liability of each such Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

c. Notices of Claims, etc. Promptly as reasonably practicable after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 5, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to assume the defense thereof, for itself, if applicable, together with any other indemnified party similarly notified, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof.

d. Indemnification Payments. To the extent that the indemnifying party does not assume the defense of an action brought against the indemnified party as provided in Section 5(c), the indemnified party (or parties if there is more than one) shall be entitled to the reasonable legal expenses of common counsel for the indemnified party (or parties). In such event, however, the indemnifying party will not be liable for any settlement effected without the written consent of such indemnifying party, which consent shall not be unreasonably withheld. The indemnification required by this Section 5 shall be made by periodic payments of the amount thereof during the course of an investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred. No indemnifying party shall, without the prior written consent of the indemnified party, consent to entry of judgment or effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified Party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such judgment or settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

e. Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, damage or liability, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission) or (ii) if the allocation provided by subclause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in the proportion as is appropriate to reflect not only the relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations.

No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation, and the liability for contribution of each Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

Section 6. Covenants Relating To Rule 144. At such times as the Company becomes obligated to file reports in compliance with either Section 13 or 15(d) of the Exchange Act, 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 (a) Rule 144 under the Securities Act, as such rule may be amended from time to time or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 7. Market Stand-Off Agreement. Each Holder hereby agrees that it shall not, directly or indirectly sell, offer to sell (including without limitation any short sale), pledge, 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 or otherwise dispose of or transfer any Registrable Securities or other Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock then owned by such Holder (other than to permitted transferees of the Holders who agree to be similarly bound) for up to 180 days following the date of an underwriting agreement with respect to an underwritten public offering of the Company's securities; provided, however, that all officers and directors of the Company then holding Common Stock or securities convertible into or exchangeable or exercisable for Common Stock enter into similar agreements for not less than the entire time period required of the Holders hereunder.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Securities and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

Section 8. Miscellaneous.

a. Termination; Survival. The rights of each Holder under this Agreement shall terminate upon the date that all of the Registrable Securities held by such Holder may be sold during any three-month period in a single transaction or series of transactions without volume limitations under Rule 144 (or any successor provision) under the Securities Act. Notwithstanding the foregoing, the obligations of the parties under Section 5 and paragraphs (d), (e) and (g) of this Section 8 shall survive the termination of this Agreement.

b. Expenses. All Registration Expenses incurred in connection with any Shelf Registration under Section 2 shall be borne by the Company, whether or not any registration statement related thereto becomes effective.

c. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to each of the other parties.

d. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

e. Prior Agreement; Construction; Entire Agreement. This Agreement, including the exhibits and other documents referred to herein (which form a part hereof), constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings between the parties, and all such prior agreements and understandings are merged herein and shall not survive the execution and delivery hereof.

f. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service or by telecopier and shall be deemed given when so delivered by hand or, if mailed, three (3) Business Days after mailing (one Business Day in the case of express mail or overnight courier service), addressed as follows:

If to the Holders: To each address indicated for the Holders in Schedule 1 hereto.

If to the Company: Retail Opportunity Investment Corp.
Address: Renaissance Towne Centre–La Jolla
8905 Towne Center Drive, 108
San Diego, CA 92122
Attn: Chief Financial Officer

g. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may assign its rights or obligations hereunder to any successor to the Company's business or with the prior written consent of Holders of a majority of the then outstanding Registrable Securities. Notwithstanding the foregoing, no assignee of the Company shall have any of the rights granted under this Agreement until such assignee shall acknowledge its rights and obligations hereunder by a signed written agreement pursuant to which such assignee accepts such rights and obligations.

h. Headings. Headings are included solely for convenience of reference and if there is any conflict between headings and the text of this Agreement, the text shall control.

i. Amendments And Waivers. The provisions of this Agreement may be amended or waived at any time only by the written agreement of the Company and the Holders of a majority of the Registrable Securities. Any waiver, permit, consent or approval of any kind or character on the part of any such Holders of any provision or condition of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in writing. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company.

j. Interpretation; Absence Of Presumption. For the purposes hereof, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, paragraph or other references are to the Sections, paragraphs, or other references to this Agreement unless otherwise specified, (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iv) the word "or" shall not be exclusive and (v) provisions shall apply, when appropriate, to successive events and transactions.

This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instruments to be drafted.

k. Severability. If any provision of this Agreement shall be or shall be held or deemed by a final order by a competent authority to be invalid, inoperative or unenforceable, such circumstance shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, but this Agreement shall be construed as if such invalid, inoperative or unenforceable provision had never been contained herein so as to give full force and effect to the remaining such terms and provisions.

l. Specific Performance; Other Rights. The parties recognize that various other rights rendered under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to them at law or in equity, have the right to enforce the rights under this Agreement by actions for injunctive relief and specific performance.

m. Further Assurances. In connection with this Agreement, as well as all transactions and covenants contemplated by this Agreement, each party hereto agrees to execute and deliver or cause to be executed and delivered such additional documents and instruments and to perform or cause to be performed such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions and covenants contemplated by this Agreement.

n. No Waiver. The waiver of any breach of any term or condition of this Agreement shall not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

RETAIL OPPORTUNITY INVESTMENTS CORP,
a Maryland corporation

By: _____
Name: _____
Title: _____

HOLDERS:

SARM ENTERPRISES,
a California general partnership

By: _____
Name: _____
Title: _____

_____
Abby Sher

_____
Circe A. Sher

RACHEL SHER

By: _____
Ronald Sher, her attorney in fact

_____
Lacey L. Sher

_____
Rebecca C. Wellington

_____
Justin W. Sher

NIGEL I. SHER

By: _____
Ronald Sher, his attorney in fact

Schedule 1

THE HOLDERS

List of holders of the OP Units:

Name of the Holder	Number of OP Units Held	Address of the Holder
Sarm Enterprises	566,499	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Abby Sher	23,986	15935 Alcima Ave. Pacific Palisades, CA 90272
Circe A. Sher	10,889	681 So. Fitch Mountain Road Healdsburg, CA 95448
Rachel Sher	8,295	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Lacey L. Sher	8,295	10500 NE 8th St, Suite 850 Bellevue, WA 98004
Rebecca C. Wellington	10,889	2729 51st Avenue SW Seattle, WA 98116
Justin Sher	10,889	268 Bush Street, #3133 San Francisco, CA 94104
Nigel I. Sher	10,889	10500 NE 8th St, Suite 850 Bellevue, WA 98004

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of September 27, 2013, is made and entered into by and among Retail Opportunity Investment Corp., a Maryland corporation (the "**Company**"), and certain persons listed on Schedule 1 hereto (such persons, in their capacity as holders of Registrable Securities, the "**Holders**" and each the "**Holder**").

WITNESSETH:

WHEREAS, the operating partnership of the Company, Retail Opportunity Investments Partnership, LP, a Delaware limited partnership ("**ROIP**"), and the Holders have entered into a Contribution Agreement, dated September 27, 2013 (the "**Contribution Agreement**"), pursuant to which the Holders contributed their general partner and limited partnership interests in Terranomics Crossroads Associates Limited Partnership, a California limited partnership to ROIP in exchange for operating partnership units of ROIP (such units in the aggregate, the "**OP Units**"), which such OP Units upon presentation for redemption by the Holders in accordance with the provisions of the First Amended and Restated Agreement of Limited Partnership of ROIP, may be redeemed for shares of common stock, par value $0.0001 per share, of the Company (the "**Common Stock**"); and

WHEREAS, the Company desires to enter into this Agreement with the Holders in order to grant the Holders the registration rights contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"**Affiliate**" shall mean, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person; (ii) any Person who, from time to time, is a member of the Immediate Family of a specified Person; (iii) any Person who, from time to time, is an officer or director or manager of a specified Person; or (iv) any Person who, directly or indirectly, is the beneficial owner of 50% or more of any class of equity securities or other ownership interests of the specified Person, or of which the specified Person is directly or indirectly the owner of 50% or more of any class of equity securities or other ownership interests.

"**Agreement**" shall mean this Registration Rights Agreement as originally executed and as amended, supplemented or restated from time to time.

"**Board**" shall mean the Board of Directors of the Company.

"**Business Day**" shall mean each day other than a Saturday, a Sunday or any other day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

"**Commission**" shall mean the Securities and Exchange Commission and any successor thereto.

"**Common Stock**" shall have the meaning set forth in the Recitals hereof.

"**Company**" shall have the meaning set forth in the introductory paragraph hereof.

"**Contribution Agreement**" shall have the meaning set forth in the Recitals hereof.

"**Control**" (including the terms "**Controlling**," "**Controlled by**" and "**under common Control with**") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person through the ownership of Voting Power, by contract or otherwise.

"**Controlling Person**" shall have the meaning set forth in Section 5 hereof.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended (or any corresponding provision of succeeding law) and the rules and regulations thereunder.

"**Holder**" shall have the meaning set forth in the introductory paragraph hereof.

"**OP Units**" shall have the meaning set forth in the Recitals hereof.

"**Person**" shall mean any individual, partnership, corporation, limited liability company, joint venture, association, trust, unincorporated organization or other governmental or legal entity.

"**Registrable Securities**" shall mean the Common Stock that may be acquired by the Holders in connection with the exercise by such Holders of the redemption rights associated with the OP Units; provided, however, such Registrable Securities shall cease to be Registrable Securities upon the occurrence of the earliest of the following: (i) the date on which a registration statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and all such Registrable Securities shall have been sold, transferred, disposed of or exchanged in accordance with such registration statement, (ii) the date on which such Registrable Securities shall have been sold and all transfer restrictions and restrictive legends with respect to such Registrable Securities are removed upon the consummation of such sale, (iii) the date on which such Registrable Securities become eligible to be publicly sold pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iv) such Registrable Securities have ceased to be outstanding.

"**Registration Expenses**" shall mean (i) the fees and disbursements of counsel and independent public accountants for the Company incurred in connection with the Company's performance of or compliance with this Agreement, including the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance, and any premiums and other costs of policies of insurance obtained by the Company against liabilities arising out of the sale of any securities and (ii) all registration, filing and stock exchange fees, all fees and expenses of complying with securities or "blue sky" laws, all fees and expenses of custodians, transfer agents and registrars, and all printing expenses, messenger and delivery expenses; provided, however, "Registration Expenses" shall not include any out-of-pocket expenses of the Holders, transfer taxes, underwriting or brokerage commissions or discounts associated with effecting any sales of Registrable Securities that may be offered, which expenses shall be borne by each Holder of Registrable Securities on a *pro rata* basis with respect to the Registrable Securities so sold.

"**ROIP**" shall have the meaning set forth in the Recitals hereof.

"**Securities Act**" shall mean the Securities Act of 1933, as amended (or any successor corresponding provision of succeeding law), and the rules and regulations thereunder.

"**Shelf Registration Statement**" shall have the meaning set forth in Section 2(a) hereof.

"**Underwritten Offering**" shall mean a sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

"**Voting Power**" shall mean voting securities or other voting interests ordinarily (and apart from rights accruing under special circumstances) having the right to vote in the election of board members or Persons performing substantially equivalent tasks and responsibilities with respect to a particular entity.

Section 2. Shelf Registrations.

a. Shelf Registration. The Company agrees to use commercially reasonable efforts to file with the Commission a registration statement under the Securities Act for the offering on a continuous or delayed basis in the future covering resales of the Registrable Securities (the "**Shelf Registration Statement**"), such filing to be made (subject to Section 3) no later than the date that is one-year after the date on which the OP Units were issued as provided in the Contribution Agreement. Subject to Section 3, the Company shall use commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Shelf Registration Statement shall be on an appropriate form and the registration statement and any form of prospectus included therein (or prospectus supplement relating thereto) shall reflect the plan of distribution or method of sale as the Holders may from time to time notify the Company.

b. Effectiveness. The Company shall use commercially reasonable efforts to keep the Shelf Registration Statement continuously effective for the period beginning on the date on which the Shelf Registration Statement is declared effective and ending on the date that all of the Registrable Securities registered under the Shelf Registration Statement cease to be Registrable Securities. During the period that the Shelf Registration Statement is effective, the Company shall supplement or make amendments to the Shelf Registration Statement, if required by the Securities Act or if reasonably requested by the Holders (whether or not required by the form on which the securities are being registered), including to reflect any specific plan of distribution or method of sale, and shall use commercially reasonable efforts to have such supplements and amendments declared effective, if required, as soon as practicable after filing.

Section 3. Black-Out Periods.

Notwithstanding anything herein to the contrary, the Company shall have the right to postpone the filing of a registration statement and the right, exercisable from time to time by delivery of a notice authorized by the Board at such times as the Company in its good faith judgment may reasonably determine is necessary and advisable, to require the Holders not to sell pursuant to a registration statement or similar document under the Securities Act filed pursuant to Section 2 or to suspend the use or effectiveness thereof if at the time of the delivery of such notice (i) it has determined that the use of any registration statement or similar document under the Securities Act filed pursuant to Section 2 would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a significant transaction, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, (ii) 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, or (iii) the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X under the Securities Act or (iv) the Company is not eligible to use Form S-3 for purposes of registering the resale of the Registrable Securities. The Company, as soon as practicable, shall (i) give the Holders prompt written notice in the event that the Company has suspended sales of Registrable Securities pursuant to this Section 3, (ii) give the Holders prompt written notice of the termination of such suspension of sales of the Registrable Securities and (iii) promptly file any amendment or reports necessary for any registration statement or prospectus of the Holders in connection with the completion of such event.

Each Holder agrees by acquisition of the Registrable Securities that upon receipt of any notice from the Company of the happening of any event of the kind described in this Section 3, such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the notice of completion of such event.

Section 4. Registration Procedures.

a. In connection with the filing of any registration statement as provided in this Agreement, the Company shall use commercially reasonable efforts to, as expeditiously as reasonably practicable:

(i) prepare and file with the Commission the requisite registration statement (including a prospectus therein and any supplement thereto) to effect such registration and use commercially reasonable efforts to cause such registration statement to become effective; provided, however, that before filing such registration statement or any amendments or supplements thereto, the Company will furnish copies of all such documents proposed to be filed to counsel for the sellers of Registrable Securities covered by such registration statement and provide reasonable time for such sellers and their counsel to comment upon such documents if so requested by a Holder;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the period in which such registration statement is required to be kept effective;

(iii) furnish to each Holder of the Registrable Securities, without charge, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits other than those which are being incorporated into such registration statement by reference), such number of copies of the prospectus contained in such registration statements (including each complete prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act in conformity with the requirements of the Securities Act, and such other documents, as the Holders may reasonably request;

(iv) register or qualify all Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the Holders and the underwriters of the securities being registered, if any, shall reasonably request, to keep such registration or qualification in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary or advisable to enable the Holders to consummate the disposition in such jurisdiction of the securities owned by the Holders, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign company or to register as a broker or dealer in any jurisdiction where it would not otherwise be required to qualify but for this Section 4(a)(iv), or to consent to general service of process in any such jurisdiction, or to be subject to any material tax obligation in any such jurisdiction where it is not then so subject;

(v) immediately notify the Holders at any time when the Company becomes aware that a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and, at the request of the Holders, promptly prepare and furnish to the Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an 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 in the light of the circumstances under which they were made;

(vi) comply or continue to comply in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission thereunder so as to enable any Holder to sell its Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, as further agreed to in Section 6 hereof;

(vii) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(viii) cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any Securities Act legend; and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(ix) list all Registrable Securities covered by such registration statement on any securities exchange or national quotation system on which any such class of securities is then listed or quoted and cause to be satisfied all requirements and conditions of such securities exchange or national quotation system to the listing or quoting of such securities that are reasonably within the control of the Company including, without limitation, registering the applicable class of Registrable Securities under the Exchange Act, if appropriate, and using commercially reasonable efforts to cause such registration to become effective pursuant to the rules of the Commission;

(x) in connection with any sale, transfer or other disposition by any Holder of any Registrable Securities pursuant to Rule 144 promulgated under the Securities Act, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold and not bearing any Securities Act legend, and enable certificates for such Registrable Securities to be issued for such number of shares and registered in such names as the Holders may reasonably request in writing at least three (3) Business Days prior to any sale of Registrable Securities;

(xi) notify each Holder, promptly after it shall receive notice thereof, of the time when such registration statement, or any post-effective amendments to the registration statement, shall have become effective, or a supplement to any prospectus forming part of such registration statement has been filed;

(xii) notify each Holder of any request by the Commission for the amendment or supplement of such registration statement or prospectus for additional information; and

(xiii) advise each Holder, promptly after it shall receive notice or obtain knowledge thereof, of (A) the issuance of any stop order, injunction or other order or requirement by the Commission suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for such purpose, and use commercially reasonable efforts to prevent the issuance of any stop order, injunction or other order or requirement or to obtain its withdrawal if such stop order, injunction or other order or requirement should be issued, (B) the suspension of the registration of the subject shares of the Registrable Securities in any state jurisdiction and (C) the removal of any such stop order, injunction or other order or requirement or proceeding or the lifting of any such suspension.

b. In connection with the filing of any registration statement covering Registrable Securities and as a condition to Holder's participation in the registration, each Holder shall furnish in writing to the Company such information regarding such Holder (and any of its Affiliates), the Registrable Securities to be sold, the intended method of distribution of such Registrable Securities and such other information requested by the Company as is necessary or advisable for inclusion in the registration statement relating to such offering pursuant to the Securities Act. Such writing shall expressly state that it is being furnished to the Company for use in the preparation of a registration statement, preliminary prospectus, supplementary prospectus, final prospectus or amendment or supplement thereto, as the case may be.

Each Holder agrees by acquisition of the Registrable Securities that (i) upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(a)(v), such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(a)(v); (ii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (A) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii); and (iii) upon receipt of any notice from the Company of the happening of any event of the kind described in clause (B) of Section 4(a)(xiii), such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement in the applicable state jurisdiction(s) until such Holder's receipt of the notice described in clause (C) of Section 4(a)(xiii).

Section 5. Indemnification.

a. Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder, its partners, officers, directors, employees, agents and representatives, and each Person (a "Controlling Person"), if any, who controls such Holder (within the meaning of the Section 15 of the Securities Act or Section 20 of the Exchange Act), against any losses, claims, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the registration statement under which such Registrable Securities were registered and sold under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or arising out of or based upon 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, and the Company will reimburse each Holder for any reasonable legal or any other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, liability, action or proceedings; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Holder specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders or any such controlling Person and shall survive the transfer of such securities by the Holders.

b. Indemnification by the Holders. Each Holder agrees to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 5(a)) the Company, each member of the Board, each officer, employee, agent and representative of the Company and each of their respective Controlling Persons, with respect to any untrue statement or alleged untrue statement of a material fact in or omission or alleged omission to state a material fact from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Holder regarding such Holder giving such indemnification specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such Board member, officer, employee, agent, representative or Controlling Person and shall survive the transfer of such securities by any Holder. The obligation of a Holder to indemnify will be several and not joint among the Holders of Registrable Securities and the liability of each such Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

c. Notices of Claims, etc. Promptly as reasonably practicable after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding paragraphs of this Section 5, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to assume the defense thereof, for itself, if applicable, together with any other indemnified party similarly notified, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to the indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof.

d. Indemnification Payments. To the extent that the indemnifying party does not assume the defense of an action brought against the indemnified party as provided in Section 5(c), the indemnified party (or parties if there is more than one) shall be entitled to the reasonable legal expenses of common counsel for the indemnified party (or parties). In such event, however, the indemnifying party will not be liable for any settlement effected without the written consent of such indemnifying party, which consent shall not be unreasonably withheld. The indemnification required by this Section 5 shall be made by periodic payments of the amount thereof during the course of an investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred. No indemnifying party shall, without the prior written consent of the indemnified party, consent to entry of judgment or effect any settlement of any claim or pending or threatened proceeding in respect of which the indemnified Party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such judgment or settlement includes an unconditional release of such indemnified party from all liability arising out of such claim or proceeding.

e. Contribution. If, for any reason, the foregoing indemnity is unavailable, or is insufficient to hold harmless an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of the expense, loss, damage or liability, (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission) or (ii) if the allocation provided by subclause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in the proportion as is appropriate to reflect not only the relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations.

No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation, and the liability for contribution of each Holder of Registrable Securities will be in proportion to and limited in all events to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

Section 6. Covenants Relating To Rule 144. At such times as the Company becomes obligated to file reports in compliance with either Section 13 or 15(d) of the Exchange Act, 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 (a) Rule 144 under the Securities Act, as such rule may be amended from time to time or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 7. Market Stand-Off Agreement. Each Holder hereby agrees that it shall not, directly or indirectly sell, offer to sell (including without limitation any short sale), pledge, 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 or otherwise dispose of or transfer any Registrable Securities or other Common Stock or any securities convertible into or exchangeable or exercisable for Common Stock then owned by such Holder (other than to permitted transferees of the Holders who agree to be similarly bound) for up to 180 days following the date of an underwriting agreement with respect to an underwritten public offering of the Company's securities; provided, however, that all officers and directors of the Company then holding Common Stock or securities convertible into or exchangeable or exercisable for Common Stock enter into similar agreements for not less than the entire time period required of the Holders hereunder.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Securities and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

Section 8. Miscellaneous.

a. Termination; Survival. The rights of each Holder under this Agreement shall terminate upon the date that all of the Registrable Securities held by such Holder may be sold during any three-month period in a single transaction or series of transactions without volume limitations under Rule 144 (or any successor provision) under the Securities Act. Notwithstanding the foregoing, the obligations of the parties under Section 5 and paragraphs (d), (e) and (g) of this Section 8 shall survive the termination of this Agreement.

b. Expenses. All Registration Expenses incurred in connection with any Shelf Registration under Section 2 shall be borne by the Company, whether or not any registration statement related thereto becomes effective.

c. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to each of the other parties.

d. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

e. Prior Agreement; Construction; Entire Agreement. This Agreement, including the exhibits and other documents referred to herein (which form a part hereof), constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings between the parties, and all such prior agreements and understandings are merged herein and shall not survive the execution and delivery hereof.

f. Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service or by telecopier and shall be deemed given when so delivered by hand or, if mailed, three (3) Business Days after mailing (one Business Day in the case of express mail or overnight courier service), addressed as follows:

If to the Holders: To each address indicated for the Holders in Schedule 1 hereto.

If to the Company: Retail Opportunity Investment Corp.
Address: Renaissance Towne Centre–La Jolla
8905 Towne Center Drive, 108
San Diego, CA 92122
Attn: Chief Financial Officer

g. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may assign its rights or obligations hereunder to any successor to the Company's business or with the prior written consent of Holders of a majority of the then outstanding Registrable Securities. Notwithstanding the foregoing, no assignee of the Company shall have any of the rights granted under this Agreement until such assignee shall acknowledge its rights and obligations hereunder by a signed written agreement pursuant to which such assignee accepts such rights and obligations.

h. Headings. Headings are included solely for convenience of reference and if there is any conflict between headings and the text of this Agreement, the text shall control.

i. Amendments And Waivers. The provisions of this Agreement may be amended or waived at any time only by the written agreement of the Company and the Holders of a majority of the Registrable Securities. Any waiver, permit, consent or approval of any kind or character on the part of any such Holders of any provision or condition of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in writing. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Holder of Registrable Securities and the Company.

j. Interpretation; Absence Of Presumption. For the purposes hereof, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, paragraph or other references are to the Sections, paragraphs, or other references to this Agreement unless otherwise specified, (iii) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified, (iv) the word "or" shall not be exclusive and (v) provisions shall apply, when appropriate, to successive events and transactions.

This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instruments to be drafted.

k. Severability. If any provision of this Agreement shall be or shall be held or deemed by a final order by a competent authority to be invalid, inoperative or unenforceable, such circumstance shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, but this Agreement shall be construed as if such invalid, inoperative or unenforceable provision had never been contained herein so as to give full force and effect to the remaining such terms and provisions.

l. Specific Performance; Other Rights. The parties recognize that various other rights rendered under this Agreement are unique and, accordingly, the parties shall, in addition to such other remedies as may be available to them at law or in equity, have the right to enforce the rights under this Agreement by actions for injunctive relief and specific performance.

m. Further Assurances. In connection with this Agreement, as well as all transactions and covenants contemplated by this Agreement, each party hereto agrees to execute and deliver or cause to be executed and delivered such additional documents and instruments and to perform or cause to be performed such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions and covenants contemplated by this Agreement.

n. No Waiver. The waiver of any breach of any term or condition of this Agreement shall not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

RETAIL OPPORTUNITY INVESTMENTS CORP,
a Maryland corporation

By: _____
Name: _____
Title: _____

HOLDERS:

TCA HOLDINGS, LLC, a Washington
limited liability company

By: ARGUS GROUP, LTD., a Washington corporation, its Manager

By: _____
Name: _____
Title: _____

SHER GP, INC., a Washington corporation

By: _____
Name: _____
Title: _____

ESTATE OF DORIS BLUM

_____
Personal Representative of the Estate of Doris Blum

_____
BLUM FAMILY TRUST

_____
Trustee of the Blum Family Trust

JOSEPH BLUM IRREVOCABLE TRUST

_____
Trustee of the Joseph Blum Irrevocable Trust

_____
Ari Blum

_____
Morgan Blum

_____
Thomas Bomar

TRUST B UNDER THE HARRIS TRUST
U/A DATED 7/22/88

_____
Trustee of Trust B under the Harris Trust u/a dated 7/22/88

RAWSON, BLUM & COMPANY

By: _____
Name: _____
Title: _____

RAWSON LIVING TRUST

_____
Trustee of the Rawson Living Trust

ARGUS GROUP, LTD.

By: _____
Name: _____
Title: _____

EUGENE E. AND KATHLEEN B. CLAHAN REVOCABLE TRUST U/A DATED 11/11/88

_____
Trustee of the Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88

MERRITT AND PAMELA SHER LIVING TRUST

_____
Trustee of the Merritt and Pamela Sher Living Trust

ESTATE OF SYLVIA SHER

_____
Personal Representative of the
Estate of Sylvia Sher

SYDNEY SHER MARITAL TRUST

_____
Trustee of the Sydney Sher Marital Trust

TERRANOMICS INVESTMENT
PARTNERSHIP

By: _____
Name: _____
Title: _____

TERRANOMICS, a California corporation

By: _____
Name: _____
Title: _____

RONALD SHER

_____

Ronald Sher

Schedule 1

THE HOLDERS

List of holders of the OP Units:

Name of the Holder	Number of OP Units Held	Address of the Holder
TCA Holdings, LLC	1,931,813	10500 NE 8th St., Suite 850 Bellevue, WA 98004
Sher GP, INC.,	4,196	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Estate of Doris Blum	7,723	505 Sansome Street, Suite 450 San Francisco, CA 94111
Blum Family Trust	48,010	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Joseph Blum Irrevocable Trust	4,602	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Ari Blum	14,290	68 Madrone Avenue Larkspur, CA 94939
Morgan Blum	14,290	3678 23rd Street San Francisco, CA 94110
Thomas Bomar	24,236	71 Reed Ranch Road Tiburon, CA 94920
Trust B under the Harris Trust u/a dated 7/22/88	4,882	David R. Harris, Trustee 12636 Indio Ct. Saratoga, CA 95070
Rawson, Blum & Company	732	c/o Rawson, Blum & Co. 505 Sansome Street, Suite 450 San Francisco, CA 94111
Rawson Living Trust	79,562	c/o David Rawson 2744 Green Street San Francisco, CA 94123

Argus Group, Ltd.	24,959	c/o Ronald Sher 10500 NE 8th Street, Suite 850 Bellevue, WA 98004
Eugene E. and Kathleen B. Clahan Revocable Trust u/a dated 11/11/88	46,840	c/o Eugene Clahan 16 Meadow Avenue Kentfield, CA 94904
Merritt and Pamela Sher Living Trust	116,552	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Estate of Sylvia Sher	72,808	c/o Ronald Sher 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Sydney Sher Marital Trust	72,808	Ronald Sher, Trustee 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Terranomics Investment Partnership	36,528	c/o Metrovation 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Terranomics	1,478	c/o Sher Partners 10500 NE 8th St., Suite 850 Bellevue, WA 98004
Ronald Sher	133,323	10500 NE 8th St., Suite 850 Bellevue, WA 98004