AMREIT
Form DEFM14A
October 19, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement.
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
x Definitive Proxy Statement.
o Definitive Additional Materials.
o Soliciting Material Pursuant to § 240.14a-12.

AmREIT

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

This joint proxy statement/prospectus and the enclosed proxy cards are being first sent to shareholders of AmREIT and REITPlus, Inc., or REITPlus, on or about October 19, 2009 in connection with the solicitation of proxies by (i) the Board of Trustees of AmREIT, to be voted at the special meeting of AmREIT shareholders to be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 9:30 a.m., Central Standard Time, and at any adjournment for the purposes set forth in the accompanying AmREIT Notice of Special Meeting of Shareholders and in this joint proxy statement/prospectus, and (ii) the Board of Directors of REITPlus, to be voted at the special meeting of REITPlus shareholders to be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 11:00 a.m., Central Standard Time, and at any adjournment for the purposes set forth in the accompanying REITPlus Notice of Special Meeting of Shareholders and in this joint proxy statement/prospectus.

REITPlus and AmREIT have entered into an Amended and Restated Agreement and Plan of Merger dated as of July 10, 2009, or the merger agreement, pursuant to which AmREIT would merge with and into REITPlus, with REITPlus being the surviving corporation in the merger. It is anticipated that the name of the surviving corporation will be changed to AmREIT, Inc. at the time of the merger, and the combined company will operate under the AmREIT name. Subject to the satisfaction of conditions set forth in the merger agreement, including requisite approvals by the shareholders of REITPlus and AmREIT, upon consummation of the merger contemplated by the merger agreement, which we refer to as the merger:

Each share of common stock of REITPlus, par value $0.01 per share, will remain outstanding;

Each common share of beneficial interest in AmREIT, par value $0.01 per share, of whatever class or series, will be cancelled;

Each Class A common share of beneficial interest in AmREIT, par value $0.01 per share, will be converted into 1.0 share of REITPlus common stock;

Each Class C common share of beneficial interest in AmREIT, par value $0.01 per share, will be converted into 1.16 shares of REITPlus common stock; and

Each Class D common share of beneficial interest in AmREIT, par value $0.01 per share, will be converted into 1.11 shares of REITPlus common stock.

If the merger is consummated, 22,161,213 shares of REITPlus common stock will be issued to AmREIT shareholders.

REITPlus and AmREIT cannot complete the proposed merger unless the shareholders of both REITPlus and AmREIT approve the merger. Proxies, in the accompanying forms, which are properly executed, duly returned to REITPlus or AmREIT, as applicable, and not revoked, will be voted in accordance with the instructions contained therein and, in the absence of specific instructions, will be voted **FOR** the merger of AmREIT with and into REITPlus pursuant to the merger agreement and **FOR** the approval of any adjournment or postponement of

the special meeting, if necessary. Each proxy granted may be revoked at any time before its exercise. After careful consideration, the Board of Trustees of AmREIT and the Board of Directors of REITPlus have each determined in its business judgment that the merger is advisable and in the best interests of such entity and its shareholders, has approved the merger agreement and recommends that its shareholders vote **FOR** the merger and **FOR** the approval of the adjournment or postponement of the special meeting, if necessary .

Under the Maryland REIT Law and the Declaration of Trust of AmREIT, or the Declaration of Trust, the merger must be approved by the affirmative vote of holders of a majority of the common shares of beneficial interest of AmREIT entitled to vote on the merger. Pursuant to the Declaration of Trust, holders of Class A, Class C and Class D shares of beneficial interest in AmREIT will vote on the merger together as a single class. Under the Maryland General Corporation Law and the Articles of Amendment and Restatement of REITPlus, or the REITPlus Charter, the merger must be approved by the affirmative vote of holders of a majority of the shares of REITPlus common stock entitled to vote on the merger.

Holders of record of AmREIT common shares of beneficial interest at the close of business on October 8, 2009, which we refer to as the Record Date, are entitled to notice of, and to vote at, the AmREIT special meeting or any adjournment thereof. As of the Record Date, 20,385,141 shares of AmREIT common shares were issued and outstanding, consisting of 5,279,084 Class A shares, 4,139,802 Class C shares and 10,966,255 Class D shares. Holders of record of REITPlus common stock at the close of business on the Record Date are entitled to vote at the REITPlus special meeting or any adjournment thereof. As of the Record Date, 752,307 shares of REITPlus common stock were issued and outstanding and entitled to vote at the REITPlus special meeting.

We urge you to read this joint proxy statement/prospectus carefully, including Risk Factors beginning on page 24 of this joint proxy statement/prospectus for a discussion of the risks related to the merger.

We strongly support the merger of REITPlus and AmREIT and join our respective boards in recommending that the shareholders of REITPlus and AmREIT vote **FOR** the merger and **FOR** the approval of any adjournment or postponement of the applicable special meeting, if necessary, at the REITPlus special meeting and the AmREIT special meeting, respectively.

REITPlus, Inc.	AmREIT
H. Kerr Taylor	H. Kerr Taylor
President, Chairman of the Board and Chief Executive Officer	President, Chairman of the Board and Chief Executive Officer

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

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

This joint proxy statement/prospectus is dated October 19, 2009 and is first being mailed to REITPlus shareholders and AmREIT shareholders on or about October 19, 2009.

TABLE OF CONTENTS

REITPlus, Inc.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 24, 2009

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of REITPlus, Inc., a Maryland corporation, will be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 11:00 a.m., Central Standard Time, to consider and act upon the following:

(1) The approval of the Amended and Restated Agreement and Plan of Merger, dated as of July 10, 2009, by and among REITPlus, REITPlus Advisor, Inc. and AmREIT, a copy of which is attached as Annex D to the accompanying joint proxy statement/prospectus, and the transactions contemplated thereby, including the merger of AmREIT with and into REITPlus; and

(2) The adjournment or postponement of the special meeting, if necessary, to permit the further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposal.

Shareholders of record at the close of business on October 8, 2009 are entitled to receive notice of, and to vote at, the meeting, or at any adjournment or postponement thereof.

All shareholders are cordially invited to attend the meeting. If you are a shareholder of record, you may vote using any one of the following methods:

BY MAIL: Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares in favor of both proposals.

BY PHONE: Call 1-866-540-5754 and use any touch-tone telephone to transmit your voting instruction up until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you call and then follow the instructions as prompted.

BY INTERNET: Go to www.proxyvoting.com/rtpi and use the Internet to transmit your voting instructions until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you access the Web site and then follow the instructions.

BY ATTENDING THE SPECIAL MEETING IN PERSON: The special meeting will be held at 11:00 a.m., Central Standard Time, on November 24, 2009, at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046.

If you are a shareholder of record, you may revoke your proxy at any time before it is exercised by:

Giving written notice of revocation to our Secretary, Chad C. Braun, at REITPlus, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046;

Timely delivering a properly executed, later-dated proxy;

Authorizing a proxy via the telephone or the internet at a later date; or

Voting in person at the special meeting.

Voting by proxy will in no way limit your right to vote at the special meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy in order to vote your shares at the special meeting**. If you submit a validly executed proxy and no direction is given, your shares will be voted in favor of the merger and any adjournment or postponement, if neccessary, of the special meeting**. Under Maryland law and our charter and bylaws, no business other than procedural matters relating to the special meeting or the business described above may properly be raised at the special meeting. The persons authorized under the proxies will vote upon any such procedural matter in their discretion to the same extent as the person delivering the proxy would be entitled to vote.

Very truly yours,
REITPLUS, Inc.
By:

Chad C. Braun
Secretary

Houston, TX
October 19, 2009

IMPORTANT: The prompt return of proxies will ensure that the shareholders votes will be cast. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed within the United States.

AmREIT
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 24, 2009

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of AmREIT, a Maryland real estate investment trust, will be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 9:30 a.m., Central Standard Time, to consider and act upon the following:

(1) The approval of the Amended and Restated Agreement and Plan of Merger, dated as of July 10, 2009, by and among REITPlus, REITPlus Advisor, Inc. and AmREIT, a copy of which is attached as Annex D to the accompanying joint proxy statement/prospectus, and the transactions contemplated thereby, including the merger of AmREIT with and into REITPlus; and

(2) The adjournment or postponement of the special meeting, if necessary, to permit the further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposal.

Shareholders of record at the close of business on October 8, 2009 are entitled to receive notice of, and to vote at, the meeting, or at any adjournment or postponement thereof.

All shareholders are cordially invited to attend the meeting. If you are a shareholder of record, you may vote using any one of the following methods:

BY MAIL: Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares in favor of both proposals.

BY PHONE: Call 1-866-540-5755 and use any touch-tone telephone to transmit your voting instruction up until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you call and then follow the instructions as prompted.

BY INTERNET: Go to www.proxyvoting.com/amreit and use the Internet to transmit your voting instructions until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you access the Web site and then follow the instructions.

BY ATTENDING THE SPECIAL MEETING IN PERSON: The special meeting will be held at 9:30 a.m., Central Standard Time, on November 24, 2009, at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046.

If you are a shareholder of record, you may revoke your proxy at any time before it is exercised by:

Giving written notice of revocation to our Corporate Secretary, Chad C. Braun, at AmREIT, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046;

Timely delivering a properly executed, later-dated proxy;

Authorizing a proxy via the telephone or the internet at a later date; or

Voting in person at the special meeting.

Voting by proxy will in no way limit your right to vote at the special meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy in order to vote your shares at the special meeting. **If you submit a validly executed proxy and no direction is given, your shares will be voted in favor of the merger and any adjournment or postponement, if necessary, of the special meeting**. Under Maryland law and the AmREIT Declaration of Trust and Bylaws, no business other than procedural matters relating to the special meeting or the business described above may properly be raised at the special meeting. The persons authorized under the proxies will vote upon any such procedural matter in their discretion to the same extent as the person delivering the proxy would be entitled to vote.

Very truly yours,
AmREIT
By:
Chad C. Braun
Secretary

Houston, TX
October 19, 2009

IMPORTANT: The prompt return of proxies will ensure that the shareholders votes will be cast. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed within the United States.

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

About the Merger

Q: Why am I receiving this joint proxy statement/prospectus?

A: The Board of Trustees of AmREIT, or the AmREIT Board, including all of the independent trustees, and the Board of Directors of REITPlus, or the REITPlus Board, including all of the independent directors, have each approved an Amended and Restated Agreement and Plan of Merger, which we refer to as the merger agreement, by and among AmREIT, REITPlus and REITPlus s advisor, REITPlus Advisor, Inc., dated as of July 10, 2009. The merger agreement provides for the merger of AmREIT with and into REITPlus, which we refer to as the merger, with REITPlus being the surviving corporation in the merger. See Comparison of Shareholder Rights.

Shares of REITPlus Common Stock to be issued in the merger have been authorized by REITPlus and will be issued pursuant to an effective registration statement, of which this joint proxy statement/prospectus is a part, on Form S-4 filed with the Securities and Exchange Commission, which we refer to as the SEC.

This joint proxy statement/prospectus is being furnished to the shareholders of record of each of REITPlus and AmREIT as of October 8, 2009, or the Record Date, for the purpose of voting on the following proposals:

(1) To approve the merger agreement and the transactions contemplated thereby; and

(2) To approve the adjournment or postponement of the respective special meeting, if necessary, to permit the further solicitation of proxies.

This joint proxy statement/prospectus contains important information about the proposed merger and the special meetings, and you should read it carefully.

Q: Why has the merger been proposed?

A: The AmREIT Board and the REITPlus Board have each determined in its respective business judgment that the merger is advisable and in the best interests of the respective entity and its shareholders. Both companies believe that the combined company will achieve administrative cost savings that will benefit all shareholders. In addition, both the REITPlus Board and the AmREIT Board believe that the merger will simplify the capital structure of AmREIT, facilitating the raising of additional equity capital to fund future growth and generating interest about the combined company in the investment community. Both companies further believe that the merger will eliminate conflicts of interest between AmREIT and REITPlus and will better enable the combined company to pay a stable dividend. For a description of factors considered by the AmREIT Board and the REITPlus Board, please see Proposal No. 1: The Merger Reasons for and Consequences of the Merger below.

Q: What are the important dates in considering, voting on and consummating the merger?

A: The following is a table of important actions to be taken and expected completion dates for your consideration in evaluating the merger transaction and deciding how to vote on the proposals submitted:

	Action	Party Executing Action	Expected Completion Date
1.	Mailing of joint proxy statement/prospectus	AmREIT and REITPlus	October 19, 2009
2.	AmREIT shareholders receive regular monthly dividend for October 2009	AmREIT and REITPlus	October 30, 2009
3.	Consent to merger by Wells Fargo Bank, AmREIT s credit facility lender	Wells Fargo Bank	November 15, 2009
4.	Consent to merger by JPMorgan, REITPlus s joint venture partner in Shadow Creek Ranch	JPMorgan	November 15, 2009
5.	AmREIT Special Meeting	AmREIT	November 24, 2009
6.	REITPlus Special Meeting	REITPlus	November 24, 2009
7.	Closing of transaction, with delivery of officers certificates, legality and tax opinions	REITPlus, AmREIT and Bass, Berry & Sims PLC	November 25, 2009
8.	Articles of Merger filed and merger effective	REITPlus and AmREIT	November 25, 2009

	Action	Party Executing Action	Expected Completion Date
9.	REITPlus Holdings, LLC, owner of Special Units in REITPlus Operating Partnership, LP, tenders Special Units to REITPlus Operating Partnership, LP for no consideration, and Special Units are cancelled	REITPlus Holdings, LLC	November 25, 2009
10.	Advisory Agreement between REITPlus Advisor, Inc. and REITPlus, Inc. and Management Agreement between AmREIT	REITPlus Advisor, Inc., AmREIT Realty Investment	November 25, 2009

Realty Investment Corporation and REITPlus, Inc. are cancelled by mutual agreement	Corporation and REITPlus	
11. Amendment of Articles of Incorporation of REITPlus and Certificate of Limited Partnership of REITPlus Operating Partnership, LP to change names to AmREIT, Inc. and AmREIT Operating Partnership, LP, respectively	Combined Company	November 25, 2009
12. Combined company deposits with transfer agent cash in lieu of fractional shares and share certificates (if any) deliverable as merger consideration	Combined Company	November 25, 2009
13. Delivery of merger consideration to former AmREIT shareholders	Transfer Agent	After November 30, 2009
14. Payment of November 2009 dividend	AmREIT, Inc. (Combined Company)	November 30, 2009

Q: What is the historical relationship between REITPlus and AmREIT?

A: REITPlus was formed by AmREIT in April 2007 to raise capital and use such capital to acquire a portfolio of retail and mixed-use properties, including a combination of stabilized, income-producing properties and value-added opportunities. REITPlus was organized as an externally managed Maryland corporation governed by the Maryland General Corporation Law, or MGCL, that intended to elect to be taxed as a REIT. REITPlus has no employees and is externally managed by REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT, pursuant to an advisory agreement that provides for a 1% annual advisory fee, a deferred incentive fee upon termination of the advisory agreement equal to 15% of net value created over a 7% annual return, and transaction based fees upon the acquisition of properties. The officers of AmREIT actively manage the business of REITPlus on a day-to-day basis. AmREIT owns 100 shares of REITPlus common stock. The remaining common shares of REITPlus are held by shareholders who purchased shares in REITPlus s best efforts public offering, which was conducted from November 2007 through September 2008. Upon formation of REITPlus, AmREIT invested approximately $1 million in exchange for 100,000 units of limited partnership interest in REITPlus Operating Partnership, LP, which we refer to as REITPlus OP, representing a 16.45% interest in REITPlus OP. In addition, REITPlus Holdings, LLC, an entity owned 67.5% by AmREIT and 32.5% by AmREIT s management, acquired for $1,000 special units of partnership interest in REITPlus OP, which special units entitle the holder to 15% of any excess net proceeds from the sale or liquidation of the REITPlus properties over contributed capital plus a 7% cumulative return. The following diagrams set forth REITPlus s corporate structure prior to and following the proposed merger:

Prior to Merger

After Merger

Q: Are there any conflicts of interest related to the merger?

A: REITPlus and its shareholders, on the one hand, may have interests in the merger that may be different from or in addition to the interests of AmREIT and its shareholders, on the other hand, including the following:

- Upon consummation of the merger, the advisory agreement between REITPlus and REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT, will be terminated; upon such termination, REITPlus and its shareholders will save, and AmREIT and its shareholders will forgo, approximately $160,000 per year in advisory, management and other fees, as well as the right to earn a deferred performance fee of up to 15% of any net value created in REITPlus in excess of contributed capital plus a 7% cumulative annual return.

- Upon consummation of the merger, the special units of partnership interest in REITPlus Operating Partnership, LP owned by AmREIT and AmREIT management will be cancelled, and AmREIT will forgo the right to earn 67.5% of an amount equal to 15% of any excess net proceeds from the sale of liquidation of REITPlus s properties over contributed capital plus a 7% cumulative annual return.

- The AmREIT management team, through a limited liability company of which they own all membership interests, owns 32.5% of the special units of partnership interest in REITPlus Operating Partnership, LP. The special units will be cancelled upon consummation of the merger, and the AmREIT management team will forgo the right to earn 32.5% of the excess proceeds described in the preceding bullet.

- REITPlus reimburses AmREIT for the services of its personnel, including those who serve as REITPlus s officers. Examples of reimbursable personnel costs include legal services (such as negotiating leases and tenant collection issues), preparation of sales materials for use in REITPlus s best efforts initial public offering, accounting and financial reporting services, and investor services. These reimbursements will terminate upon consummation of the merger.

- The chief executive officer and chief financial officer, respectively, of AmREIT also hold the identical offices for REITPlus. In making executive officer level decisions for REITPlus, each of these executive officers could be influenced by reason of their executive positions with AmREIT to act in a manner that in the short-term or longer-term could be of greater benefit to AmREIT than to REITPlus. For example, the AmREIT chief executive officer could direct AmREIT leasing personnel, who are also responsible for leasing REITPlus properties, to devote all their efforts to AMREIT property leasing to the exclusion of REITPlus property leasing or could direct AmREIT finance personnel to focus on financing AmREIT s operations and properties to the exclusion of financing REITPlus.

Q: What will AmREIT shareholders receive in the merger?

A: In the merger, each common share of beneficial interest in AmREIT, par value $0.01 per share, or AmREIT Common Stock, other than shares held by REITPlus, will be converted into the right to receive whole shares of common stock of REITPlus, par value $0.01 per share, or REITPlus Common Stock. Each Class A common share of beneficial interest in AmREIT, par value $0.01 per share, which we refer to as Class A Stock, will be converted into 1.0 share of REITPlus Common Stock, which conversion ratio we refer to as the Class A Exchange Ratio. Each Class C common share of beneficial interest in AmREIT, par value $0.01 per share, which we refer to as Class C Stock, will be converted into 1.16 shares of REITPlus Common Stock, which conversion ratio we refer to as the Class C Exchange Ratio. Each Class D common share of beneficial interest in AmREIT, par value $0.01 per share, which we refer to as Class D Stock, will be converted into 1.11 shares of REITPlus Common Stock, which conversion ratio we refer to as the Class D Exchange Ratio. No fractional shares of REITPlus Common Stock will be issued in the merger, and all fractional shares will be settled in cash. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, REITPlus will forward payments to such holders of fractional interests. The combined company will not immediately list its common stock on a national securities exchange after consummation of the merger, and it is unlikely that any person will make a market in the REITPlus Common Stock immediately after the merger or that an active market for the REITPlus Common Stock will develop in the near future, if at all.

Q: What will holders of REITPlus Common Stock receive in the merger?

A: Holders of REITPlus Common Stock will receive no additional shares or other consideration in connection with the merger. Each outstanding share of REITPlus Common Stock will remain outstanding and continue to represent one share of REITPlus Common Stock after the consummation of the merger.

Q: Will REITPlus shareholders be diluted as a result of the merger?

A: REITPlus shareholders, who before the merger own 100% of the outstanding REITPlus Common Stock, will own only approximately 3.3% of the REITPlus Common Stock immediately after the merger; consequently, the voting power of REITPlus shareholders will be diluted by approximately 96.7% by reason of the merger, and the holders of REITPlus Common Stock prior to the merger will have little voting power in the combined company.

Q: Will AmREIT shareholders continue to receive distributions prior to the merger?

A: After the merger, REITPlus will continue to operate as a real estate investment trust, or REIT, and, as such, expects to pay regular dividends on the REITPlus Common Stock in order to meet the requirements in the Internal Revenue Code of 1986, as amended, or the Code, for continued qualification as a REIT. No monthly dividends or other distributions will be paid on outstanding shares of AmREIT Common Stock during the month in which the merger is consummated, but the REITPlus Board intends to authorize a dividend payable on shares of REITPlus Common Stock on the last day of the month in which the merger is consummated. It is anticipated that the rate of such dividend will be the same as the then-current monthly dividend rate with respect to the Class A Stock, currently $0.041667 per share of Class A Stock. The timing and amount of any future dividend and/or distribution on the REITPlus Common Stock after consummation of the merger will be subject to the approval of the REITPlus Board. Until the merger is consummated, or in the event the merger is not consummated, in which case AmREIT may decrease the amount of, or suspend, its regular monthly dividend, AmREIT expects to continue paying a dividend with respect to each class of

AmREIT Common Stock, subject to the approval of the AmREIT Board.

Q: What will happen to AmREIT if the merger is not completed?

A: If, under certain specified circumstances, either REITPlus or AmREIT determines that it is no longer advisable to complete the merger, they may terminate the merger agreement and the merger will not be completed. In such event, or if the merger is not completed for another reason, AmREIT shareholders will remain holders of AmREIT Common Stock entitled to the rights and benefits under the AmREIT Declaration of Trust, the Maryland REIT Law and the MGCL. No termination fees are payable by either party if the merger agreement is terminated.

Q: Do AmREIT shareholders have objecting shareholder rights in connection with the merger?

A: AmREIT currently is a Maryland real estate investment trust governed by the Maryland REIT Law and, with respect to mergers and the rights of objecting shareholders, the MGCL. The AmREIT Declaration of Trust provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of AmREIT Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless AmREIT s Common Stock is owned of record by less than 2,000 holders. As of the close of business on the record date for AmREIT s special meeting, AmREIT s Common Stock was owned of record by more than 5,000 holders. Therefore, AmREIT shareholders will have no right to object to the merger and receive fair value for their shares of AmREIT Common Stock.

Q: Do REITPlus shareholders have objecting shareholder rights in connection with the merger?

A: REITPlus currently is a Maryland corporation governed by the MGCL. The REITPlus Charter provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of REITPlus Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless the REITPlus Board determines that such rights apply. The REITPlus Board has not made such determination, and, therefore, REITPlus shareholders will have no right to object to the merger and receive fair value for their shares of REITPlusCommon Stock.

Q: What are the tax consequences to me of the proposed mergers?

A: REITPlus and AmREIT intend that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Code. If the merger so qualifies, then for U.S. federal income tax purposes, holders of AmREIT Common Stock will not recognize any gain or loss upon the exchange of their shares of AmREIT Common Stock for REITPlus Common Stock in the merger (except with respect to cash received instead of a fractional share of REITPlus Common Stock). Your tax consequences will depend on your personal situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

Q: Who will constitute the Board of Directors of the combined company?

A: It is anticipated that all of the current independent directors/trustees of AmREIT and REITPlus, as well as H. Kerr Taylor, who is currently the chief executive officer of both companies, will constitute a seven-member Board of Directors of the combined company.

Q: What will be the name of the combined company?

A: It is anticipated that the name of the surviving corporation will be changed to AmREIT, Inc. at the time of the merger, and the combined company will operate under the AmREIT name.

Q: What business will the combined company conduct after the merger?

A: After the merger, the combined company will continue to own and operate commercial properties in high-traffic, highly populated areas, referred to as Irreplaceable Corners .

About the Special Meetings

Q: Where and when are the special meetings?

A: The REITPlus special meeting will take place at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046 on Tuesday, November 24, 2009, at 11:00 a.m. Central Standard Time.

The AmREIT special meeting will take place at 8 Greenway Plaza, Suite 100, Houston, Texas 77046 on Tuesday, November 24, 2009, at 9:30 a.m. Central Standard Time

Q: Who is entitled to vote?

A: Holders of record of REITPlus Common Stock at the close of business on the Record Date are entitled to vote at the REITPlus special meeting. Each share held of record on the Record Date of REITPlus Common Stock entitles the holder to cast one vote. As of the Record Date, there were 752,307 shares of REITPlus Common Stock outstanding and entitled to vote at the REITPlus special meeting.

Holders of record of AmREIT Common Stock at the close of business on the Record Date are entitled to vote as a single class at the AmREIT special meeting. Each share of AmREIT Common Stock shall be entitled to one vote. As of the Record Date, there were 20,385,141 shares of AmREIT Common Stock outstanding and entitled to vote at the AmREIT special meeting.

Q: How do I cast my vote?

A: If you are a holder of record of REITPlus Common Stock or AmREIT Common Stock, you may vote in the following manner:

BY MAIL: Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. The named proxies will vote your shares according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares **FOR** the merger and **FOR** the adjournment or postponement of the special meeting, if necessary.

BY PHONE: For AmREIT shareholders call 1-866-540-5755. For REITPlus shareholders call 1-866-540-5754. Use any touch-tone telephone to transmit your voting instruction up until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you call and then follow the instructions as prompted.

BY INTERNET: For AmREIT shareholders, go to www.proxyvoting.com/amreit and use the Internet to transmit your voting instructions until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you access the Web site and then follow the instructions. For REITPlus shareholders, go to www.proxyvoting.com/rtpi and use the Internet to transmit your voting instructions until 12:00 Noon Central Standard Time on November 23, 2009. Have your proxy card in hand when you access the Web site and then follow the instructions.

BY ATTENDING THE SPECIAL MEETINGS IN PERSON: The REITPlus special meeting will be held at 11:00 a.m., Central Standard Time on November 24, 2009, at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046. The AmREIT special meeting will be held at 9:30 a.m., Central Standard Time on November 24, 2009, at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046.

Q: What vote is required and how will the votes be counted?

A: The presence, in person or by proxy, of the holders of 50% of the shares of REITPlus Common Stock and a majority of the shares of AmREIT Common Stock, respectively, entitled to vote at the special meeting of each of REITPlus and AmREIT, respectively, is necessary to constitute a quorum. However, if a quorum is not present at either the REITPlus special meeting or the AmREIT special meeting, the chairman of the respective special meeting may adjourn the special meeting from time to time.

Under Maryland law and the applicable governing documents of REITPlus and AmREIT, the approval of the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of REITPlus Common Stock entitled to vote at the REITPlus special meeting, and a majority of the outstanding shares of AmREIT Common Stock entitled to vote at the AmREIT special meeting, voting together as a single class.

Shareholders may be asked to vote on a proposal to adjourn or postpone either the REITPlus or AmREIT special meeting, if there are not sufficient votes at the time of either special meeting to approve the merger. The affirmative vote of a majority of the votes cast by the holders of REITPlus Common Stock or AmREIT Common Stock, respectively, voting in person or by proxy at the REITPlus special meeting or the AmREIT special meeting, respectively, is required to approve the adjournment or postponement of either special meeting, if necessary, to permit further solicitation of proxies. Under the governing documents of both REITPlus and AmREIT, a special meeting may be adjourned to a date not more than 120 days after the record date for the special meeting.

Votes cast in person or by proxy will be counted by two persons appointed by the REITPlus Board and the chair of the AmREIT special meeting to act as inspectors for each special meeting.

Q: Can AmREIT shareholders change their votes after they have granted their proxies?

A: Yes. AmREIT shareholders of record may revoke their proxies and change their votes at any time before their proxies are voted at the AmREIT special meeting. To revoke their proxies, they must: (i) so advise the AmREIT Corporate Secretary, Chad C. Braun, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046 in writing before their shares of AmREIT Common Stock have been voted by the proxy holders at the meeting; (ii) execute and deliver a subsequently dated proxy; (iii) authorize a proxy via the telephone or the internet at a later date; or (iv) attend the meeting and vote their AmREIT Common Stock in person.

Q: Can REITPlus shareholders change their votes after they have granted their proxies?

A: Yes. REITPlus shareholders may revoke their proxies and change their votes at any time before their proxies are voted at the REITPlus special meeting. To revoke their proxies, they must: (i) so advise the REITPlus Secretary, Chad C. Braun, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046 in writing before their shares of REITPlus Common Stock have been voted by the proxy holders at the meeting; (ii) execute and deliver a subsequently dated proxy; (iii) authorize a proxy via the telephone or the internet at a later date; or (iv) attend the meeting and vote their REITPlus Common Stock in person.

Q: What happens if I hold shares of AmREIT Common Stock and I do not indicate how I want to vote, do not vote or abstain from voting on the merger?

A: If you sign and send in your proxy but do not indicate how you want to vote on the merger, your shares of AmREIT Common Stock represented by your proxy will be voted in favor of the merger at the AmREIT special meeting and any adjournment or postponement, if necessary, of the special meeting. If you do not submit your proxy and do not attend the AmREIT special meeting, or you otherwise abstain from voting, your failure to vote your AmREIT Common Stock will have the same effect as a vote against the merger and no effect on any adjournment or postponement of the special meeting.

Broker non-votes will also count as votes against the merger. A broker non-vote occurs when a nominee, such as a broker or bank, holding shares for a beneficial owner does not have discretionary voting authority with respect to a proposal and has not received instructions with respect to that proposal from the beneficial owner. Brokers that have not received voting instructions from their clients cannot vote on their clients behalf on non-routine proposals. The merger proposal is a non-routine proposal. If your shares are held by a bank or broker, you should follow the instructions provided by the bank or broker to ensure your shares are voted. Broker non-votes will have no effect on the proposal for the adjournment or postponement, if necessary, of the special meeting.

Q: What happens if I hold REITPlus Common Stock and I do not indicate how I want to vote, do not vote or abstain from voting on the merger?

A: If you sign and send in your proxy but do not indicate how you want to vote on the merger, your shares of REITPlus Common Stock represented by your proxy will be voted in favor of the merger at the REITPlus special meeting and any adjournment or postponement, if necessary, of the special meeting. If you do not submit your proxy and do not attend the REITPlus special meeting, or you otherwise abstain from voting, your failure to vote your REITPlus Common Stock will have the same effect as a vote against the merger and no effect on any adjournment or postponement of the special meeting.

Broker non-votes will also count as votes against the merger. A broker non-vote occurs when a nominee, such as a broker or bank, holding shares for a beneficial owner does not have discretionary voting authority with respect to a proposal and has not received instructions with respect to that proposal from the beneficial owner. Brokers that have not received voting instructions from their clients cannot vote on their clients behalf on non-routine proposals. The merger proposal is a non-routine proposal. If your shares are held by a bank or broker, you should follow the instructions provided by the bank or broker to ensure your shares are voted. Broker non-votes will have no effect on the proposal for the adjournment or postponement, if necessary, of the special meeting.

Q: Will anyone contact me regarding this vote?

A: In addition to the solicitation of proxies by use of the mails, AmREIT, REITPlus and officers and regular employees of AmREIT and REITPlus may solicit proxies by telephone, facsimile, e-mail, or personal interviews without additional compensation. The companies reserve the right to engage solicitors and pay compensation to them for the solicitation of proxies.

Q: Who has paid for this proxy solicitation?

A: AmREIT will bear the cost of preparing, printing, assembling and mailing the proxy cards, the joint proxy statement/prospectus and other materials that may be sent to shareholders in connection with this solicitation.

How to Get More Information

Q: Who can answer my questions?

A: If you have questions about the merger or want additional copies of this joint proxy statement/prospectus or additional proxy cards, you should contact: Investor Relations, AmREIT, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, telephone (713) 850-1400 or Investor Relations, REITPlus, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, telephone (713) 850-1400. The toll free number for both AmREIT and REITPlus Investor Relations is (800) 888-4400.

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that may be important to you. You should carefully read this entire joint proxy statement/prospectus for a more complete understanding of the matters being considered at the special meetings. In addition, we incorporate important business and financial information about AmREIT and REITPlus set forth in Annexes A, B and C attached to this joint proxy statement/prospectus. Please note that REITPlus has supplied all information contained in this joint proxy statement/prospectus relating to REITPlus, and AmREIT has supplied all information contained in this joint proxy statement/prospectus relating to AmREIT.

Special Meetings

This joint proxy statement/prospectus is being furnished to the shareholders of record of each of REITPlus and AmREIT as of the Record Date for the purpose of voting on the following proposals:

(1) To approve the merger agreement and the transactions contemplated thereby; and

(2) The adjournment or postponement of the special meeting, if necessary, to permit the further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the above proposal.

The REITPlus special meeting will take place at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 11:00 a.m. Central Standard Time. The AmREIT special meeting will take place at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 9:30 a.m. Central Standard Time.

Parties to the Merger

REITPlus is a corporation organized under the MGCL that has elected to be taxed as a REIT for federal income tax purposes. REITPlus is externally managed by REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT. Following the merger, the combined company will be internally managed by the current management team of AmREIT. The primary business activity of REITPlus is the acquisition, ownership and management of retail and mixed-use properties, including high-quality, multi-tenant shopping centers and mixed-use properties throughout the United States. The principal executive offices of REITPlus are located at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, and the telephone number is (713) 850-1400. Until November 2008, REITPlus was required to file periodic reports and other information with the SEC. In November 2008, REITPlus de-registered its Common Stock with the SEC, as those shares were held of record by less than 300 individuals, and discontinued filing reports with the SEC.

AmREIT is a Maryland real estate investment trust organized under the Maryland REIT Law that has elected to be taxed as a REIT for federal income tax purposes. AmREIT is internally managed, and its management team currently manages REITPlus through REITPlus Advisor, Inc., the external advisor of REITPlus. AmREIT owns commercial properties in high-traffic, highly-populated areas, which it refers to as Irreplaceable Corners™ and leases those properties primarily to investment grade corporate tenants. AmREIT s principal executive offices are located at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, and its telephone number is (713) 850-1400. AmREIT currently files periodic reports and other information with the SEC.

REITPlus was formed by AmREIT in April 2007 to raise capital and use such capital to acquire a portfolio of retail and mixed-use properties, including a combination of stabilized, income-producing properties and value-added opportunities. REITPlus was organized as an externally managed Maryland corporation governed by the Maryland General Corporation Law, or MGCL, that intended to elect to be taxed as a REIT. REITPlus has no employees and is externally managed by REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT, pursuant to

an advisory agreement that provides for a 1% annual advisory fee, a deferred incentive fee upon termination of the advisory agreement equal to 15% of net value created over a 7% annual return, and transaction based fees upon the acquisition of properties. The officers of AmREIT actively manage the business of REITPlus on a day-to-day basis. AmREIT owns 100 shares of REITPlus common stock. The remaining common shares of REITPlus are held by shareholders who purchased shares in REITPlus s best efforts public offering, which was conducted from November 2007 through September 2008. Upon formation of REITPlus, AmREIT invested approximately $1 million in exchange for 100,000 units of limited partnership interest in REITPlus Operating Partnership, LP, which we refer to as REITPlus OP, representing a 16.45% interest in REITPlus OP. In addition, REITPlus Holdings, LLC, an entity owned 67.5% by AmREIT and 32.5% by AmREIT s management, acquired for $1,000 special units of partnership interest in REITPlus OP, which special units entitle the holder to 15% of any excess net proceeds from the sale or liquidation of the REITPlus properties over contributed capital plus a 7% cumulative return. Upon consummation of the merger, the special units of partnership interest will be cancelled and the advisory agreement between REITPlus and REITPlus Advisor, Inc. will be terminated, in both cases with no payment to AmREIT or its officers or affiliates. See page 6 of this joint proxy statement/prospectus for a diagram of the relationship between REITPlus and AmREIT before the merger and the corporate structure of the combined company after the merger.

Copies of reports filed with the SEC by REITPlus or AmREIT may be obtained at the SEC s Public Reference Room at 100 F. Street, NE, Washington, D.C. 20549, on official business days during the hours of 10:00 a.m. to 3:00 p.m. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy statements and other information regarding registrants.

Merger

The merger agreement provides for the merger of AmREIT with and into REITPlus, with REITPlus being the surviving corporation in the merger. It is anticipated that the name of the surviving corporation will be changed to AmREIT, Inc. at the time of the merger, and the combined company will operate under the AmREIT name.

Approval Requirement

The presence, in person or by proxy, of the holders of 50% of the shares of REITPlus Common Stock and a majority of the shares of AmREIT Common Stock entitled to vote at the special meeting of each of REITPlus and AmREIT, respectively, is necessary to constitute a quorum. However, if a quorum is not present at either the REITPlus special meeting or the AmREIT special meeting or if there are not sufficient votes to approve the proposal, the chairman of the respective special meeting may adjourn the special meeting from time to time.

Under Maryland law, the REITPlus Charter and the AmREIT Declaration of Trust, the approval of the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of a majority of the outstanding shares of REITPlus Common Stock entitled to vote at the REITPlus special meeting, and a majority of the outstanding shares of AmREIT Common Stock entitled to vote at the AmREIT special meeting, voting together as a single class. Shareholders may be asked to vote on a proposal to adjourn or postpone either the REITPlus or AmREIT special meeting, if there are not sufficient votes at the time of either special meeting to approve the merger. The affirmative vote of a majority of the votes cast by the holders of REITPlus Common Stock or AmREIT Common Stock, respectively, voting in person or by proxy at the REITPlus special meeting or the AmREIT special meeting, respectively, is required to approve the adjournment or postponement of either special meeting, if necessary, to permit further solicitation of proxies. Under the governing documents of both REITPlus and AmREIT, a special meeting may be adjourned to a date not more than 120 days after the record date for the special meeting.

As reflected in the tables below under Security Ownership of Certain Beneficial Owners and Management, as of August 15, 2009, the trustees and executive officers of AmREIT, as a group, beneficially owned 7.06% of outstanding AmREIT Common Stock and REITPlus directors and executive officers, as a group, owned less than 1% of outstanding REITPlus Common Stock. In addition, REITPlus owns approximately 89,641 shares of AmREIT Common Stock, representing less than 1% of AmREIT Common Stock outstanding, which it intends to vote in favor of the merger and in favor of the adjournment or postponement of the AmREIT Special Meeting, if necessary. The AmREIT trustees and executive officers and the REITPlus directors intend to vote all voting shares they own in favor of the merger and in favor of any adjournment or postponement of the AmREIT special meeting, if applicable.

Record Date

The REITPlus Board has set the close of business on October 8, 2009 as the Record Date for REITPlus shareholders who are entitled to notice of and/or to vote on of the action to be taken at the REITPlus special meeting.

The AmREIT Board has set the close of business on October 8, 2009 as the Record Date for AmREIT shareholders who are entitled to notice of and/or to vote on of the action to be taken at the REITPlus special meeting.

Merger Consideration

In the merger, each share of AmREIT Common Stock, other than shares held by REITPlus, will be converted into the right to receive whole shares of REITPlus Common Stock. Each share of Class A Stock will be converted into the right to receive 1.0 share of REITPlus Common Stock. Each share of Class C Stock will be converted into the right to receive 1.16 shares of REITPlus Common Stock. Each share of Class D Stock will be converted into the right to receive 1.11 shares of REITPlus Common Stock. No fractional shares of REITPlus Common Stock will be issued in the merger, and all fractional shares will be settled in cash. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, REITPlus will forward payments to such holders of fractional interests.

Distributions

After the merger, REITPlus will continue to operate as a REIT and, as such, expects to pay regular dividends in respect of the REITPlus Common Stock in order to meet the requirements in the Code for continued qualification as a REIT. No monthly dividends or other distributions will be paid with respect to outstanding shares of AmREIT Common Stock during the month in which the merger is consummated, but the REITPlus Board intends to authorize a dividend payable on the last day of the month in which the merger is consummated to holders of REITPlus Common Stock immediately after consummation of the merger. It is anticipated that the rate of such dividend will be the same as the then-current monthly dividend rate with respect to Class A Stock of AmREIT, currently $0.041667 per share. Based on the Class C Exchange Ratio of 1.16 to 1.0, this translates to an equivalent monthly dividend rate of $0.048 per share, or approximately $0.01 per month, or $0.12 per year, less than the dividend rate on the Class C Stock. Based on the Class D Exchange Ratio of 1.11 to 1.0, this translates to an equivalent monthly dividend rate of $0.04625 per share, or approximately $0.008 per month, or $0.096 per year, less than the dividend rate on the Class D Stock. The timing and amount of any future dividends and/or distributions on the REITPlus Common Stock after consummation of the merger will be subject to the approval of the REITPlus Board. Until the merger is consummated, or in the event the merger is not consummated, in which case AmREIT may decrease the amount of, or suspend, its regular monthly dividend, AmREIT expects to continue paying such dividend with respect to each class of AmREIT Common Stock, subject to the approval of the AmREIT Board.

Conflicts of Interest

REITPlus and its shareholders, on the one hand, may have interests in the merger that may be different from or in addition to the interests of AmREIT and its shareholders, on the other hand, including the following:

- Upon consummation of the merger, the advisory agreement between REITPlus and REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT, will be terminated; upon such termination, REITPlus and its shareholders will save, and AmREIT and its shareholders will forgo, approximately $160,000 per year in advisory, management and other fees, as well as the right to earn a deferred performance fee of up to 15% of any net value created in REITPlus in excess of contributed capital plus a 7% cumulative annual return.

- Upon consummation of the merger, the special units of partnership interest in REITPlus Operating Partnership, LP owned by AmREIT and AmREIT management will be cancelled, and AmREIT will forgo the right to earn 67.5% of an amount equal to 15% of any excess net proceeds from the sale of liquidation of REITPlus s properties over contributed capital plus a 7% cumulative annual return.

- The AmREIT management team, through a limited liability company of which they own all membership interests, owns 32.5% of the special units of partnership interest in REITPlus Operating Partnership, LP. The special units will be cancelled upon consummation of the merger, and the AmREIT management team will forgo the right to earn 32.5% of the excess proceeds described in the preceding bullet.

- REITPlus reimburses AmREIT for the services of its personnel, including those who serve as REITPlus s officers. Examples of reimbursable personnel costs include legal services (such as negotiating leases and tenant collection issues), preparation of sales materials for use in REITPlus s best efforts initial public offering, accounting and financial reporting services, and investor services. These reimbursements will terminate upon consummation of the merger.

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The chief executive officer and chief financial officer, respectively, of AmREIT also hold the identical offices for REITPlus. In making executive officer level decisions for REITPlus, each of these executive officers could be influenced by reason of their executive positions with AmREIT to act in a manner that in the short-term or longer-term could be of greater benefit to AmREIT than to REITPlus. For example, the AmREIT chief executive officer could direct AmREIT leasing personnel, who are also responsible for leasing REITPlus properties, to devote all their efforts to AMREIT property leasing to the exclusion of REITPlus property leasing or could direct AmREIT finance personnel to focus on financing AmREIT s operations and properties to the exclusion of financing REITPlus.

Material Tax Consequences of the Merger

The merger is intended to qualify as a reorganization within the provisions of Section 368(a) of the Code. If the merger so qualifies, then for U.S. federal income tax purposes, holders of AmREIT Common Stock who receive REITPlus Common Stock in exchange for their AmREIT Common Stock in the merger are not expected to recognize any gain or loss, except with respect to cash received instead of a fractional share of REITPlus Common Stock. See United States Federal Income Tax Considerations, below. **Your tax consequences will depend on your personal situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.**

Recommendations of the AmREIT Board and the REITPlus Board

The AmREIT Board (including all of the independent trustees) and the REITPlus Board (including all of the independent directors) have approved the merger and the related transactions pursuant to the merger agreement. The AmREIT Board has determined that the merger is advisable and in the best interests of AmREIT and its shareholders. The REITPlus Board has determined that the merger is advisable and in the best interests of REITPlus and its shareholders.

The AmREIT Board recommends that shareholders of AmREIT vote FOR the approval of the merger agreement, the merger and the related transactions and FOR the approval of the adjournment or postponement of the AmREIT special meeting, if necessary, to permit the further solicitation of proxies. The REITPlus Board recommends that shareholders of REITPlus vote FOR the approval of the merger agreement, the merger and the related transactions and FOR the approval of the adjournment or postponement of the REITPlus special meeting, if necessary, to permit the further solicitation of proxies.

Summary Risk Factors

The consummation of the merger, as well as an investment in shares of REITPlus Common Stock and the combined company involve significant risks, including the following:

The values of the Class A Stock and the REITPlus Common Stock, which values are an important factor in determining the Class A Exchange Ratio, the Class C Exchange Ratio and the Class D Exchange Ratio, are estimates by the AmREIT Board and the REITPlus Board, respectively, and were based on the appraised value of the real estate and the delivery of a fairness opinion by

KeyBanc Capital Markets, not on an active trading market. Accordingly, there can be no assurance that the exchange ratios accurately represent the relative values of the various classes of AmREIT Common Stock and the REITPlus Common Stock or appropriately allocate the merger consideration among the various classes of AmREIT Common Stock.

AmREIT shareholders have no rights to demand cash payment for their shares of AmREIT Common Stock in connection with the merger and objecting AmREIT shareholders will be required to accept REITPlus Common Stock if the merger is consummated. Therefore, AmREIT shareholders will have no right to receive fair value in cash for their shares of AmREIT Common Stock and will generally have no means of disposing of such stock.

The combined company s common stock will not have a trading market and will have some limited restrictions on transferability which may prevent the combined company s shareholders from selling or transferring their REITPlus Common Stock.

REITPlus and AmREIT expect to incur significant costs and expenses in connection with the merger which could result in the combined company not realizing some or all of the anticipated benefits of the merger.

There may be unexpected delays in the consummation of the merger which would delay AmREIT shareholders receipt of the merger consideration and could impact AmREIT s ability to timely achieve cost savings associated with the merger.

REITPlus has interests in the merger that may be different from, or in addition to, the interests of other AmREIT shareholders generally which may cause REITPlus and its shareholders to realize financial benefits at the expense of AmREIT and its shareholders.

Failure to complete the merger could negatively impact REITPlus s and/or AmREIT s business, financial condition, operating results and cash flows, including the ability to service debt and to make distributions.

After the merger is completed, AmREIT shareholders will be governed by the REITPlus Charter and AmREIT shareholders will have different rights that may be less advantageous than their current rights.

The combined company may be unable to effectuate the contemplated growth strategy which may curtail further property acquisitions or reduce cash available for distributions to shareholders.

The interest of the combined company s shareholders could be diluted, which may adversely impact the ownership position and other interests of the combined company s shareholders.

The combined company may own properties in joint ventures with unrelated third parties, which properties could be adversely affected by the combined company s lack of sole decision-making authority, its reliance on its joint venture partner s financial condition and disputes between the combined company and its joint venture partner.

The combined company may not be able to obtain capital to make investments which could adversely affect its growth, its ability to make capital expenditures and its ability to make distributions to shareholders.

AmREIT is subject to conflicts of interest arising out of its relationships with its merchant development funds, and there can be no assurances that AmREIT shareholder interests and investment objectives will take priority.

Tenant, geographic or retail product concentrations in AmREIT s real estate portfolio could make the combined company vulnerable to negative economic and other trends.

Covenants in AmREIT s debt instruments could adversely affect the combined company s financial condition and its acquisitions and development activities.

Security Ownership of Certain Beneficial Owners and Management

AmREIT

The following table sets forth certain information regarding the beneficial ownership of the AmREIT Common Stock as of August 15, 2009 by (1) each person known by AmREIT to own beneficially more than 5% of its outstanding common shares, (2) all current AmREIT trustees, (3) each current AmREIT executive officer, and (4) all current AmREIT trustees and executive officers as a group. The number of shares of AmREIT Common Stock beneficially owned by each entity, person, trustee or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership

includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has a right to acquire as of October 14, 2009 (60 days after August 15, 2009) through the exercise of any share option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his spouse) with respect to the shares set forth in the following table.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Voting Common Stock
H. Kerr Taylor President, Chairman of the Board & Chief Executive Officer	1,355,999[1][2]	6.65%
Chad C. Braun Secretary, CFO and Executive VP	95,979[1]	*
Robert S. Cartwright Trustee	41,791[1]	*
Philip Taggart Trustee	26,374[1]	*
H.L. Hank Rush, Jr. Trustee	18,400[1]	*
All trustees and executive officers as a group	1,538,543	7.55%

* Less than 1%

(1) Management and the trustees of AmREIT only have beneficial ownership of Class A Stock. However, because all classes of AmREIT Common Stock will vote as a single class on the merger, their percent of voting common stock is a calculation of their ownership of the shares of Class A Stock divided by the total AmREIT Common Stock outstanding.

(2) Includes 89,641 shares of Class A Stock owned by REITPlus over which Mr. Taylor exercises voting power in his capacity as chief executive officer of REITPlus. The REITPlus Board has directed Mr. Taylor to vote these shares FOR the merger and any adjournment or postponement of the special meeting, if necessary.

REITPlus

The following table sets forth certain information regarding the beneficial ownership of the REITPlus Common Stock as of August 15, 2009 by (1) each person known by REITPlus to own beneficially more than 5% of the outstanding REITPlus Common Stock, (2) all current REITPlus directors, (3) each current REITPlus executive officer, and (4) all current REITPlus directors and executive officers as a group. The number of shares beneficially owned by each entity, person, director or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power and also any shares that the individual has a right to acquire as of October 14, 2009 (60 days after August 15, 2009) through the exercise of any stock option or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his spouse) with respect to the shares set forth in the following table.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Voting REITPlus Common Stock
H. Kerr Taylor President, Chairman of the Board and Chief Executive Officer		%
Chad C. Braun Executive Vice President and Chief Financial Officer		
Brent M. Longnecker - Director	2,000	*
Scot J. Luther Director	2,000	*
Mack D. Pridgen III Director	2,000	*
All directors and executive officers as a group	6,000	*%

* Less than 1%

Combined Company

The following table sets forth information with respect to the beneficial ownership of the common stock of the combined company by the directors and officers of the combined company following the merger.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Voting Common Stock of Combined Company
H. Kerr Taylor President, Chairman of the Board and Chief Executive Officer	1,355,999	5.89%
Chad C. Braun Executive Vice President and Chief Financial Officer	95,979	*
Robert S. Cartwright - Director	41,791	*
Brent M. Longnecker - Director	2,000	*
Scot J. Luther Director	2,000	*
Mack D. Pridgen III Director	2,000	*
H.L. Hank Rush, Jr. - Director	18,400	*
Philip Taggart - Director	26,374	*
All directors and executive officers as a group	1,544,543	6.71%

Less than 1%

Federal and State Regulatory Requirements

Other than the Form S-4 of which this joint proxy statement/prospectus forms a part becoming effective, our filing notice documentation with certain states and obtaining any necessary approvals under state securities or blue sky laws of such states, the consent of AmREIT s credit facility lender, the consent of REITPlus s joint venture partner and the filing of articles of merger by REITPlus and AmREIT with the State Department of Assessments and Taxation of the State of Maryland, or the SDAT, we are unaware of any other material federal, state or foreign regulatory requirements or other consent or approval that may be required to consummate the merger.

REITPlus has filed documentation with certain states that require only notification of the merger. Additionally, contingent upon the approval of the merger by the shareholders of REITPlus and AmREIT, the Texas State Securities Board has represented that it will recommend no action to require the registration of REITPlus Common Stock with the state of Texas. REITPlus is not required to register REITPlus Common Stock in the remaining states pursuant to applicable exemptions from registration relating to the issuance of common stock in connection with a merger.

The Merger Agreement

The merger agreement is included in this joint proxy statement/prospectus as Annex D. We encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger.

What We Need to Do to Complete the Merger (See page 60 of the merger agreement)

REITPlus and AmREIT will complete the merger only if the conditions in the merger agreement are satisfied or, in some cases, waived. These conditions include:

- the approval of the merger by the shareholders of REITPlus and AmREIT at their respective special meetings pursuant to which this joint proxy statement/prospectus is being circulated;
- the receipt of all material approvals, authorizations and consents required to consummate the merger, including the consents of the lender under AmREIT s unsecured credit facility and REITPlus s unaffiliated joint venture partner in AmREIT Shadow Creek Acquisition, LLC (which conditions can be waived by REITPlus and AmREIT, respectively);
- the absence of preliminary or permanent injunctions issued by any court or other governmental authority that would render the merger illegal or would otherwise prohibit its consummation;

the registration statement of which this joint proxy statement/prospectus is a part will have been declared effective by the SEC and no stop order suspending its effectiveness will have been issued by the SEC;

each of the representations and warranties of REITPlus and AmREIT contained in the merger agreement will be true and correct in all material respects as of the Closing Date (as defined in the merger agreement); and

REITPlus and AmREIT will have performed or complied with all agreements and covenants required by the merger agreement.

If either party fails to obtain a required consent under any agreement and the other party waives the condition of obtaining such consent then consummation of the merger could result in a default under the applicable agreement requiring such consent.

REITPlus Is Prohibited from Soliciting Other Offers (See page 46 of the merger agreement)

Under the terms of the merger agreement, REITPlus is prohibited from soliciting any proposal for the acquisition of greater than 10% of the equity or consolidated assets of REITPlus. The merger agreement contains standard exceptions to this prohibition for instances of (i) responding to a tender or exchange offer, (ii) responding to an acquisition offer that is superior to the proposed value derived from the merger or (iii) complying with the fiduciary obligations of the REITPlus Board.

Termination of the Merger Agreement (See page 61 of the merger agreement)

The merger agreement may be terminated at any time before the date of the closing of the merger if:

the REITPlus Board and the AmREIT Board mutually consent in writing;

any governmental authority permanently restrains, enjoins or otherwise prohibits the transactions contemplated by the merger;

any federal or state legal requirement that makes the consummation of the merger illegal is in effect or is enacted or adopted since the date of the merger agreement;

the shareholders of either REITPlus or AmREIT fail to approve the merger at their respective special meetings;

AmREIT accepts an offer to acquire its capital stock or consolidated assets that would result in the realization of greater value for AmREIT shareholders than would the merger, including over a longer time period than that contemplated by the merger;

REITPlus or AmREIT breaches a material representation, warranty, covenant or agreement without curing such a breach within the acceptable time or before the outside closing date for the merger;

the closing of the merger does not occur before the outside date set forth in the merger agreement; or

the REITPlus Board withdraws, modifies or changes in any manner adverse to AmREIT its approval or recommendation of the merger, or recommends or approves another merger transaction.

No termination fees are payable if the merger agreement is terminated by either party.

Continuing Indemnification of AmREIT Officers and Trustees (see page 52 of the merger agreement)

Under the terms of the merger agreement, all rights to indemnification, advancement of expenses, and exculpation and release that currently exist in favor of the officers and trustees of AmREIT under applicable law or as provided by AmREIT s governing documents with respect to matters occurring at or prior to the date of the merger will continue in full force and effect for at least six years following the date of the merger. The surviving corporation has agreed under the merger agreement to honor those rights to indemnification, advancement of expenses, and exculpation and release to the fullest extent of the law. Furthermore, REITPlus has agreed that the AmREIT officers and trustees will have the benefit of their current trustees and officers liability insurance. The current REITPlus directors and officers have comparable indemnification rights and director and officer liability insurance. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling REITPlus, REITPlus has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is unenforceable.

Other Information

Rights of Objecting Shareholders under the MGCL and the Merger Agreement.

AmREIT currently is a Maryland real estate investment trust governed by the Maryland REIT Law and, with respect to mergers and the rights of objecting shareholders, the MGCL. The AmREIT Declaration of Trust provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of AmREIT Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless AmREIT s Common Stock is owned of record by less than 2,000 holders. As of the close of business on the Record Date for AmREIT s special meeting, AmREIT s Common Stock was owned of record by more than 5,000 holders. Therefore, AmREIT shareholders will have no right to object to the merger and receive fair value for their shares of AmREIT Common Stock.

REITPlus currently is a Maryland corporation governed by the MGCL. The REITPlus Charter provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of REITPlus Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless the REITPlus Board determines that such rights apply. The REITPlus Board has not made such determination, and, therefore, REITPlus shareholders shall have no right to object to the merger and receive fair value for their shares of REITPlus Common Stock.

Accounting Treatment

The merger has the legal form of a statutory merger under the MGCL, but it will be treated as an asset acquisition for financial reporting purposes. This means that AmREIT will be deemed to have purchased all of the net assets of REITPlus in exchange for shares of AmREIT Common Stock. For purposes of accounting for the asset acquisition, we have determined that the fair value of AmREIT Common Stock is equal to $9.50 per share. AmREIT s management and the AmREIT Board and the REITPlus Board believe that the aggregate fair value of AmREIT Common Stock deemed to be delivered to REITPlus shareholders in exchange for the net assets of REITPlus, which is approximately $7.1 million of AmREIT Common Stock deemed given in the transaction (determined by multiplying 752,307 shares of REITPlus Common Stock outstanding by $9.50 per share of AmREIT Common Stock), reflects the fair value of the net assets of REITPlus deemed acquired by AmREIT in the merger. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page A-2 of this joint proxy statement/prospectus.

Differences in Rights of REITPlus Shareholders and AmREIT Shareholders

The rights of AmREIT shareholders are currently governed by the Maryland REIT Law and AmREIT s Declaration of Trust and Bylaws. The rights of REITPlus shareholders are currently governed by the MGCL and the REITPlus Charter and Bylaws. Following the merger, the rights of former AmREIT shareholders who receive REITPlus Common Stock will be governed by the MGCL and the REITPlus Charter and Bylaws. For a comparison of shareholder rights under the REITPlus Charter and the AmREIT Declaration of Trust, see Comparison of Shareholder Rights.

AMREIT COMMON STOCK

Class A Stock - As of August 15, 2009, there were approximately 512 holders of record of 5,279,084 outstanding shares of Class A Stock. On December 1, 2008 the AmREIT Board approved the privatization of AmREIT through the voluntary withdrawal of its shares of Class A Stock from listing on the NYSE Alternext Exchange (NYX, formerly the American Stock Exchange). On December 19, 2008, trading on the NYX ceased and all AmREIT share classes became unlisted. Since the voluntary withdrawal of the listing on the NYX on December 19, 2008, shares of Class A Stock have been exchanged sporadically in The Pink Sheets, which is an electronic market where quotations to purchase and sell securities may be entered by registered broker-dealers. Upon voluntarily delisting on the NYX in December, the AmREIT Board intended that no trading market exist for the company s shares of Class A Stock, and trading in The Pink Sheets market, which began on December 22, 2008, was not requested by AmREIT or the AmREIT Board and has been increasingly limited and sporadic, with volume during the month of May 2009 (through May 21, 2009) being an average of less than 1,000 shares per day. The AmREIT Board has determined in its business judgment that the prices at which the Class A Stock has been exchanged in the Pink Sheets are not indicative of the fair market value of the Class A Stock.

Class C Stock - As of August 15, 2009, there were approximately 1,203 holders of record of 4,139,802 outstanding shares of Class C Stock. The Class C Stock is not listed on an exchange and there is currently no available trading market for the Class C Stock. Each share of Class C Stock has the same general voting rights as each share of Class A Stock and is entitled to vote as a separate class on any sale of all or substantially all of AmREIT s assets, AmREIT s liquidation or any amendment, alteration or repeal of AmREIT s Declaration of Trust or Bylaws that materially and adversely affects the voting powers, rights or preferences of the holders of Class C Stock. The shares of Class C Stock were issued at $10.00 per share. Holders of shares of Class C Stock are entitled to a fixed 7.0% non-cumulative preferred annual dividend, payable in monthly installments, when, as and if declared by the AmREIT Board. The AmREIT Declaration of Trust requires prior or contemporaneous payment of monthly dividends with respect to shares of Class C Stock before a monthly dividend can be paid with respect to shares of Class A Stock and

Class D Stock. Shares of Class C Stock are convertible into shares of Class A Stock after a 7-year lock out period (which ends in August 2010 with respect to the earliest issued shares of Class C Stock) at a conversion price equal to 110% of invested capital (or $11.00 per share), at the holder s option. After three years and beginning in August 2006, subject to the issuance date of the respective shares, AmREIT has the right to redeem, in whole or in part, shares of Class C Stock for a cash redemption price of $11.00 per share, or at the holder s option, one share of Class A Stock.

Class D Stock - As of August 15, 2009, there were approximately 3,312 holders of record of 10,993,010 outstanding shares of Class D Stock. The Class D Stock is not listed on an exchange and there is currently no available trading market for the Class D Stock. Each share of Class D Stock has the same general voting rights as each share of Class C Stock. The shares of Class D Stock were issued at $10.00 per share, and dividends on Class D Stock reinvested pursuant to the Class D Dividend Reinvestment Plan were reinvested in Class D Stock at $9.50 per share. Holders of shares of Class D Stock are entitled to a fixed 6.5% non-cumulative annual dividend on the $10.00 per share original issuance price, paid in monthly installments, when, as and if declared by the AmREIT Board, subject to prior or contemporaneous payment of monthly dividends then payable with respect to shares of Class C Common Stock. The AmREIT Declaration of Trust does not require prior or contemporaneous payment of monthly dividends with respect to shares of Class D Stock before monthly dividends can be paid with respect to shares of Class A Stock. Consequently, holders of Class A Stock and Class C Stock could receive payments of monthly dividends in certain months when no dividends are paid with respect to the Class D Stock. After a 7-year lock out period (which ends in July 2011 with respect to the earliest issued shares of Class D Stock), shares of Class D Stock that were purchased are convertible at the holder s option into shares of Class A Stock at a conversion price equal to the $10.00 per share issuance price plus a 7.7% premium on original capital. Shares of Class D Stock issued pursuant to the Class D Dividend Reinvestment Plan are convertible into shares of Class A Stock at the same time as Class D Stock that was purchased, on a one-for-one basis with no conversion premium. After one year and beginning in July 2005, subject to the issuance date of the respective shares, AmREIT has the right to redeem, in whole or in part, shares of Class D Stock at a cash price of $10.00 per share plus the accreted portion of the conversion premium.

REITPLUS COMMON STOCK

As of August 15, 2009, there were 257 holders of record of 752,307 outstanding shares of REITPlus Common Stock. There is no established public trading market for shares of REITPlus Common Stock.

COMPARATIVE PER SHARE DATA

The following table presents, for the periods indicated, selected historical per share data for REITPlus Common Stock and AmREIT Common Stock. You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of REITPlus and AmREIT, which are attached hereto as Annexes B and C.

	Six Months Ended June 30, 2009 Unaudited	Year Ended December 31, 2008
REITPlus-Historical		
Income (loss) from continuing operations per common share - basic and diluted	$(0.55)	$1.02
Book value per share at period end	$7.08	$7.78
AmREIT-Historical		
Income (loss) from continuing operations per common share - basic and diluted	$(0.57)	$(1.42)
Book value per share at period end	$6.18	$6.30
Unaudited Pro Forma Combined		
Income from continuing operations per common share - basic and diluted	$0.07	$0.04
Book value per share at period end	$5.86	
Cash dividends declared per share	$0.1250	$0.50

Dividend Information

The REITPlus Common Stock and the AmREIT Common Stock are not traded on any national securities exchange. The following table shows the cash dividends paid per share of REITPlus Common Stock and the distributions paid per share of AmREIT Common Stock. REITPlus dividends represent a return of capital and AmREIT distributions represent both a return of and return on capital. There is no trading market for the REITPlus Common Stock or AmREIT Common Stock.

	REITPlus Common Stock	AmREIT Class A Stock	AmREIT Class C Stock	AmREIT Class D Stock
	Dividends	Distributions	Distributions	Distributions
2007				
First Quarter	$	$ 0.1242	$ 0.1750	$ 0.1625
Second Quarter	$	$ 0.1242	$ 0.1750	$ 0.1625
Third Quarter	$	$ 0.1242	$ 0.1750	$ 0.1625
Fourth Quarter	$	$ 0.1242	$ 0.1750	$ 0.1625
2008				
First Quarter	$	$ 0.1242	$ 0.1750	$ 0.1625
Second Quarter	$ 0.0500	$ 0.1242	$ 0.1750	$ 0.1625
Third Quarter	$ 0.1089	$ 0.1242	$ 0.1750	$ 0.1625
Fourth Quarter	$ 0.1250	$ 0.1242	$ 0.1750	$ 0.1625

	REITPlus Common Stock	AmREIT Class A Stock	AmREIT Class C Stock	AmREIT Class D Stock
	Dividends	Distributions	Distributions	Distributions
2009				
First Quarter	$ 0.0750	$ 0.1242	$ 0.1750	$ 0.1625
Second Quarter	$ 0.0750	$ 0.1242	$ 0.1750	$ 0.1625

As of September 2009, REITPlus suspended its monthly dividend due to insufficient operating cash flow.

Dividend Policy

The REITPlus Board determines the time and amount of dividends to holders of REITPlus Common Stock. Future dividends with respect to the REITPlus Common Stock will be authorized at the discretion of the REITPlus Board and will depend on REITPlus s actual cash flow, its financial condition, its capital requirements, the annual distribution requirements under the REIT provisions of the Code, and such other factors as the REITPlus Board may deem relevant.

After the merger, REITPlus will continue to operate as a REIT and, as such, expects to pay regular dividends in respect of the REITPlus Common Stock in order to meet the requirements in the Code for continued qualification as a REIT. No monthly dividends or other distributions will be paid with respect to outstanding shares of AmREIT Common Stock during the month in which the merger is consummated, but the REITPlus Board intends to authorize a dividend payable on the last day of the month in which the merger is consummated to holders of REITPlus Common Stock immediately after consummation of the merger. It is anticipated that the rate of such dividend will be the same as the then-current monthly dividend rate with respect to the AmREIT Class A Stock, currently $0.041667 per share. The current dividend rate with respect to the Class A Stock, adjusted as appropriate to take into account the Class C Exchange Ratio and the Class D Exchange Ratio, is less than the current dividend rate with respect to the Class C Stock and the Class D Stock. The following table reflects the dividend rates that were in effect for the year ended December 31, 2008 and the six months ended June 30, 2009 for REITPlus and all classes of AmREIT Common Stock compared to the current dividend rate for the Class A Stock, adjusted as appropriate for the applicable exchange ratio:

Dividend Pre-Merger	REITPlus	Class A Stock	Class C Stock	Class D Stock
Per month	$ 0.0250	$ 0.041667	$ 0.058333	$ 0.054167

Per year	$ 0.30	$ 0.50	$ 0.70	$ 0.65

As Converted Based on Exchange Ratio

Exchange Ratio	**1.0 to 1.0**	**1.0 to 1.0**	**1.16 to 1.0**	**1.11 to 1.0**
Per month	$ 0.041667	$ 0.041667	$ 0.048333	$ 0.045833
Per year for the year ended December 31, 2008	$ 0.50	$ 0.50	$ 0.58	$ 0.55
Per quarter as of June 30, 2009	$ 0.125	$ 0.125	$ 0.1450	$ 0.1375
Annual difference per 1,000 shares	$ 200.00	$	$ (120.00)	$ (100.00)

RISK FACTORS

The merger involves certain risks and other adverse factors. You are urged to read this joint proxy statement/prospectus carefully in its entirety, including all annexes and supplements hereto and including the matters addressed in Warning About Forward-Looking Statements, and should carefully consider the following risk factors in evaluating the merger.

Risks Relating to the Merger

The values of the Class A Stock and the REITPlus Common Stock, which values are an important factor in determining the Class A Exchange Ratio, the Class C Exchange Ratio and the Class D Exchange Ratio, are estimates by the AmREIT Board and the REITPlus Board, respectively, and are not based on an active trading market. Accordingly, there can be no assurance that the exchange ratios accurately represent the relative values of the various classes of AmREIT Common Stock and the REITPlus Common Stock or appropriately allocate the merger consideration among the various classes of AmREIT Common Stock.

The AmREIT Board, after considering independent appraisals of AmREIT s real estate properties by CB Richard Ellis, or CBRE, a full-service real estate firm, and Valuation Associates, a nationally-recognized real estate appraisal firm specializing in the appraisal of restaurant properties, input and analyses from management and a fairness opinion received from KeyBanc Capital Markets, has determined that the current fair market value of the Class A Stock is $9.50 per share. The REITPlus Board, after considering an independent appraisal of REITPlus s single real estate property by CBRE, with input from AmREIT management, has estimated the current fair market value of the REITPlus Common Stock to be $9.50 per share. Based on these respective estimates, the parties have agreed that the Class A Exchange Ratio will be 1.0 share of REITPlus Common Stock for each share of Class A Stock. These estimates are not based on quoted prices in an established trading market and may not accurately reflect what an independent buyer under no compulsion to purchase would pay for either the Class A Stock or the REITPlus Common Stock.

The conversion price of Class C Stock as set forth in the Declaration of Trust is equal to $11.00 per share, which is referred to as the Class C Conversion Price. The conversion price of Class D Stock as set forth in the Declaration of Trust is equal to the original $10.00 issuance price of the Class D Stock, increased by a premium of 1.1% per year outstanding (with a maximum increase of 7.7%), such increased price being referred to as the Class D Conversion Price. The conversion ratio of Class C Stock or Class D Stock, as the case may be, into Class A Stock is determined under the Declaration of Trust by dividing the applicable conversion price by the fair market value of the Class A Stock. Accordingly, in determining the Class C Exchange Ratio and the Class D Exchange Ratio, the AmREIT Board has used the following methodology: (1) the Class C Conversion Price of $11.00 per share has been divided by an estimated fair market value of $9.50 per share of Class A Stock to derive a conversion ratio of Class C Stock into Class A Stock of 1.16, which, when multiplied by the Class A Exchange Ratio of 1.0, yields a Class C Exchange Ratio of 1.16 shares of REITPlus Common Stock for each share of Class C Stock; and (2) the Class D Conversion Price of $10.55 per share (equal to $10.00 per share increased by 1.1% per year for the five years since the date of issue of the earliest-issued share of Class D Stock) has been divided by an estimated fair market value of $9.50 per share of Class A Stock to derive a conversion ratio of Class D Stock into Class A Stock of 1.11, which when multiplied by the Class A Exchange Ratio of 1.0 yields a Class D Exchange Ratio of 1.11 shares of REITPlus Common Stock per share of Class D Stock. Because the fair market value of the Class A Stock and the REITPlus Common Stock are estimates that are not based on published quotations in any established trading market, there can be no assurance that the Class A Exchange Ratio, the Class C Exchange Ratio or the Class D Exchange Ratio accurately represent the relative values of the various classes of AmREIT Common Stock and the REITPlus Common Stock or appropriately allocate the merger consideration among the various classes of AmREIT Common Stock.

AmREIT shareholders have no rights to demand cash payment for their shares of AmREIT Common Stock in connection with the merger and objecting AmREIT shareholders will be required to accept REITPlus Common Stock if the merger is consummated. Therefore,

AmREIT shareholders will have no right to receive fair value in cash for their shares of AmREIT Common Stock and will generally have no means of disposing of such stock.

AmREIT currently is a Maryland real estate investment trust governed by the Maryland REIT Law and, with respect to mergers and the rights of objecting shareholders, the MGCL. The AmREIT Declaration of Trust provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of AmREIT Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless AmREIT s Common Stock is owned of record by less than 2,000 holders. As of the close of business on the record date for the AmREIT special meeting, AmREIT s Common Stock was owned of record by more than 5,000 holders. Therefore, AmREIT shareholders will have no right to object to the merger and receive fair value for their shares of AmREIT Common Stock. This provision is consistent with the rights of objecting shareholders under Texas law, AmREIT s previous jurisdiction. Consequently, if the merger is consummated, objecting AmREIT shareholders will be required to accept REITPlus Common Stock and will generally have no means of disposing of such stock, as no market for REITPlus Common Stock is expected to exist immediately after consummation of the merger, and there can be no assurance that such market will exist in the future.

REITPlus and AmREIT expect to incur significant costs and expenses in connection with the merger which could result in the combined company not realizing some or all of the anticipated benefits of the merger.

REITPlus and AmREIT are expected to incur one-time, pre-tax closing costs of approximately $1.3 million in connection with the merger. These costs include regulatory filing fees, investment banking expenses, appraisal fees, legal and accounting fees, printing expenses and other related charges incurred and expected to be incurred by REITPlus and AmREIT. Completion of the merger could trigger a mandatory prepayment (including a penalty in some cases) of AmREIT debt unless appropriate lender consents or waivers are received. Although AmREIT does not believe that it has any such debt outstanding, if those consents and waivers cannot be obtained prior to completion of the merger, the existing AmREIT debt might be accelerated and need to be prepaid. There can be no assurance that the costs incurred by REITPlus and AmREIT in connection with the merger will not be higher than expected or that the combined company will not incur additional unanticipated costs and expenses in connection with the merger.

There may be unexpected delays in the consummation of the merger which would delay AmREIT shareholders receipt of the merger consideration and could impact AmREIT s ability to timely achieve cost savings associated with the merger.

The merger is expected to close during September 2009. However, certain events may delay the consummation of the merger. If these events were to occur, the receipt of shares of REITPlus Common Stock by holders of AmREIT Common Stock would be delayed. Some of the events that could delay the consummation of the merger include difficulties in obtaining shareholder approval of the merger or the satisfaction of any closing conditions to which the merger is subject. If the merger were to not close in a timely manner as expected, the realization by the surviving company of the anticipated cost savings associated with the merger may be delayed, thereby prolonging the duplicative cost burden on AmREIT and its shareholders.

REITPlus has interests in the merger that may be different from, or in addition to, the interests of other AmREIT shareholders generally which may cause REITPlus and its shareholders to realize additional financial benefits at the expense of AmREIT and its shareholders.

REITPlus may have interests in the merger that may be different from, or in addition to, the interests of other AmREIT shareholders generally. Specifically, upon consummation of the merger, AmREIT will forgo, and REITPlus will save, management and other fees that REITPlus is obligated to pay AmREIT pursuant to various agreements between the parties, and AmREIT will forgo any right to its deferred incentive fee under its Advisory Agreement with REITPlus. The merger consideration to be received by AmREIT s shareholders has not been increased on account of AmREIT forgoing these fees, therefore REITPlus shareholders may realize a financial benefit, and AmREIT s shareholders a financial detriment, on account of AmREIT s forgoing these fees. The AmREIT Board was aware of these interests and considered them, among other matters, in approving the merger.

REITPlus is the holder of approximately 0.5% of the outstanding AmREIT Common Stock and intends to vote its AmREIT Common Stock in favor of the merger.

The chief executive officer and chief financial officer, respectively, of AmREIT also hold the identical offices for REITPlus. In making executive officer level decisions for REITPlus, each of these executive officers could be influenced by reason of their executive positions with AmREIT to act in a manner that in the short-term or longer-term could be of greater benefit to AmREIT than to REITPlus. For example, the AmREIT chief executive officer could direct AmREIT leasing personnel, who are also responsible for leasing REITPlus properties, to devote all their efforts to AMREIT property leasing to the exclusion of REITPlus property leasing or could direct AmREIT finance personnel to focus on financing of AmREIT s operations and properties to the exclusion of financing REITPlus.

Failure to complete the merger could negatively impact REITPlus s and/or AmREIT s business, financial condition, operating results and cash flows, including the ability to service debt and to make distributions.

It is possible that the merger may not be completed. If the merger is not completed, the respective businesses and operations of REITPlus and AmREIT may be harmed to the extent that there is uncertainty surrounding the future direction of REITPlus and AmREIT and the strategy of their respective management teams. The parties obligations to complete the merger are subject to the satisfaction or waiver of specified conditions, some of which are beyond the control of REITPlus and AmREIT. For example, the merger is conditioned on the receipt of the required approvals of REITPlus shareholders and AmREIT shareholders. If these approvals are not received, the merger cannot be completed even if all of the other conditions to the merger agreement are satisfied or waived. If the merger is not completed for any reason, REITPlus and/or AmREIT may be subject to certain material risks, including (i) the incurrence of substantial costs related to the merger, such as legal, accounting and financial advisor fees, which must be paid even if the merger is not completed; (ii) the fact that activities relating to the merger and related uncertainties may lead to a loss of revenue that REITPlus and/or AmREIT may not be able to regain if these transactions do not occur; and (iii) the focus of the parties management being directed toward the merger instead of on their core businesses and other opportunities that could have been beneficial to REITPlus and AmREIT. If the merger is not completed, there can be no assurance to REITPlus shareholders and AmREIT shareholders that these risks will not materialize or materially adversely affect the business, financial condition, operating results and cash flows, including the ability to service debt and to make distributions, of REITPlus and/or AmREIT.

REITPlus, AmREIT and/or the combined company may be subject to the risks of litigation relating to the merger which could result in the required payment of a material sum of money that may adversely affect either or both companies financial condition and the financial condition of the combined company if the merger is consummated.

Any merger transaction generates some degree of litigation risk, and both REITPlus and AmREIT may be subject to claims and actions incidental to the pending merger, potentially from shareholders or other third parties who seek to disrupt the transaction to serve their own interests. REITPlus and AmREIT are not currently aware of, nor do they presently anticipate, any such litigation, however the transaction may result in litigation prior to or upon closing of the transaction, if completed. If such litigation arises, the outcome of these proceedings cannot be predicted. If a plaintiff were successful in a claim against either or both REITPlus or AmREIT, either or both of the companies, or the combined company if the merger is closed, could be burdened with the required payment of a material sum of money. If this were to occur, it could have an adverse effect on either or both companies financial condition and the financial condition of the combined company if the merger is consummated. Moreover, both REITPlus and AmREIT are generally obligated to indemnify their respective directors and trustees in the event those persons are named as defendants in any such litigation and to advance expenses incurred by those persons, including legal fees, in defending such litigation. The cost of such indemnification could have a material adverse effect on the indemnifying entity.

After the merger is completed, AmREIT shareholders will be governed by the REITPlus Charter and AmREIT shareholders will have different rights that may be less advantageous than their current rights.

After the closing of the merger, holders of AmREIT Common Stock will become holders of REITPlus Common Stock. REITPlus is a Maryland corporation and AmREIT is a Maryland real estate investment trust. The combined company will be governed by the MGCL and the REITPlus Charter, the provisions of which are substantially similar to the AmREIT Declaration of Trust except that the AmREIT Common Stock will be converted into a single class of REITPlus Common Stock. Differences between the REITPlus Charter and the AmREIT Declaration of Trust may result in changes to the rights of AmREIT shareholders. AmREIT shareholders may conclude that their current rights are more advantageous than the rights they may have under the REITPlus Charter and the MGCL. See Comparison of Shareholder Rights.

Risks Related to the Combined Company

The prospective management of the combined company believes that the risks associated with the combined company are not materially different from the risks attendant to REITPlus and AmREIT prior to the merger, and may include the following:

The combined company s common stock will not have a trading market and its charter will have some limited restrictions on ownership and transfer of its shares which may prevent the combined company s shareholders from selling or transferring their REITPlus Common Stock.

The REITPlus Common Stock currently has no public or other trading market. The combined company will not immediately list its common stock on a national securities exchange, and it is unlikely that any person will make a market in the REITPlus Common Stock immediately after the merger, or that an active market for the REITPlus Common Stock will develop in the near future, if at all.

The REITPlus Common Stock will also be subject to restrictions on ownership and transfer. Under its charter, no person or entity may own more than 9.8% (in value or number of shares, whichever is more restrictive) of any class or series of the combined company or otherwise own or transfer shares of the combined company that would result in REITPlus losing its REIT status under the Code and being treated as an

association taxable as a corporation for federal income tax purposes. As a result of these restrictions on ownership and transfer, the combined company s shareholders may not be able to sell their REITPlus Common Stock should a need for immediate liquidity arise and, even if REITPlus Common Stock is sold, the price at which it is sold may be significantly less than its fair market value.

The operating performance, revenues and value of the combined company s properties will be subject to varying degrees of risks associated with real estate assets and the real estate industry.

The operating performance, revenues and value of the combined company s properties may be adversely affected by a number of factors, including:

- acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses;
- acts of war or terrorism, including the consequences of terrorist attacks;
- adverse changes in national and local economic and market conditions;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- the perceptions of prospective tenants of the attractiveness of the properties;
- costs of remediation and liabilities associated with environmental conditions; and/or
- the potential for uninsured or under-insured property losses.

In addition, real estate values and income from properties are also affected by factors such as applicable laws, including tax laws, interest rate levels and the availability of financing. If the combined company s properties do not generate revenue sufficient to meet operating expenses, debt service, tenant improvements, leasing commissions and other capital expenditures, it may have to borrow additional amounts to cover its expenses. Incurring additional debt may harm the combined company s cash flow and ability to make distributions to its shareholders.

The combined company would be subject to a range of complex organizational and operational requirements and would succeed to and may incur adverse tax consequences if AmREIT or REITPlus failed to qualify as a REIT for U.S. federal income tax purposes.

As REITs, REITPlus and AmREIT must each distribute at least 90% of their REIT taxable income to their respective shareholders each year. Other restrictions apply to a REIT s income and assets. In any taxable year that REITPlus or AmREIT fails to qualify as a REIT, they would not be allowed a deduction for dividends paid to their respective shareholders in computing taxable income and thus would become subject to U.S. federal income tax as if they were regular taxable corporations. In such an event, either REITPlus or AmREIT could be subject to potentially significant tax liabilities. Unless entitled to relief under certain statutory provisions, REITPlus or AmREIT, as the case may be, would also be disqualified from treatment as a REIT for the four taxable years following the year in which they lost their qualification. REITPlus has assumed that AmREIT has qualified and will continue to qualify as a REIT for U.S. federal income tax purposes and that the combined company will be able to continue to qualify as a REIT following the merger. However, if AmREIT has failed or fails to qualify as a REIT and the merger is completed, the combined company generally would succeed to and may incur significant tax liabilities, and the combined company could possibly lose its REIT status should disqualifying activities continue after the merger.

The combined company may be unable to effectuate the contemplated growth strategy which may curtail further property acquisitions or reduce cash available for distributions to shareholders.

The combined company s growth strategy is currently contemplated to focus upon the acquisition and development of additional properties and related assets, including acquisitions through co-investment programs such as joint ventures. The combined company s plan to grow through the acquisition and development of new properties could be adversely affected by trends in the real estate and financing businesses. The consummation of any future acquisitions will be subject to satisfactory completion of an extensive valuation analysis and due diligence review and to the negotiation of definitive documentation. The combined company s ability to implement its contemplated strategy may be impeded because it may have difficulty finding new properties and investments at attractive prices that meet its investment criteria, negotiating with new or existing tenants or securing acceptable financing. If the combined company is unable to carry out its contemplated strategy, its financial condition and results of operations could be adversely affected.

Acquisitions of additional properties entail the risk that investments will fail to perform in accordance with expectations, including operating and leasing expectations. Redevelopment and new project development are subject to numerous risks, including risks of construction delays, cost overruns or force majeure events that may increase project costs, new project commencement risks such as the receipt of zoning, occupancy and other required governmental approvals and permits, and the incurrence of development costs in connection with projects that are not pursued to completion.

Some of the combined company s acquisitions and developments may be financed using the proceeds of periodic equity or debt offerings, lines of credit or other forms of secured or unsecured financing that may result in a risk that permanent financing for newly acquired projects might not be available or would be available only on disadvantageous terms. If permanent debt or equity financing is not available on acceptable terms to refinance acquisitions undertaken without permanent financing, further acquisitions may be curtailed or cash available for distribution to shareholders may be adversely affected.

The interest of the combined company s shareholders could be diluted which may adversely impact the ownership position and other interests of the combined company s shareholders.

The combined company s future growth will depend in part on its ability to raise additional capital. If the combined company raises additional capital through the issuance of common shares, the interests of the combined company s shareholders could be diluted. Likewise, the combined company s board of directors will be authorized to cause the combined company to issue preferred shares in one or more series, the holders of which would be entitled to dividends and voting and other rights as the combined company s board of directors determines, and which could be senior to or convertible into the combined company s common shares. Accordingly, an issuance by the combined company of common and/or preferred shares could be dilutive to or otherwise adversely affect the interests of the combined company s shareholders.

The combined company may own properties in joint ventures with unrelated third parties, which properties could be adversely affected by the combined company s lack of sole decision-making authority, its reliance on its joint venture partner s financial condition and disputes between the combined company and its joint venture partner.

Both AmREIT and REITPlus currently have joint venture investments that will constitute a portion of the combined company s assets upon consummation of the merger. In addition, the combined company may enter into additional joint ventures after consummation of the merger. These joint venture investments involve risks not present with a property wholly owned by the combined company. Risks related to joint venture investments include:

- one or more of the combined company s joint venture partners might become bankrupt or fail to fund a share of required capital contributions (in which event the combined company and other remaining joint venture partners could be liable for the liabilities of the joint venture);
- one or more of the combined company s joint venture partners may have economic or other business interests or goals which are inconsistent with the business interests or goals of the combined company, which differing interests or goals could include holding a joint venture property longer or shorter than desired by the combined company, engaging a property manager other than the combined company or utilizing more or less leverage on the property than desired by the combined company;
- one or more of the combined company s joint venture partners may be in a position to take actions contrary to the combined company s instructions, requests, policies or objectives (including those related to qualification as a REIT for federal tax purposes);
- disputes between the combined company and one or more of its joint venture partners may result in litigation or arbitration that would increase the operating expenses of the combined company and divert management time and attention away from the business;
- the combined company and its joint venture partners may reach an impasse on decisions to sell or refinance a joint venture property, causing all parties to the joint venture to miss opportunities to generate liquidity and profits for all joint venture partners; and
- the joint venture agreements to which AmREIT and REITPlus are parties typically prohibit the transfer of joint venture interests to unaffiliated third parties unless all joint venture partners consent to such transfer, thereby causing the combined company to maintain its investment in such joint ventures for an indefinite period of time.

The occurrence of one or more of the events described above could cause unanticipated significant disruption to the operations of the combined company or unanticipated costs and liabilities to the combined company, which could in turn adversely affect the financial condition, results of operations and cash flows of the combined company and limit its ability to make distributions to its shareholders.

The combined company will be dependent upon its key personnel, and the company s operating success may suffer if it is unable to retain the services of such personnel.

The combined company will be dependent on its key personnel for strategic business direction and real estate experience, the continued employment of any of whom cannot be guaranteed. AmREIT has previously entered into employment agreements with H. Kerr Taylor, its President, Chairman of the Board and Chief Executive Officer, Chad C. Braun, its Executive Vice-President, Chief Financial Officer and Secretary, Tenel H. Tayar, its Senior Vice-President and Chief Investment Officer, Charles Scoville, its Managing Vice-President and Director of Leasing/Property Management, and Brett Treadwell, its Managing Vice-President Finance and Chief Accounting Officer. Upon consummation of the merger, the following persons have agreed to assume the following positions at the combined company:

Name	**Title**
H. Kerr Taylor	President, Chairman of the Board and Chief Executive Officer
Chad C. Braun	Executive Vice-President, Chief Financial Officer and Secretary
Tenel H. Tayar	Senior Vice-President and Chief Investment Officer
Charles Scoville	Managing Vice-President and Director of Leasing/Property Management
Brett Treadwell	Managing Vice-President Finance and Chief Accounting Officer

The combined company s inability to retain the services of any of these executives or the combined company s loss of any of their services after the merger could adversely impact the operations of the combined company.

Certain limitations will exist with respect to a third party s ability to acquire the combined company or effectuate a change in control, even if a change in control would be in the best interests of the combined company s shareholders.

Limitations imposed to protect the combined company s REIT status. In order to protect the combined company against the loss of its REIT status, among other purposes, the REITPlus Charter restricts any shareholder from owning more than 9.8% (in value or number of shares, whichever is more restrictive) of the combined company s outstanding common shares or the outstanding shares of any class or series of preferred shares of the combined company, subject to certain exceptions. The ownership limit may have the effect of precluding acquisition of control of the combined company.

Limitation due to the combined company s ability to issue preferred shares. The REITPlus Charter authorizes the REITPlus Board to authorize REITPlus to issue up to 50,000,000 preferred shares. The REITPlus Board will be able to establish the preferences and rights of any preferred shares issued which could have the effect of delaying or preventing someone from taking control of the combined company, even if a change in control were in its shareholders best interests. Prior to the merger, the AmREIT Board may not designate or cause the issuance of AmREIT preferred shares ranking senior to the Class C Stock or Class D Stock as to dividends or upon liquidation without the approval of the holders of Class C Stock and Class D Stock.

Limitation imposed by the Maryland Business Combination Act. The MGCL establishes special restrictions against business combinations between a Maryland corporation, including the combined company, and interested shareholders or their affiliates unless an exemption is applicable. An interested shareholder includes a person who beneficially owns, and an affiliate or associate of the combined company who, at any time within the two-year period prior to the date in question, was the beneficial owner of, 10% or more of the voting power of the combined company s then-outstanding voting shares, but a person is not an interested shareholder if the board of directors shall have approved in advance the transaction by which the person otherwise would have been an interested shareholder. Among other things, Maryland law prohibits (for a period of five years) a merger and certain other transactions between a Maryland corporation, including the combined company, and an interested shareholder. The five-year period runs from the most recent date on which the interested shareholder became an interested shareholder. Thereafter, to consummate such business combination, the business combination (1) must be recommended by the combined company s board of directors and approved by the affirmative vote of holders of two-thirds of the number of shares of the combined company entitled to vote on the matter, among other conditions, or (2) must provide common shareholders with a minimum price for their shares and the consideration must be received in cash or in the same form as previously paid by the interested shareholder for its shares. The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested shareholder becomes an interested shareholder. The business combination statute could have the effect of discouraging offers to acquire the combined company and of increasing the difficulty of consummating any such offers, even if the combined company s acquisition would be in its shareholders best interests.

Maryland Control Share Acquisition Act. The MGCL provides that control shares of a Maryland corporation acquired in a control share acquisition shall have no voting rights except to the extent approved by a vote of two-thirds of the vote eligible to be cast on the matter under the

Maryland Control Share Acquisition Act. The term control shares means shares that, if aggregated with all other shares previously acquired by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power: one-tenth or more but less than one-third, one-third or more but less than a majority or a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. The term control share acquisition means the acquisition of control shares, subject to certain exceptions. If voting rights of control shares acquired in a control share acquisition are not approved at a shareholders meeting, then, subject to certain conditions and limitations, the combined company may redeem any or all of the control shares for fair value. If voting rights of such control shares are approved at a shareholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The Maryland Control Share Acquisition Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Risk Factors Associated with AmREIT s Business

AmREIT is subject to conflicts of interest arising out of its relationships with its merchant development funds, and there can be no assurances that AmREIT shareholder interests and investment objectives will take priority.

AmREIT experiences competition for acquisition properties. Through its advisory business, AmREIT invests in and advises multiple merchant development funds, which can develop and manage certain types of properties similar to those in which AmREIT invests. In evaluating property acquisitions, certain properties may be appropriate for acquisition by either AmREIT or one of its merchant development funds. AmREIT shareholders do not have the opportunity to evaluate the manner in which these conflicts of interest are resolved. Generally, AmREIT evaluates each property, considering the investment objectives, creditworthiness of the tenants, expected holding period of the property, available capital and geographic and tenant concentration issues when determining the allocation of properties among AmREIT and its merchant development funds.

There are competing demands on AmREIT s management and the AmREIT Board. AmREIT s management team and the AmREIT Board are not only responsible for AmREIT, but also for its merchant development funds. For this reason, the management team and the AmREIT Board divide their management time and services among those funds and AmREIT, do not devote all of their attention to AmREIT and could take actions that are more favorable to the other entities than to AmREIT.

AmREIT may invest along side its merchant development funds. AmREIT may also invest in joint ventures, partnerships or limited liability companies for the purpose of owning or developing retail real estate projects. In either event, AmREIT may be a general partner and fiduciary for and owe certain duties to its other partners in such ventures. The interests, investment objectives and expectations regarding timing of dispositions may be different for the other partners than those of AmREIT shareholders, and there are no assurances that AmREIT shareholder interests and investment objectives will take priority.

AmREIT may, from time to time, purchase one or more properties from its merchant development funds. In such circumstances, AmREIT will work with the applicable merchant development fund to ascertain, and AmREIT will pay, the market value of the property. By AmREIT dealing directly with its merchant development funds in this manner, generally no brokerage commissions will be paid; however, there can be no assurance that the price AmREIT pays for any property will be equal to or less than the price AmREIT would have been able to negotiate from an independent third party. These property acquisitions from the merchant development funds will be limited to properties that the merchant development funds developed.

The economic performance and value of AmREIT s shopping centers depend on many factors, each of which could have an adverse impact on its cash flows and operating results.

The economic performance and value of AmREIT s properties can be affected by many factors, including the following:

- Changes in the national, regional and local economic climate;
- Local conditions such as an oversupply of space or a reduction in demand for retail real estate in the area;
- The attractiveness of the properties to tenants;
- Competition from other available space;
- AmREIT s ability to provide adequate management services and to maintain its properties;
- Increased operating costs, if these costs cannot be passed through to tenants;
- The expense of periodically renovating, repairing and re-leasing spaces;
- The financial condition of AmREIT s tenants;

Fluctuations in interest rates;
Changes in taxation or zoning laws;
Availability of financing on acceptable terms or at all; and/or
Potential liability under environmental or other laws or regulations.

The rents AmREIT receives and occupancy levels at its properties may decline as a result of adverse changes in any of these factors. If, following the merger, the rental revenues and/or occupancy levels of the combined company decline, the combined company will have less cash available to pay its indebtedness and distribute to its shareholders.

The bankruptcy or insolvency of AmREIT tenants may decrease AmREIT s revenues and available cash.

From time to time, some of AmREIT s tenants have declared bankruptcy, and other tenants may declare bankruptcy or become insolvent in the future. If a major tenant declares bankruptcy or becomes insolvent, the rental property at which it leases space may have lower revenues and experience operational difficulties. In the case of AmREIT s shopping centers, the bankruptcy or insolvency of a major tenant could cause AmREIT to have difficulty leasing the remainder of the affected property. AmREIT s leases generally do not contain restrictions designed to ensure the creditworthiness of its tenants. As a result, the bankruptcy or insolvency of a major tenant could result in a lower level of net income and funds available for the payment of the combined company s indebtedness or for distribution to its shareholders.

AmREIT s dependence on rental income may adversely affect its ability to meet its debt obligations and make distributions to its shareholders.

The majority of AmREIT s income is derived from rental income from its portfolio of properties. As a result, the combined company s performance will depend on AmREIT s ability to collect rent from tenants. AmREIT s income and therefore the combined company s ability to make distributions would be negatively affected if a significant number of its tenants, or any of its major tenants:

Delay lease commencements;
Decline to extend or renew leases upon expiration;
Fail to make rental payments when due; and/or
Close stores or declare bankruptcy.

Any of these actions could result in the termination of the tenant s leases and the loss of rental income attributable to the terminated leases. Lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could also result in lease terminations or reductions in rent by other tenants in the same shopping center under the terms of some leases. In addition, AmREIT cannot be sure that any tenant whose lease expires will renew that lease or that AmREIT will be able to re-lease space on economically advantageous terms. The loss of rental revenues from a number of AmREIT s tenants and AmREIT s inability to replace such tenants may adversely affect the combined company s profitability and its ability to meet debt and other financial obligations and make distributions to shareholders.

Tenant, geographic or retail product concentrations in AmREIT s real estate portfolio could make the combined company vulnerable to negative economic and other trends.

There is no limit on the number of properties that AmREIT may lease to a single tenant. However, under investment guidelines established by the AmREIT Board, no single tenant may represent more than 15% of AmREIT s total annual revenue unless approved by the AmREIT Board. The AmREIT Board reviews AmREIT s properties and potential investments in terms of geographic and tenant diversification. IHOP, Kroger and CVS/pharmacy accounted for 8.96%, 8.51% and 3.7%, respectively, of AmREIT s total operating revenues for the year ended December 31, 2008. There is a risk that any adverse developments affecting either Kroger, IHOP or CVS/Pharmacy could materially adversely affect revenues (thereby affecting the combined company s ability to make distributions to shareholders).

Approximately 59% of AmREIT s rental income for the year ended December 31, 2008, was generated from properties located in the Houston, Texas metropolitan area. Additionally, approximately 92% of AmREIT s rental income for the year was generated from properties located throughout major metropolitan areas in the State of Texas. Therefore, AmREIT is vulnerable to economic downturns affecting Houston and Texas, or any other metropolitan area where it might in the future have a concentration of properties.

If in the future properties AmREIT acquires result in or extend geographic or tenant concentrations or concentration of product types, such acquisitions may increase the risk that the combined company s financial condition will be adversely affected by the poor judgment of a particular tenant s management group, by poor performance of AmREIT s tenants brands, by a downturn in a particular market sub-segment or by market disfavor with a certain product type.

The combined company s profitability and its ability to diversify its investments, both geographically and by type of properties purchased, will be limited by the amount of capital at its disposal. An economic downturn in one or more of the markets in which the combined company has invested could have an adverse effect on its financial condition and its ability to make distributions.

If the combined company cannot meet its REIT distribution requirements, it may have to borrow funds or liquidate assets to maintain its REIT status.

REITs generally must distribute 90% of their taxable income annually. In the event that the combined company does not have sufficient available cash to make these distributions, the ability of the combined company to acquire additional properties may be limited. Also, for the purposes of determining taxable income, the combined company may be required to include interest payments, rent and other items it has not yet received and exclude payments attributable to expenses that are deductible in a different taxable year. As a result, the combined company could have taxable income in excess of cash available for distribution. In such event, the combined company could be required to borrow funds or sell assets in order to make sufficient distributions and maintain its REIT status.

AmREIT must comply with the Americans with Disabilities Act and failure to comply with the Act or other safety regulations and requirements could result in substantial costs.

The Americans with Disabilities Act generally requires that public buildings, including AmREIT properties, be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. To date, neither REITPlus nor AmREIT has had any such claims that have resulted in any material expense or liability. If, under the Americans with Disabilities Act, the combined company is required to make substantial alterations and capital expenditures in one or more of its properties, including the removal of access barriers, it could adversely affect its financial condition and results of operations, as well as the amount of cash available for distribution to its shareholders.

AmREIT s properties are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If the combined company fails to comply with these requirements, it could incur fines or private damage awards. AmREIT does not know whether existing requirements will change or whether compliance with future requirements will require significant unanticipated expenditures that will affect its cash flow and results of operations.

The combined company may not be able to obtain capital to make investments which could impede its growth and its ability to make capital expenditures.

AmREIT depends primarily on external financing to fund the growth of its business. This is because one of the requirements of the Internal Revenue Code of 1986, as amended, for a REIT is that it distribute 90% of its net taxable income, excluding net capital gains, to its shareholders. There is a separate requirement to distribute net capital gains or pay a corporate level tax in lieu thereof. Following the merger, the access to debt or equity financing of the combined company will depend on the willingness of third parties to lend or make equity investments and on conditions in the capital markets generally. AmREIT and other companies in the real estate industry have experienced limited availability of financing from time to time. Although AmREIT believes that the combined company will be able to finance any investments it may wish to make in the foreseeable future, new financing may not be available on acceptable terms.

Covenants in AmREIT s debt instruments could adversely affect the combined company s financial condition and its acquisitions and development activities.

The mortgages on AmREIT s properties contain customary covenants such as those that limit its ability, without the prior consent of the lender, to further mortgage the applicable property or to discontinue insurance coverage. AmREIT s unsecured credit facilities, unsecured debt securities and other loans that the combined company may obtain in the future contain customary restrictions, requirements and other limitations on its ability to incur indebtedness, including covenants that limit its ability to incur debt based upon the level of its ratio of total debt to total assets, its ratio of secured debt to total assets, its ratio of EBITDA to interest expense, and fixed charges, and that will require the combined company to maintain a certain level of unencumbered assets to unsecured debt. AmREIT s ability to borrow under these facilities is subject to compliance with certain financial and other covenants. In addition, failure to comply with these covenants could cause a default under the applicable debt instrument, and the combined company may then be required to repay such debt with capital from other sources. Under those circumstances, other sources of capital may not be available to the combined company or be available only on unattractive terms. Additionally, the ability of the combined company to satisfy current or prospective lenders insurance requirements may be adversely affected if lenders generally insist upon greater insurance coverage against acts of terrorism than is available to the combined company in the marketplace or on commercially reasonable terms.

AmREIT relies upon debt financing, including borrowings under its unsecured credit facilities, issuances of unsecured debt securities and debt secured by individual properties, to finance acquisitions and development activities and for working capital. If the combined company is unable to obtain debt financing from these or other sources, or refinance existing indebtedness upon maturity, the financial condition and results of operations of the combined company would likely be adversely affected. If the combined company breaches covenants in its debt agreements, the lenders can declare a default and, if the debt is secured, can take possession of the property securing the defaulted loan.

Risks Associated with an Investment in Real Estate

Adverse macroeconomic and business conditions may significantly and negatively affect the combined company s revenues, profitability and results of operations.

The United States is currently in a deep recession that has resulted in higher unemployment, shrinking demand for products, large-scale business failures and tight credit markets. The combined company s results of operations may be sensitive to changes in overall economic conditions that impact tenant leasing practices. A continuation of ongoing adverse economic conditions affecting disposable tenant income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs, and other matters could reduce overall tenant leasing and cause an increase in vacancy rates. The combined company s operating results will be dependent upon its ability to maximize occupancy levels and rental rates in its properties. A general reduction in the level of tenant leasing or shifts in tenant leasing practices could adversely affect the combined company s growth and profitability.

It is difficult to determine the breadth and duration of the economic and financial market problems and the many ways in which they may affect the combined company s tenants and its business in general. Nonetheless, continuation or further worsening of these difficult financial and macroeconomic conditions could have a significant adverse effect on the combined company s sales, profitability and results of operations.

Illiquidity of real estate investments could significantly impede the combined company s ability to respond promptly to adverse changes in the performance of its properties.

Real estate investments are relatively illiquid. Illiquidity will limit the ability of the combined company to vary its portfolio promptly in response to changes in economic or other conditions. In addition, federal income tax provisions applicable to REITs may limit the ability of the combined company to sell properties at a time which would be in the best interest of its shareholders.

The properties of the combined company will be subject to general real estate operating risks which could negatively impact occupancy or rental rates and, in turn, adversely affect the company s ability to make distributions to shareholders.

In general, a downturn in the national or local economy, changes in zoning or tax laws or the lack of availability of financing could adversely affect occupancy or rental rates. In addition, increases in operating costs due to inflation and other factors may not be offset by increased rents. If operating expenses increase, the local rental market for properties similar to those of the combined company may limit the extent to which rents may be increased to meet increased expenses without decreasing occupancy rates. If any of the above occurs, the ability of the combined company to make distributions to shareholders could be adversely affected.

The combined company may construct improvements, the cost of which may not be recoverable.

The combined company may on occasion acquire properties and construct improvements or acquire properties under contract for development. Investment in properties to be developed or constructed is more risky than investments in fully developed and constructed properties with operating histories. In connection with the acquisition of these properties, the combined company may advance, on an unsecured basis, a portion of the purchase price in the form of cash, a conditional letter of credit and/or a promissory note. The combined company will be dependent upon the seller or lessee of the property under construction to fulfill its obligations, including the return of advances and the completion of construction. This party s ability to carry out its obligations may be affected by financial and other conditions which are beyond the control of the combined company.

If the combined company acquires construction properties, the general contractors and the subcontractors may not be able to control the construction costs or build in conformity with plans, specifications and timetables. The failure of a contractor to perform may necessitate the commencing of legal action by the combined company to rescind the construction contract, to compel performance or to rescind the combined company s purchase contract. These legal actions may result in increased costs to the combined company. Performance may also be affected or delayed by conditions beyond the contractor s control, such as building restrictions, clearances and environmental impact studies imposed or caused by governmental bodies, labor strikes, adverse weather, unavailability of materials or skilled labor and by financial insolvency of the general contractor or any subcontractors prior to completion of construction. These factors can result in increased project costs and corresponding depletion of the combined company s working capital and reserves and in the loss of permanent mortgage loan commitments

relied upon as a primary source for repayment of construction costs.

The combined company may make periodic progress payments to the general contractors of properties prior to construction completion. By making these payments, the combined company may incur substantial additional risk, including the possibility that the developer or contractor receiving these payments may not fully perform the construction obligations in accordance with the terms of the contractor s agreement with the combined company and that the combined company may be unable to enforce the contract or to recover the progress payments.

An uninsured loss or a loss that exceeds the insurance policy limits on AmREIT s properties could adversely impact the financial condition of the combined company by subjecting the combined company to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on AmREIT s properties, tenants generally are required to indemnify and hold AmREIT harmless from liabilities resulting from injury to persons, air, water, land or property, on or off the premises, due to activities conducted on the properties, except for claims arising from AmREIT s negligence or intentional misconduct or that of AmREIT s agents. Tenants are generally required, at the tenant s expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. AmREIT has obtained comprehensive liability, casualty, property, flood and rental loss insurance policies on its properties. All of these policies may involve substantial deductibles and certain exclusions. In addition, AmREIT cannot assure shareholders of the combined company that the tenants will properly maintain their insurance policies or have the ability to pay the deductibles. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, the combined company could lose all or part of the capital AmREIT invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on the operating results and financial condition of the combined company, as well as its ability to make distributions to shareholders.

The combined company will have no economic interest in leasehold estate properties which exposes it to the loss of the right to use such properties upon termination of the ground leases.

AmREIT currently owns properties, and may acquire additional properties, in which it owns only the leasehold interest, and does not own or control the underlying land. With respect to these leasehold estate properties, the combined company will have no economic interest in the land at the expiration of the lease, and therefore may lose the right to the use of the properties at the end of the ground lease.

The combined company could be exposed to liability and remedial costs related to environmental matters which could adversely affect its ability to sell or lease such properties or to borrow against such properties.

Under various federal and state environmental laws and regulations, as an owner or operator of real estate, the combined company may be required to investigate and clean up certain hazardous or toxic substances, asbestos-containing materials, or petroleum product releases at its properties. The combined company may also be held liable to a governmental entity or to third parties for property damage and for investigation and cleanup costs incurred by those parties in connection with the contamination. In addition, some environmental laws create a lien in favor of the government on the contaminated site for damages and costs the government incurs in connection with the contamination. The presence of contamination or the failure to remediate contaminations at any of the combined company s properties may adversely affect its ability to sell or lease the properties or to borrow using the properties as collateral. The combined company could also be liable under common law to third parties for damages and injuries resulting from environmental contamination coming from its properties.

Certain of AmREIT s properties that will become the combined company s properties have had prior tenants such as gasoline stations and, as a result, have existing underground storage tanks and/or other deposits that currently or in the past contained hazardous or toxic substances. Other properties have known asbestos containing materials. The existence of underground storage tanks, asbestos containing materials or other hazardous substances on or under the combined company s properties could have the consequences described above. Also, AmREIT has not recently had environmental reports produced for many of its older properties, and, as a result, many of the environmental reports relating to its older properties are significantly outdated. In addition, AmREIT has not obtained environmental reports for five of its older properties. These properties could have environmental conditions with unknown consequences.

All of the combined company s future properties will be acquired subject to satisfactory Phase I environmental assessments, which generally involve the inspection of site conditions without invasive testing such as sampling or analysis of soil, groundwater or other media or conditions; or satisfactory Phase II environmental site assessments, which generally involve the testing of soil, groundwater or other media and conditions. The board of directors of the combined company may determine that it will acquire a property in which a Phase I or Phase II environmental assessment indicates that a problem exists and has not been resolved at the time the property is acquired, provided that (i) the seller has (a) agreed in writing to indemnify the combined company and/or (b) established in escrow cash equal to a predetermined amount greater than the estimated costs to remediate the problem; or (ii) the combined company has negotiated other comparable arrangements, including, without limitation, a reduction in the purchase price. The combined company cannot be sure, however, that any seller will be able to

pay under an indemnity the combined company obtains or that the amount in escrow will be sufficient to pay all remediation costs. Further, the combined company cannot be sure that all environmental liabilities have been identified or that no prior owner, operator or current occupant has created an environmental condition not known to the combined company. Moreover, the combined company cannot be sure that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of its properties will not be affected by tenants and occupants of the properties, by the condition of land or operations in the vicinity of the properties (such as the presence of underground storage tanks), or by third parties unrelated to the combined company. Environmental liabilities that the combined company may incur could have an adverse effect on its financial condition or results of operations.

AmREIT depends upon its anchor tenants to attract shoppers, and, after the merger, the revenue derived from and value of the combined company s properties would be adversely affected if tenants or anchors failed to meet their contractual obligations, sought concessions in order to continue operations or ceased their operations.

AmREIT owns several grocery anchored and other shopping centers that are typically anchored by well-known national or regional tenants who generate shopping traffic at the shopping center or property. Following the merger, the revenue derived from and value of the combined company s properties would be adversely affected if tenants or anchors failed to meet their contractual obligations, sought concessions in order to continue operations or ceased their operations. If the sales of stores operating in the combined company s properties were to decline significantly due to economic conditions, closing of anchors or for other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of a default by a tenant or anchor, the combined company may experience delays and costs in enforcing its rights as landlord.

Risks Associated with Federal Income Taxation of the Combined Company

The failure by the combined company to qualify as a REIT for tax purposes would result in taxation of the combined company as a corporation and the reduction of funds available for shareholder distribution.

Although we believe the combined company will be organized and will operate so as to qualify as a REIT, the combined company may not be able to continue to remain so qualified. In addition, REIT qualification provisions under the tax laws may change. We are not aware, however, of any currently pending tax legislation that would adversely affect the combined company s ability to qualify as a REIT.

For any taxable year that the combined company fails to qualify as a REIT, it will be subject to federal income tax on its taxable income at corporate rates. In addition, unless entitled to relief under certain statutory provisions, the combined company also will be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost. This treatment would reduce the net earnings available for investment or distribution to shareholders because of the additional tax liability for the year or years involved. In addition, distributions no longer would qualify for the dividends paid deduction nor would there be any requirement that such distributions be made. To the extent that distributions to shareholders would have been made in anticipation of its qualifying as a REIT, the combined company might be required to borrow funds or to liquidate certain of its investments to pay the applicable tax.

The combined company may be liable for prohibited transaction tax and/or penalties.

A violation of the REIT provisions, even where it does not cause failure to qualify as a REIT, may result in the imposition of substantial taxes, such as the 100% tax that applies to net income from a prohibited transaction if the combined company is determined to be a dealer in real property. Because the question of whether that type of violation occurs may depend on the facts and circumstances underlying a given transaction, these violations could inadvertently occur. To reduce the possibility of an inadvertent violation, the board of directors of the combined company intends to rely on the advice of legal counsel in situations where they perceive REIT provisions to be inconclusive or ambiguous.

Changes in the tax law may adversely affect the REIT status of the combined company.

The discussions of the federal income tax considerations are based on current tax laws. Changes in the tax laws could result in tax treatment that differs materially and adversely from that described herein.

THE MERGER

Historical Context

AmREIT s direct predecessor, American Asset Advisers Trust, Inc. (AAA), was formed as a Maryland corporation in 1993. Prior to 1998, AAA was externally advised by American Asset Advisors Corp., which was formed in 1985. Each of these entities was founded by H. Kerr Taylor, AmREIT s chairman and chief executive officer. In June 1998, AAA merged with its advisor and changed its name to AmREIT, Inc. and became a self-advised, self-managed REIT, of which Mr. Taylor was the chairman and chief executive officer. In December 2002, AmREIT, Inc. reorganized as a Texas REIT and became AmREIT and operated as a self-advised, self-managed Texas REIT. In 2002, in connection with AmREIT s rollup of three limited partnerships it managed, AmREIT issued shares of class B convertible common stock (Class B Stock) as well as additional shares of Class A Stock. The Class B Stock was convertible into Class A Stock at a conversion price of $9.50 per share and was not listed on a securities exchange. At that time, AmREIT s Class A Stock was also listed for trading on the American Stock Exchange.

On May 21, 2009, AmREIT changed its state of domicile from Texas to Maryland by merging with a newly formed Maryland REIT. The AmREIT Board believed that, because of Maryland s more comprehensive laws governing REITs and the number of REITs domiciled in that state, Maryland courts have developed a greater expertise than Texas courts in dealing with REITs and REIT issues and thus have developed a greater body of relevant case law. The AmREIT Board also believed that the comprehensive Maryland statutes, Maryland s policies with respect to REITs and the established body of relevant case law were more conducive to the operations of a REIT than the laws and policies of Texas and that they provided the board and management of a REIT with greater certainty and predictability in managing the affairs of the company. Further, the AmREIT Board believed that investors, securities underwriters and other financing sources are very familiar with Maryland REITs, and that by redomesticating in Maryland, it would be better able to access financing in the future than if AmREIT remained a Texas REIT. In addition, at the time of the redomestication, the AmREIT Board had previously announced its approval in concept of a merger with REITPlus, and considered that any such merger as approved by the shareholders would be more easily accomplished if AmREIT was a Maryland REIT and the proposed merger was between two Maryland entities.

REITPlus was formed by AmREIT in April 2007 to raise capital and use such capital to acquire a portfolio of retail and mixed-use properties, including a combination of stabilized, income-producing properties and value-added opportunities. REITPlus was organized as a Maryland corporation that intended to elect to be taxed as a REIT. REITPlus was structured as an externally managed and advised REIT, with a wholly owned subsidiary of AmREIT to provide investment advisory and property and corporate management services. On May 31, 2007, REITPlus filed with the SEC a registration statement for the offer and sale of up to 50 million shares of REITPlus Common Stock at a fixed price of $10.00 per share and up to an additional 5,263,158 shares of REITPlus Common Stock at a fixed price of $9.50 per share pursuant to a dividend reinvestment plan. The registration statement was declared effective by the SEC on November 21, 2007, at which time REITPlus commenced its public offering of REITPlus Common Stock. The REITPlus Board intended to continuously offer and sell shares of REITPlus Common Stock pursuant to the registration statement, but did not intend to list or cause the quotation of such shares on any securities exchange or in any automated quotation system. In September 2008, the REITPlus Board elected to discontinue the offering of REITPlus Common Stock pursuant to the registration statement. At such time, REITPlus had offered and sold 752,307 shares of REITPlus Common Stock.

In early 2008, at a time when securities analysts and potential institutional equity investors were advising AmREIT management that the company s earnings were too volatile due to heavy emphasis on transaction fee income and the company s capital structure was too complicated, AmREIT management perceived the need to engage in a strategic planning process to position AmREIT for future growth. At the time, it was apparent that the continuous offering of REITPlus Common Stock launched in November 2007 would not produce a large amount of net proceeds to invest and that future growth would likely be funded with capital raised on the basis of the AmREIT platform rather than through REITPlus. These realizations prompted AmREIT management to engage in the strategic planning process that produced the company s Vision 2010 strategic plan discussed in the Background of the Merger section below. One element of the strategic plan was the simplification of AmREIT s capital structure, which would entail combining the three classes of AmREIT Common Stock into a single class and eliminating the externally-advised and managed structure of REITPlus that potentially diverted management attention and focus away from the much larger AmREIT platform. Management believed that the merger of AmREIT and REITPlus would achieve the goal of simplifying the overall organizational and capital structure underpinning the AmREIT investment and operating platform.

Background of the Merger

From the time of its reorganization in 1998 until late 2008, AmREIT operated three separate businesses: (1) its real estate investment business, (2) a real estate securities brokerage business and (3) a real estate development and management business for affiliates and third party clients. The securities business primarily acted as a wholesaler for private and public funds promoted by AmREIT, but also assisted in the distribution of shares of Class C Stock and Class D Stock. The real estate development and management business provided a fully integrated real estate solution including construction and development, property management, asset acquisition and disposition, brokerage and leasing, tenant representation, sale/leaseback and joint venture management services to affiliates and third parties, deriving fee income in return.

In August 2003 and September 2004, respectively, AmREIT commenced registered public offerings of up to 4,400,000 shares of Class C Stock and up to 17,000,000 shares of Class D Stock, which shares were convertible into Class A Stock at conversion prices of $11.00 per share and $10.77 per share, respectively, beginning seven years after issuance. Neither the Class C Stock nor the Class D Stock was listed on a securities exchange. In May 2005, AmREIT issued 2,400,000 shares of Class A Stock in an underwritten public offering. Between the fourth

quarter 2006 and the third quarter 2008, through a series of tender offers, AmREIT used a portion of the proceeds of the offering of Class A Stock to acquire all outstanding shares of Class B Stock, so that at end of the third quarter 2008, AmREIT s outstanding common stock consisted only of Class A Stock, Class C Stock and Class D Stock. The balance of the proceeds from these AmREIT Common Stock issuances was used to acquire retail properties, including Uptown Park in Houston, Texas, the flagship property in AmREIT s portfolio.

In connection with its underwritten public offering in May 2005, AmREIT s management received feedback from potential institutional investors and REIT industry equity analysts that its capital structure, particularly the existence of the Class B Stock and the Class C Stock and Class D Stock held exclusively by a large number of retail investors, was complicated and a potential deterrent to institutional ownership of the American Stock Exchange-listed Class A Stock. Management first sought to address this issue through a tender offer for the outstanding Class B Stock, but lack of funding precluded a significant redemption or tender offer for the Class C Stock and Class D Stock. During the period from May 2005 until the beginning of 2008, the trading prices of the Class A Stock remained in a range of $6.70 per share to $9.75 per share, but on very small volume, and AmREIT attracted very little interest from sell-side securities analysts and had virtually no institutional ownership.

During the period of time from early 2005 through the end of 2007, utilizing the net proceeds from its various offerings of AmREIT Common Stock, AmREIT continued to invest in properties on what management calls Irreplaceable Corners, which are locations with high traffic, substantial visibility and in neighborhoods with excellent demographics and high barriers to entry. In early 2008, AmREIT management perceived that its shares were undervalued relative to the quality of the company s real estate assets due primarily to (1) the high operating costs of its fee-based securities and real estate development and management businesses, revenue from which had declined significantly, (2) AmREIT s complicated capital structure, and (3) AmREIT s small public float and low trading volume of the Class A Stock. Management realized that to continue growing its Irreplaceable Corner portfolio, AmREIT would need to become more focused on its investing business and more efficient from an operational standpoint. In addition, AmREIT would require access to additional equity capital to finance future growth. Management believed that the complexity of the capital structure, as previously noted by potential institutional investors at the time of the 2005 underwritten offering, and more recently from REIT industry equity analysts, could impede access to the equity capital markets. Management, with approval of the AmREIT Board, undertook a strategic planning process called Vision 2010, the purpose of which was to position AmREIT to capture value that management perceived shareholders were missing.

In the third quarter of 2008, AmREIT management presented to the AmREIT Board, and the AmREIT Board approved, the Vision 2010 strategic plan. Vision 2010 consists of the following distinct steps intended to make AmREIT a more attractive company to prospective investors and to position it for growth and liquidity:

- Making AmREIT s operations more efficient immediately;
- Simplifying AmREIT s capital structure; and
- Preparing for growth when the economy improves.

In September 2008, AmREIT terminated the REITPlus continuous offering, which in nine months had only yielded approximately $5 million of net proceeds. It also discontinued its securities and third party real estate development and management businesses, cutting AmREIT s overhead by approximately 50%, or over $7 million per year, rendering AmREIT much less dependent on third party fee revenue to cover its operating costs and providing stability to AmREIT s earnings and cash flows. After discontinuing these businesses, AmREIT s cash flows were sufficient to cover the dividends on the three classes of AmREIT Common Stock.

After accomplishing phase one of Vision 2010, management then began considering ways in which to simplify AmREIT s capital structure. Management and the AmREIT Board perceived the trading prices of AmREIT s Class A Stock on the NYSE Alternext exchange, or NYX (the successor to the American Stock Exchange) to be volatile, disproportionately impacted by the low public float and small trading volume and not reflective of the true value inherent in AmREIT s Irreplaceable Corners portfolio. In addition, management believed that it could not issue additional Class A Stock so long as there existed the overhang of the Class C Stock and Class D Stock, which were both convertible into Class A Stock beginning in 2010 and 2011, respectively, at conversion prices of $11.00 and $10.77, respectively, and at an exchange ratio per share of Class A Stock tied to the value of the Class A Stock.

Accordingly, management and the AmREIT Board, in November 2008, approved the delisting of the Class A Stock on the NYX, effective on December 20, 2008. AmREIT notified the SEC of its intention to discontinue its NYX listing, notified its shareholders of the proposed delisting, and on December 20, 2008, the Class A Stock ceased trading on the NYX.

On January 7, 2009, the AmREIT Board and the REITPlus Board met separately to consider their respective strategic plans in light of market conditions and capital constraints. The AmREIT Board discussed AmREIT s progress in implementing Vision 2010. Management informed the AmREIT Board that the next phase of Vision 2010 to be implemented was simplification of AmREIT s capital structure to position the company to attract institutional equity capital. The AmREIT Board considered the alternative means of simplifying AmREIT s capital

structure, including redemption of the Class C Stock and the Class D Stock or otherwise consolidating the three current class of AmREIT Common Stock into a single class. The AmREIT Board believed that the recent delisting of the Class A Stock, the complexity of AmREIT s capital structure and the depressed state of the real estate equity and debt capital markets would impede AmREIT s ability to raise the funds necessary to redeem the Class C Stock and the Class D Stock, therefore making consolidation of the three classes of AmREIT Common Stock into a single class the preferable course of action. The AmREIT Board believed that the most efficient means for consolidating its three outstanding classes of AmREIT Common Stock into a single class would be through a merger with another REIT. REITPlus, being externally advised by a wholly owned subsidiary of AmREIT, the management of which consisted of the senior management team of AmREIT, was, in the view of the AmREIT Board, the most logical merger partner. Moreover, the REITPlus continuous offering had resulted in only approximately 752,307 shares of REITPlus Common Stock being issued to 257 shareholders, and REITPlus had raised capital sufficient to acquire an interest in only one property, which was located in AmREIT s market and was of a quality consistent with AmREIT s portfolio. The REITPlus Board had discontinued the continuous offering in September 2008. The REITPlus Board discussed REITPlus s lack of success raising equity capital during 2008, leaving REITPlus with minimal capital and a 10% interest in a single asset. After a lengthy discussion the AmREIT Board approved the concept of a merger with REITPlus and authorized management to publicly announce its action. The REITPlus Board discussed the likelihood that the cost of continuing to operate REITPlus as a separate company, given the small amount of capital that REITPlus had been able to raise, outweighed the benefits of continuing to operate independently of AmREIT. Both the AmREIT Board and the REITPlus Board believed that AmREIT s role as manager of REITPlus, the small size of REITPlus and the similarity of the single real estate asset owned by REITPlus to the portfolio of AmREIT s real estate assets was the functional equivalent of the two companies operating as one. Accordingly, the AmREIT Board and the REITPlus Board each approved the concept of a merger of AmREIT into REITPlus. On January 8, 2009, AmREIT publicly announced that the AmREIT Board had approved a merger with REITPlus in concept, subject to negotiation of a definitive merger agreement.

At its regular quarterly meeting on March 5, 2009, the AmREIT Board engaged in a discussion about the process for negotiating and entering into a merger agreement with REITPlus consistent with its approval of the concept of a merger with REITPlus at its January 7, 2009 special meeting. AmREIT management recommended that AmREIT management, supported by professional appraisals, conduct a bottom-up valuation of the real estate assets of both AmREIT and REITPlus. AmREIT management would then apply generally accepted valuation methodologies to value the common shares of both AmREIT and REITPlus, which valuation would form the basis for fixing an exchange ratio of REITPlus Common Stock for the Class A Stock, Class C Stock and Class D Stock. AmREIT management informed the AmREIT Board that it had interviewed several nationally recognized real estate appraisal firms and presented its recommendations to the AmREIT Board. After a lengthy discussion regarding management s proposed process for effecting a merger between AmREIT and REITPlus, the AmREIT Board authorized AmREIT to engage CB Richard Ellis, or CBRE, a nationally recognized real estate management investment and appraisal firm to conduct appraisals on each of AmREIT s owned properties other than its 19-property IHOP portfolio, and Valuation Associates, a nationally recognized appraisal firm for single-tenant restaurant properties, to appraise the IHOP portfolio, with the effect that every property owned by AmREIT would be appraised. The AmREIT Board also authorized AmREIT to engage KeyBanc Capital Markets, or KeyBanc, a nationally-recognized investment banking firm with substantial experience in the REIT industry, to deliver an opinion on the fairness, from a financial point of view, of the consideration received by the holders of the Class A Stock, the Class C Stock and the Class D Stock in the merger. Mr. Taylor and Mr. Braun, AmREIT s chief executive officer and chief financial officer, respectively, had interviewed five nationally-known investment banking firms during the NAREIT annual meeting in November 2008 and had informed the AmREIT Board that KeyBanc was well qualified and desired the engagement. The AmREIT Board considered two other investment banking firms with REIT experience to provide such fairness opinion and chose KeyBanc because of its platform, qualifications and experience in REITs, real estate and investment banking, and because its fee proposal was more competitive. In making its decision, the AmREIT Board considered the fact that KeyBanc provided research coverage on 38 REITs, was a top-5 underwriter of REIT equity offerings in 2008 and had completed a number of financial advisory engagements for five separate REITs. The AmREIT Board also considered the fact that neither AmREIT nor REITPlus had any historical relationship with KeyBanc, and believed that the lack of such historical relationship was an additional qualification that supported KeyBanc s engagement. The AmREIT Board also approved the engagement of Bass Berry & Sims PLC, or Bass Berry, as AmREIT s legal adviser in connection with the prospective merger. The REITPlus Board authorized REITPlus to engage CBRE to appraise its sole property interest.

In mid-April 2009, CBRE and Valuation Associates delivered to AmREIT appraisal reports with respect to each AmREIT property and CBRE delivered to REITPlus an appraisal report with respect to its sole property interest. AmREIT management, based on the appraisal reports and its estimate of the value of AmREIT s third party property management contracts, workforce in place, goodwill and other intangibles and the $11.00 and $10.55 current conversion prices, respectively, of the Class C Stock and Class D Stock, determined that the Class A Stock had a market value of between $9.00 and $12.00 per share.

Prior to the regular meetings of the REITPlus Board and the AmREIT Board on May 6, 2009, AmREIT management distributed to the independent members of the REITPlus Board and the AmREIT Board a draft merger agreement providing for the merger of AmREIT into REITPlus. The merger agreement provided for a one-for-one exchange ratio of Class A Stock for REITPlus Common Stock, and a corresponding exchange of Class C Stock and Class D Stock for REITPlus Common Stock that provided for the conversion of those classes of AmREIT Common Stock at the conversion prices set forth in the merger agreement.

At the regular meeting of the REITPlus Board on May 6, 2009, the REITPlus Board held a discussion regarding the potential merger of AmREIT into REITPlus. During the meeting, management of AmREIT, the external manager of REITPlus, made a detailed presentation to the

REITPlus Board with respect to the overall value of AmREIT, their opinion regarding the overall value of REITPlus, and the relative benefits of a merger of AmREIT into REITPlus. The REITPlus Board held a lengthy discussion concerning the difficulties of REITPlus continuing to operate as a separate company, the relative efficiencies to be obtained from a merger with AmREIT and their opinions regarding the accuracy of the valuation model presented by AmREIT management. At the close of the meeting, the REITPlus Board considered the engagement of Bass Berry as its counsel in connection with any proposed merger with AmREIT. AmREIT management and Bass Berry informed the REITPlus Board that Bass Berry was representing both companies on an ongoing basis and had been engaged by AmREIT at the March 5, 2009 meeting of the AmREIT Board to represent AmREIT in connection with the potential merger of AmREIT with and into REITPlus. Bass Berry informed the REITPlus Board that it had drafted the merger agreement that the REITPlus Board had received prior to the meeting. After these disclosures, the REITPlus Board discussed whether it would be appropriate for Bass Berry to represent both AmREIT and REITPlus in the merger. After discussing the facts that (1) REITPlus had a single real estate asset consisting of a minority interest in a property controlled by a third party carried at a cost of approximately $5.5 million, (2) the balance sheet of REITPlus at March 31, 2009 reflected approximately $6.7 million of total assets, (3) REITPlus was entirely dependent on its relationship with AmREIT as external manager for its very existence, (4) REITPlus shareholders would own approximately 3% of the combined company after a merger, and (5) the cost of engaging separate legal advisers in the merger would far exceed the benefit to be derived, given REITPlus s small size, the REITPlus Board agreed to engage Bass Berry as REITPlus s legal counsel in the merger, subject to the consent of the AmREIT Board to Bass Berry representing both parties. At the close of the meeting, Bass Berry advised the REITPlus Board members of their fiduciary duties, including careful review of the draft merger agreement prior to adoption of the merger agreement and approval and recommendation of the merger.

At the regular meeting of the AmREIT Board on May 6, 2009, the AmREIT Board held a discussion regarding the potential merger of AmREIT into REITPlus. During the meeting, management made a detailed presentation to the AmREIT Board providing an analysis of the relative values of the Class A Stock, the Class C Stock and the Class D Stock, expressing management s conclusion that the fair market value of the Class A Stock was in a range of $9.00 to $12.00 and that the Class C Stock and Class D Stock had relative values equal to their current conversion prices of $11.00 and $10.55, respectively. The AmREIT Board engaged in a lengthy discussion about the reasons for a merger with REITPlus, including the simplification of AmREIT s capital structure, the efficiencies to be gained by owning and operating all assets managed by AmREIT in a single platform and the cost savings to be achieved by combining the companies. After a lengthy discussion and consideration of all relevant factors, including current market and economic conditions, lack of an established trading market for the Class A Stock and the dividend preference of the Class C Stock, the AmREIT Board determined that for purposes of a merger with REITPlus and conversion of AmREIT Common Stock into a single class, the fair market value of the Class A Stock should be fixed at the low end of the range, or $9.50, which was a 20% discount from the high end of the range. The AmREIT Board, in consultation with Bass Berry, determined that under the AmREIT Declaration of Trust and the designating resolutions for the Class C Stock and the Class D Stock, Class C Stock and Class D Stock should be treated in a merger on the same basis as if they had been converted into Class A Stock in the manner described in the Declaration of Trust and the designating resolutions for optional conversions. Therefore, the AmREIT Board directed Bass Berry to confirm that the exchange ratios of Class C Stock and Class D Stock for REITPlus Common Stock be equal to their respective conversion prices. At the close of the meeting, Bass Berry advised the AmREIT Board members of their fiduciary duties, including careful review of the draft merger agreement prior to adoption of the merger agreement and approval and recommendation of the merger.

The AmREIT Board held a special meeting on May 20, 2009 to consider approval of the merger agreement and the transactions contemplated in the merger agreement. Also attending the meeting were members of AmREIT s management as well as representatives from KeyBanc and Bass Berry. At the beginning of the meeting, Bass Berry advised the AmREIT Board members of their fiduciary duties. AmREIT s management made a presentation to the AmREIT Board recapping the Vision 2010 strategic plan and outlining management s reasons for proposing the merger. Bass Berry then described for the AmREIT Board the material terms of the merger agreement, including the proposed exchange ratios of Class A Stock, Class C Stock and Class D Stock, respectively, for REITPlus Common Stock, the representations, warranties and covenants of AmREIT under the merger agreement and the termination provisions. Bass Berry explained to the AmREIT Board that the exchange ratios of Class C Stock and Class D Stock for REITPlus Common Stock provided for an exchange as if the Class C Stock and Class D Stock had been converted into Class A Stock immediately prior to the merger at the conversion prices set forth in the Declaration of Trust. AmREIT s management team described for the AmREIT Board in detail the process followed in appraising AmREIT s and REITPlus s assets and determining the relative values of AmREIT Common Stock and REITPlus Common Stock, in connection with the merger, including valuation methodologies followed and material assumptions. KeyBanc then delivered to the AmREIT Board its opinion regarding the fairness to the holders of the Class A Stock, the Class C Stock and the Class D Stock, from a financial point of view, of the consideration to be received in the merger. KeyBanc s analysis and opinion are described in the section of this joint proxy statement/prospectus entitled Proposal No. 1: The Merger Opinion of AmREIT s Financial Opinion Provider. After considering the description of the merger agreement delivered by Bass Berry and the fairness opinion delivered by KeyBanc and asking questions of, and receiving answers from, the respective advisers and management of AmREIT and considering the potential negative effects to AmREIT and its shareholders, including the absence of any objecting shareholder rights, the AmREIT Board unanimously deemed the merger advisable and in the best interests of AmREIT and its shareholders, approved the merger agreement and the transactions described therein and recommended that the holders of AmREIT Common Stock approve the merger. The AmREIT Board also consented to the representation by Bass Berry of both of AmREIT and REITPlus in connection with the merger.

The REITPlus Board held a special meeting on May 20, 2009 to consider approval of the merger agreement and the transactions contemplated in the merger agreement. Also attending the meeting were members of AmREIT s management as well as representatives from

Bass Berry. At the beginning of the meeting, Bass Berry advised the REITPlus Board members of their fiduciary duties. AmREIT s management made a presentation to the REITPlus Board recapping AmREIT s Vision 2010 strategic plan and outlining management s reasons for proposing the merger. Bass Berry then described for the REITPlus Board the material terms of the merger agreement, including the proposed exchange ratios of Class A Stock, Class C Stock and Class D Stock, respectively, for REITPlus Common Stock. AmREIT management made a lengthy presentation to the REITPlus Board describing the process followed for appraising AmREIT s and REITPlus s assets, including valuation methodologies followed and material assumptions. Management s presentation also outlined the cost savings and other synergies to be obtained from the merger as well as their analysis of and justification for an exchange ratio of one share of REITPlus Common Stock for each share of Class A Stock. The REITPlus Board engaged in a lengthy discussion regarding the value of REITPlus Common Stock both before and after consummation of the merger, including the material dilution in voting power to current REITPlus shareholders, and concluded that the one-for-one exchange ratio based on a $9.50 estimated fair market value of both Class A Stock and REITPlus Common Stock was fair and that the $9.50 estimated fair market value per share of the combined company after the merger was supported by the valuation analysis of management indicating a range of fair market value for AmREIT Common Stock of $9.00 to $12.00 per share. After considering the presentations of Bass Berry and AmREIT management and asking questions of, and receiving answers from, the respective advisers and management of AmREIT and considering the potential negative effects to REITPlus and its shareholders of the merger, the REITPlus Board unanimously deemed the merger advisable and in the best interests of REITPlus and its shareholders, approved the merger agreement and the transactions described therein and recommended that the holders of REITPlus Common Stock approve the merger. The REITPlus Board also consented to the representation by Bass Berry of both of AmREIT and REITPlus in connection with the merger.

By written consent on July 8, 2009, the REITPlus Board and the AmREIT Board each approved the Amended and Restated Agreement and Plan of Merger, which made certain changes, including an increase in the merger consideration for shares of Class D Stock purchased pursuant to AmREIT s Class D Dividend Reinvestment Plan, and determined that the merger, on the terms set forth in the Amended and Restated Agreement and Plan of Merger, was advisable and directed that the merger be submitted to their respective shareholders for approval. REITPlus s Board of Directors (including REITPlus s independent directors) also determined that that the merger and the other transactions contemplated by the Amended and Restated Agreement and Plan of Merger are fair and reasonable and on terms and conditions not less favorable than those available from unaffiliated third parties.

In approving the merger agreement and the transactions contemplated thereby, including the merger, both the AmREIT Board and the REITPlus Board, in furtherance of their respective fiduciary duties, considered the interests of their respective shareholders and companies in the merger as well as the reasons for and consequences of the merger, all as set forth above in this Background of the Merger section and in the section of this joint proxy statement/prospectus entitled Proposal No. 1: The Merger Reasons for and Consequences of the Merger.

THE AMREIT SPECIAL MEETING

The special meeting of holders of AmREIT Common Stock will be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 9:30 a.m., Central Standard Time, to consider and act upon the approval of the merger agreement and the transactions contemplated thereby and the adjournment or postponement of the special meeting, if necessary, to permit the further solicitation of proxies.

All shareholders of record at the close of business on October 8, 2009 are entitled to receive notice of and to vote at, the meeting, or at any adjournment or postponements thereof.

Shareholders of record may vote by mail, by phone, by Internet or by attending the special meeting in person. If you are a record holder of AmREIT common stock, voting by proxy will in no way limit your right to vote at the special meeting if you later decide to attend in person. If your shares of AmREIT Common Stock are held in the name of a bank, broker or other holder of record you must follow the instructions of your bank or broker to provide, change or revoke your voting instructions or obtain a proxy in order to vote your shares at the special meeting. **If you submit a validly executed proxy and no direction is given your shares will be voted in favor of the merger and the adjournment or postponement of the special meeting, if necessary, to permit further solicitation of proxies. Under the AmREIT Declaration of Trust and Bylaws, the special meeting may be adjourned to a date not more than 120 days after the record date for the special meeting.**

AmREIT shareholders of record may revoke their proxy and change their vote at any time before their proxy is voted at the special meeting. To revoke their proxy instructions, they must: (i) so advise AmREIT s Secretary, Chad C. Braun, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, in writing before their shares of AmREIT Common Stock have been voted by the proxy holders at the meeting; (ii) execute and deliver a subsequently dated proxy; (iii) authorize a proxy via the telephone or the internet at a later date; or (iv) attend the meeting and vote their shares of AmREIT Common Stock in person.

AmREIT will bear the cost of preparing, printing, assembling and mailing the proxy cards, this joint proxy statements/prospectus and other materials that may be sent to shareholders in connection with this solicitation.

Under Maryland law and the AmREIT Declaration of Trust and Bylaws, no business other than procedural matters relating to the AmREIT special meeting or the business described above may properly be brought before the AmREIT special meeting. The persons authorized under the proxies will vote upon any such procedural matters in their discretion to the same extent as the person delivering the proxy would be entitled to vote.

THE REITPLUS SPECIAL MEETING

The special meeting of holders of REITPlus Common Stock will be held at 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, on Tuesday, November 24, 2009, at 11:00 a.m., Central Standard Time, to consider and act upon the approval of the merger agreement and the transactions contemplated thereby and the adjournment or postponement of the special meeting, if necessary, to permit the further solicitation of proxies.

All shareholders of record at the close of business on October 8, 2009 are entitled to receive notice of and to vote at, the meeting, or at any adjournment or postponements thereof.

Shareholders may vote by mail, by phone, by Internet or by attending the special meeting in person. Voting by proxy will in no way limit your right to vote at the special meeting if you later decide to attend in person. If your shares of REITPlus Common Stock are held in the name of a bank, broker or other holder of record you must follow the instructions of your bank or broker to obtain a proxy in order to vote your shares at the special meeting. **If you submit a validly executed proxy and no direction is given your shares will be voted in favor of the merger and the adjournment or postponement of the special meeting, if necessary, to permit further solicitation of proxies. Under the REITPlus Charter and Bylaws, the special meeting may be adjourned to a date not more than 120 days after the record date for the special meeting.**

REITPlus shareholders may revoke their proxy and change their vote at any time before their proxy is voted at the special meeting. To revoke their proxy instructions, they must: (i) so advise REITPlus s Corporate Secretary, Chad C. Braun, 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, in writing before their shares of REITPlus Common Stock have been voted by the proxy holders at the meeting; (ii) execute and deliver a subsequently dated proxy; (iii) authorize a proxy via the telephone or the internet at a later date; or (iv) attend the meeting and vote their shares of REITPlus Common Stock in person.

REITPlus will bear the cost of preparing, printing, assembling and mailing the proxy cards, this joint proxy statements/prospectus and other materials that may be sent to shareholders in connection with this solicitation.

Under Maryland law and REITPlus s Charter and Bylaws, no business other than procedural matters relating to the REITPlus special meeting or the business described above may properly be brought before the REITPlus special meeting. The persons authorized under the proxies will vote upon any such procedural matters in their discretion to the same extent as the person delivering the proxy would be entitled to vote.

PROPOSAL NUMBER 1: THE MERGER

Parties to the Merger

REITPlus. REITPlus is a corporation organized under the MGCL that has elected to be taxed as a REIT for federal income tax purposes. REITPlus is externally managed by REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT. Following the merger, REITPlus will be internally managed by AmREIT s current management team. The primary business of REITPlus is the acquisition, ownership and management of retail and mixed-use properties, including high-quality, multi-tenant shopping centers and mixed-use properties throughout the United States. As of June 30, 2009, REITPlus had an interest in one non-consolidated property in Texas.

The REITPlus Common Stock is not traded on an exchange. See Annex B for more information concerning REITPlus and its business and assets.

REITPlus owns its real estate asset through an operating partnership, REITPlus Operating Partnership, L.P., a Delaware limited partnership, which we refer to as REITPlus OP. This provides REITPlus with an umbrella partnership REIT, or UPREIT, structure which the REITPlus Board believes facilitates the acquisition of properties in exchange for units of limited partnership interest, or OP Units, on a tax deferred basis. OP Units are redeemable for REITPlus Common Stock on a one-for-one basis or, at REITPlus s option, cash, twelve months after issuance of the OP Units. REITPlus is the sole general partner of REITPlus OP. REITPlus Holdings, LLC, a wholly owned subsidiary of

AmREIT, is a limited partner of REITPlus OP and will continue to hold its interest as a wholly owned subsidiary of REITPlus after the merger. In addition, AmREIT owns 100,000 OP units, which it acquired for $1 million cash in connection with the formation and initial capital raise of REITPlus. The OP Units currently owned by AmREIT will be acquired by operation of law, along with all other assets and properties of AmREIT by REITPlus upon consummation of the merger. Upon acquisition of the 100,000 OP Units in connection with the merger, REITPlus will own, directly or indirectly, 100% of the partnership interests in REITPlus OP. In addition, AmREIT and AmREIT management own special units of limited partnership interest in REITPlus OP, which entitle them to 15% of any excess net proceeds from the sale or liquidation of REITPlus properties over contributed capital plus a 7% cumulative return. These special units will be cancelled upon consummation of the merger.

AmREIT. AmREIT is a Maryland REIT that has elected to be taxed as a REIT for federal income tax purposes. AmREIT is internally managed, and AmREIT owns commercial properties in high-traffic, highly-populated areas, most of which are leased to investment grade corporate tenants.

AmREIT s Class A Stock, Class C Stock and Class D Stock are not traded on an exchange. See Annex C for more information concerning AmREIT and its business and assets.

Under the Maryland REIT Law and the AmREIT Declaration of Trust, the approval of the merger and the other transactions contemplated by the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of AmREIT Common Stock, with all classes of common stock voting together as a single class. Under the MGCL and the REITPlus Charter, approval of the merger requires the affirmative vote of the holders of a majority of the outstanding shares of REITPlus Common Stock.

As of the Record Date, REITPlus held approximately 90,000 shares of Class A Stock, representing less than 1% of the AmREIT Common Stock outstanding as of the date of this joint proxy statement/prospectus. REITPlus intends to vote those shares FOR the merger and any adjournment or postponement of the AmREIT special meeting, if necessary.

Record Date

The REITPlus Board has set the close of business on October 8, 2009 as the Record Date for REITPlus shareholders who are entitled to notice of and/or to vote on the action to be taken at the REITPlus special meeting.

The AmREIT Board has set the close of business on October 8, 2009 as the Record Date for AmREIT shareholders who are entitled to notice of and/or to vote on the action to be taken at the AmREIT special meeting.

Merger Consideration

Subject to the satisfaction of conditions set forth in the merger agreement, including requisite approvals by the shareholders of REITPlus and AmREIT, upon consummation of the merger contemplated by the merger agreement, shares of AmREIT Common Stock and REITPlus Common Stock, respectively, outstanding at the time of the merger will be affected in the following manner:

Each share of REITPlus Common Stock will remain outstanding;

Each share of AmREIT Common Stock shall be cancelled;

Each share of Class A Stock will be converted into 1.0 share of REITPlus Common Stock;

Each share of Class C Stock will be converted into 1.16 shares of REITPlus Common Stock; and

Each share of Class D Stock will be converted into 1.11 shares of REITPlus Common Stock.

If the merger is consummated, based on the fully-diluted shares of capital stock outstanding of each of REITPlus and AmREIT as of the Record Date, current holders of REITPlus Common Stock will own approximately 3.3% of the outstanding capital stock of the surviving company, and current holders of AmREIT Common Stock will own approximately 96.7% of the outstanding capital stock of the surviving company.

Distributions

After the merger, REITPlus will continue to operate as a REIT and, as such, expects to pay regular dividends in respect of the REITPlus Common Stock in order to meet the requirements in the Code for continued qualification as a REIT. No monthly dividends or other distributions will be paid with respect to outstanding shares of AmREIT Common Stock during the month in which the merger is consummated, but the REITPlus Board intends to authorize a dividend payable on the last day of the month in which the merger is consummated to holders of REITPlus Common Stock immediately after consummation of the merger. It is anticipated that the rate of such dividend will be the same as the then-current monthly dividend rate with respect to the Class A Stock, currently $0.041667 per share. Based on the Class C Exchange Ratio of 1.16 to 1.0, this translates to an equivalent monthly dividend rate of $0.048 per share, or approximately $0.01 per month, or $0.12 per year, less than the dividend rate on the Class C Stock. Based on the Class D Exchange Ratio of 1.11 to 1.0, this translates to an equivalent monthly dividend rate of $0.04625 per share, or approximately $0.008 per month, or $0.096 per year, less than the dividend rate on the Class D Stock. The timing and amount of any future dividends and/or distributions on the REITPlus Common Stock after consummation of the merger will be subject to the approval of the REITPlus Board. Until the merger is consummated, or in the event the merger is not consummated, in which case AmREIT may decrease the amount of or suspend the payment of its regular monthly dividend, AmREIT expects to continue paying such dividend with respect to each class of AmREIT Common Stock, subject to the approval of the AmREIT Board.

Conflicts of Interest

REITPlus and its shareholders, on the one hand, may have interests in the merger that may be different from or in addition to the interests of AmREIT and its shareholders, on the other hand, including the following:

- Upon consummation of the merger, the advisory agreement between REITPlus and REITPlus Advisor, Inc., a wholly owned subsidiary of AmREIT, will be terminated; upon such termination, REITPlus and its shareholders will save, and AmREIT and its shareholders will forgo, approximately $160,000 per year in advisory, management and other fees, as well as the right to earn a deferred performance fee of up to 15% of any net value created in REITPlus in excess of contributed capital plus a 7% cumulative annual return.

- Upon consummation of the merger, the special units of partnership interest in REITPlus Operating Partnership, LP owned by AmREIT and AmREIT management will be cancelled, and AmREIT will forgo the right to earn 67.5% of an amount equal to 15% of any excess net proceeds from the sale of liquidation of REITPlus s properties over contributed capital plus a 7% cumulative annual return.

- The AmREIT management team, through a limited liability company of which they own all membership interests, owns 32.5% of the special units of partnership interest in REITPlus Operating Partnership, LP. The special units will be cancelled upon consummation of the merger, and the AmREIT management team will forgo the right to earn 32.5% of the excess proceeds described in the preceding bullet.

- REITPlus reimburses AmREIT for the services of its personnel, including those who serve as REITPlus s officers. Examples of reimbursable personnel costs include legal services (such as negotiating leases and tenant collection issues), preparation of sales materials for use in REITPlus s best efforts initial public offering, accounting and financial reporting services, and investor services. These reimbursements will terminate upon consummation of the merger.

- The chief executive officer and chief financial officer, respectively, of AmREIT also hold the identical offices for REITPlus. In making executive officer level decisions for REITPlus, each of these executive officers could be influenced by reason of their executive positions with AmREIT to act in a manner that in the short-term or longer-term could be of greater benefit to AmREIT than to REITPlus. For example, the AmREIT chief executive officer could direct AmREIT leasing personnel, who are also responsible for leasing REITPlus properties, to devote all their efforts to AMREIT property leasing to the exclusion of REITPlus property leasing or could direct AmREIT finance personnel to focus on financing AmREIT s operations and properties to the exclusion of financing REITPlus.

Conditions to the Merger

REITPlus and AmREIT will complete the merger only if the conditions in the merger agreement are satisfied or, in some cases, waived. These conditions include:

- the approval of the merger by the shareholders of REITPlus and AmREIT at their respective special meetings with respect to which this joint proxy statement/prospectus is being circulated;

- the receipt of all material approvals, authorizations and consents required to consummate the merger, including the consents of the lender under AmREIT s unsecured credit facility and REITPlus s unaffiliated joint venture partner in AmREIT Shadow Creek Acquisition, LLC (which conditions can be waived by REITPlus and AmREIT, respectively);

there being no preliminary or permanent injunctions issued by any court or other governmental authority that would render the merger illegal or would otherwise prohibit its consummation;

the registration statement circulated with this joint proxy statement/prospectus having been declared effective by the SEC and no stop order suspending its effectiveness having been issued by the SEC;

each of the representations and warranties of REITPlus and AmREIT contained in the merger agreement being true and correct in all material respects as of the Closing Date (as defined in the merger agreement); and

REITPlus and AmREIT having performed or complied with all agreements and covenants required by the merger agreement.

If either party fails to obtain a required consent under any agreement and the other party waives the condition of obtaining such consent, then consummation of the merger could result in a default under the applicable agreement requiring such consent.

Reasons for and Consequences of the Merger

In deciding to approve the merger and the merger agreement, the AmREIT Board and the REITPlus Board considered a number of factors, both potentially positive and potentially negative, with respect to the merger, including the following:

Implementation of Vision 2010 Strategic Plan. The AmREIT Board adopted the Vision 2010 strategic plan in September 2008 in order to eliminate the volatility in AmREIT s earnings, simplify its capital structure and position AmREIT for future growth. AmREIT accomplished phase 1 of Vision 2010 in September 2008 by discontinuing its fee-based securities and third party real estate development and management businesses, eliminating approximately $7 million per year in overhead. AmREIT effected the delisting of its Class A Stock on the NYX in December 2008 as a preliminary step to simplifying AmREIT s capital structure. After consideration of alternatives to further simplify AmREIT s capital structure, the AmREIT Board adopted the merger agreement and recommended the merger to AmREIT s shareholders as the final step in simplifying AmREIT s capital structure. The AmREIT Board believes that simplification of AmREIT s capital structure was necessary to enable AmREIT to access institutional equity capital to fund future growth under phase 3 of Vision 2010.

Administrative Cost Savings. The merger is expected to result in administrative and operational economies of scale and cost savings for the benefit of both holders of shares of AmREIT Common Stock and REITPlus Common Stock, primarily in the form of decreased expense from duplicate audits, duplicate legal fees and planned reduction of certain other overhead expenses.

Additional Liquidity. Prior to December 2008, AmREIT s Class A Stock was listed on the NYX, but experienced very low trading volume and a very inefficient market where the trading of a small number of shares could significantly impact the trading price of the Class A Stock. AmREIT s management team was repeatedly informed by investment bankers, sell-side securities analysts and institutional investors that AmREIT s complex capital structure was not in conformity with other listed REITs and served as an impediment to additional capital raising and an efficient secondary trading market for AmREIT s Common Stock. With a more traditional operating structure and simplified capital structure resulting from the merger, the AmREIT Board and REITPlus Board believe that the surviving company will have greater access to capital from lenders, institutional equity and retail investors. The AmREIT Board and REITPlus Board believe that this improved capital structure and greater access to capital will increase the likelihood that the combined company can successfully list its common stock after consummation of the merger, a public trading market will develop and all shareholders will have improved liquidity.

Ability to Attract Additional Equity. As discussed above, AmREIT s management team was repeatedly informed by investment bankers, sell-side securities analysts and institutional investors that its capital structure was complex and not in conformity with other listed REITs. Based on that input, the AmREIT Board believes that attracting additional capital would be difficult unless and until AmREIT s capital structure conforms more closely to the capital structures of other listed REITs, who generally have a single class of common stock that receive discretionary dividends based on the REIT s operating performance. REITPlus, on the other hand, was unsuccessful in raising significant equity capital in 2008 and terminated its continuous offering after having raised only approximately 1% of the capital that it had hoped to raise. With minimal equity capital, the REITPlus Board believed that REITPlus was too small to attract interest from capital sources. The AmREIT Board and the REITPlus Board believe that the merger, combination of the operating platforms of AmREIT and REITPlus and the resulting simplification of the capital structure of the combined company will conform more to the capital structures of other listed REITs. The AmREIT Board and the REITPlus Board believe that the combined company will therefore be more likely to attract the interest of investment banks, sell-side securities analysts and institutional and retail investors. The AmREIT Board and REITPlus Board believe that increased interest in the combined company from the investment community will enable the combined company to raise additional equity capital, allowing the combined company to implement phase 3 of Vision 2010, which contemplates growth through the

acquisition and selective development of additional properties.

Tax Consequences. The merger is intended to qualify as a reorganization within the provisions of Section 368(a) of the Code. If the merger so qualifies, then for U.S. federal income tax purposes, holders of shares of AmREIT Common Stock who receive REITPlus Common Stock in exchange for their shares in the merger are not expected to recognize any gain or loss, except with respect to cash received instead of a fractional share of REITPlus Common Stock. If for any reason the merger does not so qualify, AmREIT shareholders would be required to pay taxes on any gain as a result of their receipt of shares of REITPlus Common Stock.

Avoidance of Conflicts of Interest. AmREIT conducts businesses similar to that of REITPlus. The conduct of these businesses and the allocation of business opportunities and investments between REITPlus and AmREIT may give rise to conflicts of interest. In addition, there are complexities associated with allocating resources and costs for overhead, personnel and other matters between REITPlus and AmREIT. These conflict situations will be eliminated through the merger.

Future Investment Opportunities. Upon consummation of the merger, AmREIT and REITPlus will have completed the initial two phases of Vision 2010. Prior to implementation of Vision 2010, AmREIT s management team was responsible for compliance and reporting for two public REITs, managing the continuous securities offering for REITPlus, searching for capital to fund the growth of AmREIT while burdened by a complicated capital structure and lack of investor interest and reporting to two separate boards of directors and four separate shareholder constituencies (considering the three classes of AmREIT Common Stock). Consummation of the merger will consolidate the shareholders into a single shareholder base, combine the boards of directors of the two companies, eliminate duplicative reporting, eliminate the need for management of a continuous securities offering and free the management team to pursue growth and strategic opportunities. The AmREIT Board and the REITPlus Board believe that the foregoing benefits will afford management of the combined company more time and resources to identify new investment opportunities, conduct due diligence on acquisition and development properties and seek financing for new projects. The AmREIT Board and REITPlus Board believe that the combined company will be better able to take advantage of the opportunities so identified, resulting in future growth and further diversification of the investment risk borne by shareholders of the combined company.

Elimination of Dependency on AmREIT and its Personnel. REITPlus is externally managed by and is dependent upon AmREIT and its wholly-owned subsidiary, REITPlus Advisor, Inc., which provides advisory services to REITPlus pursuant to an advisory agreement and whose continued service is not guaranteed. REITPlus s inability to continue to retain the services of AmREIT and REITPlus Advisor, Inc. or REITPlus s loss of any of their services could adversely impact REITPlus s operation. The merger would ensure the continued service of AmREIT and its advisory services because AmREIT is a self-administered and a self-managed real estate investment trust.

Governing Documents. The merger agreement provides that at the effective time of the merger the combined company will be governed by the REITPlus Charter. The existing REITPlus Bylaws will remain in effect for the combined company, but may be amended by the board of directors of the combined company.

Sustainability of Dividends. The AmREIT Board believes that the current capital structure of AmREIT, with multiple classes of stock and mandatory, fixed preferential dividends, could in the future impair AmREIT s liquidity and result in erratic dividend payments. The AmREIT Board believes that simplification of the capital structure and elimination of mandatory, fixed preferential dividends through the merger will better enable the surviving corporation to pay a stable dividend in the future and will lessen the likelihood of liquidity issues and severe dividend cuts.

Significant Costs Involved. The AmREIT Board and REITPlus Board considered the significant costs involved in connection with completing the merger, the substantial management time and effort required to complete the merger and the related disruption to operations of AmREIT and REITPlus, substantially all of which have been incurred and will be expenses to the companies whether or not the merger is consummated.

The AmREIT Board and REITPlus Board also considered the potential conflicts of interest set forth in Conflicts of Interest above.

In view of the wide variety of factors considered by AmREIT and REITPlus, neither AmREIT nor REITPlus found it practicable to quantify or otherwise attempt to assign relative weights to the specific factors considered. In the opinion of the respective boards, the above factors represent the material potential positive and adverse consequences which could occur as a result of the merger. In considering the merger, the boards considered the impact of these factors on their respective shareholders and concluded that the benefits noted above outweigh the negative factors.

Opinion of AmREIT s Fairness Opinion Provider

KeyBanc was asked by the AmREIT Board to render an opinion to the AmREIT Board as to the fairness, from a financial point of view, of the consideration to be received by the holders of the Class A Stock, Class C Stock and Class D Stock in the proposed merger with REITPlus. KeyBanc s fees are not contingent upon completion of the merger.

On May 20, 2009, KeyBanc delivered to the AmREIT Board its oral opinion, subsequently confirmed in writing, that, as of the date of its opinion, based upon and subject to the assumptions, limitations and qualifications contained in its opinion, and other matters KeyBanc considers relevant, the consideration to be received by the holders of the issued and outstanding shares of Class A Stock, Class C Stock and Class D Stock was fair, from a financial point of view.

The full text of the written opinion of KeyBanc is included as Annex E to this joint proxy statement/prospectus. AmREIT urges you to read that opinion carefully and in its entirety for the assumptions made, procedures followed, other matters considered and limits of the review undertaken in arriving at the opinion.

KeyBanc s opinion was prepared for the information and assistance of the AmREIT Board and is limited only to the consideration to be received by the holders of the issued and outstanding shares of Class A Stock, Class C Stock and Class D Stock and does not address the fairness of any other aspect of the proposed merger and does not address AmREIT s underlying business decision to effect the proposed merger or any other terms thereof. KeyBanc s opinion does not constitute a recommendation to any stockholder of AmREIT as to how such stockholder should vote at any meeting held in connection with the merger. In addition, KeyBanc s opinion does not express any opinion as to the fairness of the amount or the nature of the compensation now paid or to be paid to any of AmREIT s officers, managers, or employees, or class of such persons, relative to the compensation to public shareholders.

The consideration to be received by the holders of the issued and outstanding shares of Class A Stock, Class C Stock and Class D Stock in the merger was determined in arm s-length negotiations between AmREIT and REITPlus and not by KeyBanc. KeyBanc did not recommend the consideration to be paid in the proposed merger. The consideration was determined in negotiations among the parties to the merger agreement, in which KeyBanc did not advise the AmREIT Board.

No restrictions or limitations were imposed by the AmREIT Board on KeyBanc with respect to the investigations made or the procedures followed by KeyBanc in rendering its opinion.

In rendering its opinion, KeyBanc reviewed, among other things:

1. a draft of the merger agreement dated May 20, 2009, which KeyBanc understood to be in substantially final form;

2. certain publicly available information concerning AmREIT, including the Annual Reports on Form 10-K of AmREIT for each of the years in the three year period ended December 31, 2008, a draft of the Quarterly Report on Form 10-Q of AmREIT for the quarter ended March 31, 2009, which KeyBanc understood to be in substantially final form;

3. certain other internal information, primarily financial in nature, including projections, concerning the business and operations of AmREIT furnished to KeyBanc by AmREIT for purposes of KeyBanc s analysis;

4. third party property appraisal reports for AmREIT and REITPlus prepared by CB Richard Ellis, Inc. and Valuation Associates Real Estate Group, Inc.;

5. certain publicly available information concerning REITPlus;

6. certain other internal information, primarily financial in nature concerning REITPlus;

7. certain publicly available information with respect to certain other publicly traded companies that KeyBanc believes to be comparable to AmREIT and the trading markets for certain of such other companies securities; and

8. certain publicly available information concerning the nature and terms of certain other transactions that KeyBanc considers relevant to its inquiry.

KeyBanc also held meetings with certain officers and employees of AmREIT to discuss the business and prospects of AmREIT, as well as other matters KeyBanc believed relevant to its inquiry, and considered such other data and information it judged necessary to render its opinion.

In rendering its opinion, KeyBanc assumed and relied upon the accuracy and completeness of all of the financial and other information provided to it or publicly available. KeyBanc also assumed the accuracy of and relied upon the representations and warranties of the parties contained in the merger agreement. KeyBanc was not engaged to, and did not independently attempt to, verify any of such information. KeyBanc also relied upon the management of AmREIT as to the reasonableness and achievability of the financial and operating projections (and the assumptions and bases for those projections) provided to it, and assumed, with the consent of the AmREIT Board, that those projections reflected the best available estimates and judgment of AmREIT s management. KeyBanc was not engaged to assess the reasonableness or achievability of those projections or the assumptions on which they were based and expressed no view on those matters. KeyBanc did not conduct a physical inspection or appraisal of any of the assets, properties or facilities of AmREIT. KeyBanc was furnished with and has relied upon the completeness and accuracy of certain appraisals prepared for AmREIT by CB Richard Ellis, a national full-service real estate firm, and Valuation Associates Real Estate Group, Inc., a recognized leader in valuation of restaurant properties. KeyBanc also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed transaction will be obtained without material adverse effect on AmREIT or the proposed merger.

KeyBanc s opinion is based on economic and market conditions and other circumstances existing on, and information made available, as of the date of its opinion and does not address any matters after such date. Although subsequent developments may affect its opinion, KeyBanc does not have the obligation to update, revise or reaffirm its opinion. As of the date of this joint proxy statement/prospectus, there have been no material changes in the matters and conditions considered by KeyBanc in rendering its opinion and no material changes are anticipated to occur prior to the special meetings of REITPlus and AmREIT.

The following is a brief summary of the analyses performed by KeyBanc in connection with its opinion. This summary is not intended to be an exhaustive description of the analyses performed by KeyBanc but includes all material factors considered by KeyBanc in rendering its opinion. KeyBanc drew no specific conclusions from any individual analysis, but subjectively factored its observations from all of these analyses into its assessments.

Each analysis performed by KeyBanc is a common methodology utilized in determining valuations. Although other valuation techniques may exist, KeyBanc believes that the analyses described below, when taken as a whole, provide the most appropriate analyses for KeyBanc to arrive at its opinion.

Comparable Public Company Analysis

KeyBanc reviewed and compared certain financial data and stock trading prices for eight publicly traded retail REIT companies chosen by KeyBanc. The eight comparable companies were chosen because, like AmREIT, they are focused on the acquisition and ownership of shopping center retail properties. Retail REITs focusing on the acquisition and ownership of malls were not included in the analysis. Although AmREIT is not a publicly traded company, the comparable public company analysis is an appropriate valuation technique because there is a liquid market for the shares of public companies so that, unlike private companies, their values are continually marked to market . Since there have been very few recent transactions involving private retail real estate companies, there is not adequate information to determine current valuations based on an analysis of private transactions only. While no company is identical to AmREIT, the process of analyzing the current valuations for REITs focused on property types similar to those found in AmREIT s portfolio is helpful as one of many tools used to determine a valuation range for AmREIT. The comparable companies chosen by KeyBanc included:

Acadia Realty Trust	Regency Centers Corporation
Equity One, Inc.	Saul Centers, Inc.
Federal Realty Investment Trust	Urstadt Biddle Properties Inc
Kimco Realty Corporation	Weingarten Realty Investors

For each of these comparable companies, KeyBanc calculated the applicable company s total enterprise value as of May 18, 2009 (based on market data as of May 18, 2009), as a multiple of that company s implied capitalization rate (Cap Rate) for the last twelve months (LTM). Total enterprise value for a public company is calculated by (1) multiplying the company s share price times shares outstanding, which is the equity value, (2) adding the total amount of debt and minority interest from the financial statements most recently filed with the SEC, and (3) subtracting the cash amounts from the financial statements most recently filed with the SEC. The Cap Rate is calculated by taking a company s net operating income (NOI), in this case the LTM NOI, and dividing it by the total enterprise value. NOI is gross income received from properties minus the expenses associated with operating those properties. Comparable company implied LTM Cap Rate was calculated from information set forth in the applicable company s most recently filed Form 10-K or Form 10-Q, as applicable, and was 4.8%, 5.8%, 6.5%, 6.9%, 7.4%, 7.6%, 8.4%, and 8.7%, having a mean of 7.0%. The estimated price range of $7.25 - $9.75 per share was calculated based on the range of Cap Rates of 6.5% to 7.5%. The range of the Cap Rates was determined by taking the mean implied LTM Cap Rates of the comparable public companies of approximately 7.0% and adding and subtracting 50 basis points. The Cap Rate range was applied to AmREIT s LTM NOI of approximately $26 million to determine the range of AmREIT s total enterprise value of $343 million to $396 million. Net debt of approximately $181 million was then subtracted to calculate an equity value range of $162 million to $215 million. The equity value range was then divided by

the aggregate number of Class A, C, and D shares (as converted by their respective contractual conversion ratios) of approximately 22 million shares. Using these calculations, the estimated per share range was approximately $7.25 to $9.75.

No company utilized in the comparable public company analysis is identical to AmREIT. KeyBanc made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the parties to the merger agreement. Mathematical analysis of comparable public companies (such as determining means and medians) in isolation from other analyses is not an effective method of evaluating transactions.

Discounted Cash Flow Analysis

KeyBanc analyzed various financial projections prepared by the management of AmREIT for the fiscal years 2009 through 2013 and performed a discounted cash flow analysis of AmREIT based on these projections. The basis for these projections were the actual and budgeted 2009 operating results for AmREIT. Management then evaluated and assessed property level lease maturities and tenant lease renewals in order to determine lease renewal probabilities and to apply the applicable lease rates. Management also assessed the operating expenses of the properties as well as the general corporate overhead, assessing on an annual basis items such as reimbursable and non-reimbursable tenant operating expenses, compensation expense, interest expense, accounting fees, legal and professional expense, marketing expense, regulatory expenses and other general and administrative costs associated with operating the business. This resulted in annual net income and Funds From Operations that were then compared to historical operating results for consistency, comparability, and reasonableness. A discounted cash flow analysis is a methodology used to derive a valuation of a corporate entity by discounting to the present its future expected cash flows. The discounted cash flow analysis was conducted by estimating AmREIT s weighted average cost of capital (WACC) at a range of 9.5% to 11.0%. WACC was calculated by using various assumptions, including, but not limited to, an assumed cost of equity of 14.1% and an assumed pre-tax cost of debt of 6.2%. These assumptions were based upon KeyBanc s judgment relating to the debt to total capitalization ratios of the selected comparable companies, current effective tax rates, current debt market rates for debt issues relevant to AmREIT, current risk free rates of return, and measures of risk for AmREIT and its competitors, suppliers and customers. The WACC calculation resulted in an approximate 10.4% WACC for AmREIT. KeyBanc performed a sensitivity analysis to illustrate the effect of different assumptions for changes in WACC. The sensitivity analysis range resulted in an adjusted WACC of 10.2%, which was used as a midpoint for the 9.5%-11.0% discount rate range. KeyBanc discounted to present value AmREIT s projected free cash flows for each of the fiscal years 2009 through 2013, and a range of terminal values of AmREIT (the calculated range of values of AmREIT at the end of the projection period). KeyBanc calculated the range of terminal values in year 2013 by applying (i) a range of Cap Rate exit multiples (6.0% to 7.0%) to AmREIT s projected property net operating income and (ii) a range of exit multiples (4.5x 6.5x) to the operating company s terminal year operating Company Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). The range of the Cap Rate exit multiples was determined by taking the mean implied LTM Cap Rate of 6.6% from the appraised value of the AmREIT portfolio from the appraisals completed by CBRE and Valuation Associates and creating a range between 6.0% to 7.0%. The range of the exit multiples was determined by taking the implied EBITDA multiples of the comparable public companies. KeyBanc calculated a range of enterprise values of AmREIT by adding together the ranges of discounted cash flows and discounted terminal values calculated as described above. KeyBanc then calculated a range of equity values of AmREIT as a whole and the implied values per share of AmREIT Common Stock ($7.47 to $10.73).

While discounted cash flow analysis is a widely accepted and practiced valuation methodology, it relies on a number of assumptions, including growth rates, terminal multiples and discount rates. The valuation derived from the discounted cash flow analysis is not necessarily indicative of AmREIT s present or future value or results. Discounted cash flow analysis in isolation from other analyses is not an effective method of evaluating transactions.

Net Asset Value Analysis

Using information provided by the management of AmREIT and individual property appraisals completed by CBRE and Valuation Associates, KeyBanc calculated the net asset value, or NAV, per share for AmREIT. CBRE conducted individual property appraisals on AmREIT s 12 wholly-owned shopping centers and 18 single tenant properties. CBRE used a variety of methods in determining the appraised value of each property including, but not limited to, comparable property sales analysis and the income capitalization approach. As part of the income capitalization approach, CBRE estimated the net operating income of each property by applying market rent to each property rent roll and making certain assumptions regarding tenant rollover, vacancy, and expense reimbursements. Valuation Associates determined the value of the leasehold (improvements only) and leased fee interest of each of AmREIT s 19 IHOP properties using a variety of methods including, but not limited to, discounted cash flow analysis, income capitalization, and comparable property sales. Valuation Associates relied upon AmREIT that the underlying ground lease terms and conditions are typical for each location and that the properties are being rented at market levels.

For this analysis, KeyBanc relied upon individual property appraisals completed by CBRE and Valuation Associates to value AmREIT s real estate holdings. A range of the value of AmREIT s third party fee-based business was determined by using certain valuation techniques, including public company comparable analysis, discounted cash flow analysis, and comparable transaction analysis. The value of the core real estate portfolio as determined by the appraisals and the value of the third party fee-based business were then added together with other assets to

determine the aggregate value of AmREIT s assets. AmREIT s liabilities were subtracted from the aggregate value of AmREIT s assets to calculate AmREIT s sum-of-parts valuation.

The AmREIT NAV per share was then calculated by dividing AmREIT s sum-of-parts valuation by the number of the shares of AmREIT Common Stock outstanding. The resulting NAV per share of AmREIT Common Stock had a range of $10.83 to $11.87 per share.

Conclusion

The summary set forth above describes the principal analyses performed by KeyBanc in connection with its opinion delivered to the AmREIT Board on May 20, 2009. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, the analyses underlying the opinion are not readily susceptible to summary description. Each of the analyses conducted by KeyBanc was carried out in order to provide a different perspective on the proposed merger and add to the total mix of information available.

KeyBanc did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to fairness from a financial point of view. Rather, in reaching its conclusion, KeyBanc considered the results of the analyses in light of each other and ultimately reached its opinion based upon the results of all analyses taken as a whole. Except as indicated above, KeyBanc did not place particular reliance or weight on any individual analysis, but instead concluded that its analyses, taken as a whole, support its determination. Accordingly, notwithstanding the separate factors summarized above, KeyBanc believes that its analyses must be considered as a whole and that selecting portions of its analysis and the factors considered by it, without considering all analyses and factors, could create an incomplete or misleading view of the evaluation process underlying its opinion. In performing its analyses, KeyBanc made numerous assumptions with respect to industry performance, business and economic conditions and other matters. Due in part to the inherent unpredictability of industry performance, business conditions and economic conditions, the analyses performed by KeyBanc are not necessarily indicative of actual value or future results, which may be significantly more or less favorable than suggested by the analyses.

Miscellaneous

Pursuant to the terms of an engagement letter dated March 30, 2009, AmREIT agreed to pay KeyBanc fees for rendering its May 20, 2009 opinion to the AmREIT Board that are customary in transactions similar to the proposed merger. The terms of the fee arrangement with KeyBanc were negotiated at arm s-length between the Board and KeyBanc. In accordance with the terms of the engagement letter, AmREIT paid KeyBanc a fee of $400,000 upon the delivery of KeyBanc s fairness opinion. The Board also agreed to cause AmREIT to reimburse KeyBanc for certain expenses and indemnify KeyBanc under certain circumstances.

KeyBanc has not provided any services to AmREIT other than in connection with the fairness opinion summarized above. In the ordinary course of business, KeyBanc may actively trade the securities of AmREIT for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in those securities.

Certain Forecasts

AmREIT does not publicly disclose forecasts of future revenues, earnings or other results. However, management provided KeyBanc with certain non-public financial information about AmREIT in connection with KeyBanc s preparation of its fairness opinion and related financial analysis. The information provided to KeyBanc included historical financial information that had been previously filed with the SEC and various forecasts for the fiscal years 2010 through 2013 based on growth and no growth assumptions. The forecast included estimates of revenues, expenses, net income, and funds from operations (FFO). The inclusion of the forecasts in this joint proxy statement/prospectus should not be regarded as an indication that such forecasts will be predictive of actual future results, and the forecasts should not be relied upon as such. No representation is made by AmREIT, REITPlus or any other person to any security holder of either AmREIT or REITPIus regarding the ultimate performance of AmREIT compared to the information contained in the forecasts. AmREIT does not intend to update or otherwise revise the forecasts to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the forecasts are shown to be in error or become out-dated. These forecasts do not give effect to the merger.

The following summarized forecast is shown in millions, except per share data and reflects overall company and asset growth:

	2010	2011	2012	2013
Lease Income	$32.4	$33.8	$34.8	$35.8
Total Revenue	38.5	40.1	41.2	42.3
Property Expense	7.8	8.2	8.5	8.9
Total Expense	24.0	24.1	24.5	24.8

Net Income, after tax	$6.7	$7.8	$8.2	$8.6
Total Company FFO	$13.7	$14.8	$15.2	$15.6

In preparing the above projections, AmREIT made a number of assumptions, including assumptions regarding growth, inflation, lease rates, occupancy, interest rates and lease growth rates. No assurances can be given that these assumptions will accurately reflect future conditions. Although presented with numerical specificity, these projections reflect numerous assumptions and estimates as to future events made by AmREIT s management that management believed were reasonable at the time the projections were prepared and other factors such as industry performance and general business, economic, regulatory and market conditions, all of which are difficult to predict and beyond the control of AmREIT s management. Accordingly, there can be no assurance that the projections will be realized, and actual results may be materially greater or less than those reflected in the projections. You should review the section in this joint proxy statement/prospectus entitled Risk Factors for a description of those factors that could adversely affect these projections.

Rights of Objecting Shareholders to Seek Fair Value for their Common Stock

AmREIT currently is a Maryland real estate investment trust governed by the Maryland REIT Law and, with respect to the rights of objecting shareholders, the MGCL. The AmREIT Declaration of Trust provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of AmREIT Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless AmREIT s Common Stock is owned of record by less than 2,000 holders as of the record date for the determination of shareholders entitled to vote on the merger. As of the close of business on the record date for the AmREIT special meeting, AmREIT s Common Stock was owned of record by more than 5,000 holders. Therefore, AmREIT shareholders will have no right to object to the merger and receive fair value for their shares of AmREIT Common Stock.

REITPlus currently is a Maryland corporation governed by the MGCL. The REITPlus Charter provides, in accordance with Section 3-202(c)(4) of the MGCL, that holders of REITPlus Common Stock shall not be entitled to exercise the rights of objecting shareholders with respect to the merger unless the REITPlus Board determines that such rights apply. The REITPlus Board has not made such determination, and, therefore, REITPlus shareholders will have no right to object to the merger and receive fair value for their shares of REITPlusCommon Stock.

Terms of the Merger Agreement

The complete text of the merger agreement is included as Annex D and is incorporated by reference into this joint proxy statement prospectus.

Structure of the Merger. The merger agreement provides for the merger of AmREIT with and into REITPlus, with REITPlus as the surviving corporation. It is anticipated that the name of the surviving corporation will be changed to AmREIT, Inc. at the time of the merger, and the combined company will operate under the AmREIT name.

Merger Consideration. At the effective time of the merger, each issued and outstanding share of AmREIT Common Stock shall be converted into the following rights: (1) each share of Class A Stock outstanding shall be entitled to receive 1.0 share of REITPlus Common Stock, (2) each share of Class C Stock outstanding shall be entitled to receive 1.16 shares of REITPlus Common Stock and (3) each share of Class D Stock outstanding shall be entitled to receive 1.11 shares of REITPlus Common Stock. No fractional shares of REITPlus Common Stock will be issued in the merger, but persons entitled to such fractional shares shall be entitled to receive cash in lieu thereof. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, REITPlus will forward payments to such holders of fractional interests.

Closing and Effective Time of the Merger. The closing of the merger is expected to occur on or about November 25, 2009.

Governing Documents. The REITPlus Charter in effect immediately before the effective time of the Merger will be the charter of the surviving company, except that the name of the surviving company will be changed to AmREIT, Inc. The existing REITPlus bylaws will remain in effect.

Exchange of Securities; No Fractional Shares; Withholding Rights.

Exchange of Securities. REITPlus will deposit with Phoenix American cash and book-entry shares evidencing REITPlus Common Stock to be paid or issued to the holders of AmREIT Common Stock under and as contemplated by the merger agreement. Promptly after the merger and upon execution of a letter of transmittal, each record holder of AmREIT Common Stock will receive book-entry shares evidencing the

number of full shares of REITPlus Common Stock for which the aggregate number of shares of AmREIT Common Stock owned by such holder have been exchanged pursuant to the merger agreement, plus any cash that such holder is entitled to receive in lieu of fractional shares of REITPlus Common Stock.

No Fractional Shares. All fractional shares of REITPlus Common Stock that a holder of AmREIT Common Stock would otherwise be entitled to receive as a result of the merger shall be aggregated and if a fractional share results from such aggregation, such holder shall be entitled to receive, in lieu thereof, an amount in cash without interest determined by multiplying the fraction of a share of REITPlus Common Stock to which such holder would otherwise have been entitled by $9.50.

Withholding Rights. REITPlus will be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any holder of AmREIT Common Stock such amounts as they are required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law.

Representations and Warranties

The merger agreement contains customary representations and warranties made by REITPlus to AmREIT and by AmREIT to REITPlus. These representations and warranties relate to, among other things:

Organization and qualifications of the entities

Capitalization of the entities

Subsidiaries of the entities

Authorizations and execution of the merger agreement

Absence of conflict; governmental authorizations

SEC reports and financial statements

Absence of certain changes or events

Litigation involving the parties

No undisclosed liabilities

Information supplied

Permits

Compliance with legal requirements

Taxes

Properties

Environmental

Intellectual property

Material contracts

Brokers

Opinion of financial advisor

Insurance

Voting requirements

Affiliate transactions

Investment Company Act of 1940

Business relationships

Vote required

Certain payments

Tax treatment

Certain of these representations are qualified as to materiality or material adverse effect. For purposes of the merger agreement, material adverse effect means, with respect to REITPlus only, any change, event, circumstance or effect that, individually or in the aggregate, is materially adverse to the business, operations, financial condition, results of operations, properties, assets or liabilities of REITPlus and its subsidiaries taken as a whole or on the ability of REITPlus to timely consummate the transactions contemplated by the merger agreement; provided, however, that this definition shall exclude any such change, event, circumstance or effect to the extent arising out of, attributable to or resulting from (a) conditions generally affecting the real estate industry (including economic, legal and regulatory changes); (b) changes in general international, national or regional economic or financial conditions or changes in the securities markets in general; (c) changes in any laws or regulations or accounting regulations or principles applicable to REITPlus and its subsidiaries; (d) any outbreak or escalation of hostilities (including any declaration of war by the United States) or act of terrorism; (e) the announcement, execution or consummation of this merger agreement and the transactions contemplated thereby; (f) REITPlus s compliance with the terms of, or taking any actions required by, this merger agreement, or taking or not taking any actions at the request of or with the consent of AmREIT; or (g) any decrease in the fair market value of REITPlus Common Stock, provided that this exception will not prevent or otherwise affect a determination that any change, event, circumstance or effect underlying such decrease had or contributed to a material adverse effect.

Except for certain specified exceptions, the representations and warranties in the merger agreement do not survive the effective time of the merger and if the agreement is validly terminated, neither party will have any liability or obligation for its representations and warranties, or otherwise under the merger agreement, unless the party has willfully breached any representation, warranty or covenant contained therein.

Termination of the Merger Agreement

The merger agreement may be terminated at any time before the date of the closing of the merger if:

the REITPlus Board and the AmREIT Board mutually consent in writing;

any governmental authority permanently restrains, enjoins or otherwise prohibits the transactions contemplated by the merger;

any federal or state legal requirement that makes the consummation of the merger illegal is in effect or is enacted or adopted since the date of the merger agreement;

the shareholders of either REITPlus or AmREIT fail to approve the merger at their respective special meetings;

AmREIT accepts an offer to acquire its capital stock or consolidated assets that would result in the realization of greater long-term value for AmREIT shareholders than would the merger;

REITPlus or AmREIT breaches a material representation, warranty, covenant or agreement without curing such a breach within the acceptable time or before the outside closing date for the merger;

the closing of the merger does not occur before the outside date set forth in the merger agreement; and

the AmREIT Board withdraws, modifies or changes in any manner adverse to REITPlus its approval or recommendation of the merger, or recommends or approves another merger transaction.

Effect of Termination. If the merger agreement is terminated, the merger agreement will be void and have no effect, and there will be no liability or obligation of AmREIT or REITPlus, or their respective officers, directors, trustees, subsidiaries or partners, as applicable, except for willful breaches of the merger agreement. No termination fees are payable if the merger agreement is terminated by either party.

Continuing Indemnification of AmREIT officers and Trustees

Under the terms of the merger agreement, all rights to indemnification, advancement of expenses, and exculpation and release that currently exist in favor of the officers and trustees of AmREIT under applicable law or as provided by AmREIT s governing documents with respect to matters occurring at or prior to the date of the merger will continue in full force and effect for at least six years following the date of the merger. The surviving corporation has agreed under the merger agreement to honor those rights to indemnification, advancement of expenses, and exculpation and release to the fullest extent of the law. Furthermore, REITPlus has agreed that the AmREIT officers and trustees will have the benefit of their current trustees and officers liability insurance. The current REITPlus directors and officers have comparable indemnification rights and director and officer liability insurance. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling REITPlus, REITPlus has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is unenforceable.

Material Tax Consequences of the Merger

The merger is intended to qualify as a reorganization within the provisions of Section 368(a) of the Code. If the merger so qualifies, then for U.S. federal income tax purposes, holders of AmREIT Common Stock who receive REITPlus Common Stock in exchange for their AmREIT Common Stock in the merger are not expected to recognize any gain or loss, except with respect to cash received instead of a fractional share of REITPlus Common Stock. See United States Federal Income Tax Considerations, below. **Your tax consequences will depend on your personal situation. You are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.**

Regulatory or Other Approvals

Other than the Form S-4 of which this joint proxy statement/prospectus forms a part becoming effective, our obtaining any necessary approvals under state securities or blue sky laws, the consent of AmREIT s credit facility lender, the consent of REITPlus s joint venture partner and the filing of articles of merger by REITPlus and AmREIT with the SDAT, we are unaware of any other material federal, state or foreign regulatory or other approvals as requirements necessary to consummate the merger.

REITPlus has filed documentation with certain states which require notification of the merger. Additionally, contingent upon the approval of the merger by the shareholders of REITPlus and AmREIT, the Texas State Securities Board has represented that it will recommend no action to require the registration of REITPlus Common Stock with the state of Texas. REITPlus is not required to register REITPlus Common Stock in the remaining states pursuant to applicable exemptions from registration relating to the issuance of common stock in connection with a merger.

Conduct of REITPlus and AmREIT s Businesses in the Event the Merger is not Consummated

In the event that the merger is not consummated for any reason, the AmREIT Board will continue to operate AmREIT s business in accordance with AmREIT s business plan. The REITPlus Board will likely cause REITPlus to sell all its assets and discontinue execution of REITPlus s business plan.

Accounting Treatment

The merger has the legal form of a statutory merger under the MGCL, but it will be treated as an asset acquisition for financial reporting purposes. This means that AmREIT will be deemed to have purchased all of the net assets of REITPlus in exchange for shares of AmREIT Common Stock. For purposes of accounting for the asset acquisition, we have determined that the fair value of AmREIT Common Stock is equal to $9.50 per share. AmREIT s management and the AmREIT Board and the REITPlus Board believe that the aggregate fair value of AmREIT Common Stock deemed to be delivered to REITPlus shareholders in exchange for the net assets of REITPlus, which is approximately $7.1 million of AmREIT Common Stock deemed given in the transaction (determined by multiplying 752,307 shares of REITPlus Common Stock outstanding by $9.50 per share of AmREIT Common Stock), reflects the fair value of the net assets of REITPlus deemed acquired by AmREIT in the merger. See Unaudited Pro Forma Condensed Consolidated Financial Statements beginning on page A-2 of this joint proxy statement/prospectus.

Restrictions on Resale of REITPlus Common Stock Issued in the Merger

REITPlus Common Stock issued in the merger will be freely transferable under the Securities Act of 1933, except for shares issued to any person who may be deemed to be an affiliate of AmREIT within the meaning of Rule 145 under the Securities Act or who will become an affiliate of REITPlus within the meaning of Rule 144 under the Securities Act of 1933 after the merger. REITPlus Common Stock received by persons who are deemed to be AmREIT affiliates or who will become REITPlus affiliates may be resold by these persons only in transactions permitted by the limited resale provisions of Rule 145 or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of AmREIT or REITPlus generally include individuals or entities that, directly or indirectly through one or more intermediaries, control, are controlled by or are under common control with AmREIT or REITPlus, respectively. Notwithstanding the free transferability of REITPlus Common Stock after the merger, no market is expected to exist for REITPlus Common Stock immediately after the merger. The REITPlus Common Stock will also be subject to certain restrictions on ownership and transfer, as described in Description of REITPlus s Common Stock Restrictions on Ownership.

Directors and Executive Officers of the Combined Company

At the effective time of the merger, the independent directors of REITPlus and the independent trustees of AmREIT immediately prior to the merger, plus Mr. Taylor, will comprise the REITPlus Board until REITPlus s next annual meeting of shareholders or a director s earlier resignation or removal.

REITPlus s current executive officers are expected to continue to hold office after the effective time of the merger in their current capacities, until their successors are duly elected and qualified or until their earlier resignations or removals.

Who Can Answer Other Questions

If you have any questions about the merger or would like additional copies of this joint proxy statement/prospectus, you should contact:

AmREIT
8 Greenway Plaza, Suite 1000
Houston, Texas 77046
(713) 850-1400
Attention: Investor Relations

REITPlus, Inc.
8 Greenway Plaza, Suite 1000
Houston, Texas 77046
(713) 850-1400
Attention: Investor Relations

THE AMREIT BOARD RECOMMENDS A VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT, THE MERGER AND THE RELATED TRANSACTIONS.

THE REITPLUS BOARD RECOMMENDS A VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT, THE MERGER AND THE RELATED TRANSACTIONS.

It is important that proxies be returned promptly. Shareholders are, therefore, urged to fill in, date, sign and return the enclosed proxy card immediately. No postage need be affixed if mailed in the enclosed envelope in the United States.

INFORMATION ABOUT REITPLUS

In addition to the information set forth below, additional information about REITPlus may be found in Annex B.

REITPlus Historical Developments

REITPlus was formed as a Maryland corporation in April 2007 and initially capitalized on May 16, 2007 to invest in a portfolio of retail and mixed-use properties, including a combination of stabilized, income-producing properties and value-added opportunities. REITPlus s investment in a stabilized, income-producing property focuses on an investment that it believes has the potential based on demographic and market trends and forecasts to become a premier retail property in high-traffic, highly populated, affluent metropolitan areas, and REITPlus refers to this property as Tomorrow s Irreplaceable Corners. Value-added opportunities are properties REITPlus believes possess a strong potential for significant enhancement in value and cash flow through development and redevelopment, product repositioning, capital expenditures or improved property management. REITPlus s targeted investments include high-quality, multi-tenant shopping centers and mixed-use properties throughout the United States. REITPlus has no employees and is externally managed by its Advisor pursuant to an advisory agreement, or the Advisory Agreement, between REITPlus s advisor, AmREIT, REITPlus OP and REITPlus. The Advisory Agreement initially had a one year term that expired on October 30, 2008 and is subject to successive one-year renewals upon the mutual consent of the parties. REITPlus s Advisor supervises and manages REITPlus s day-to-day operations and will select the properties and securities REITPlus acquires, subject to oversight by the REITPlus Board. REITPlus s Advisor will also provide marketing, sales and client services on REITPlus s behalf. Upon consummation of the merger, the Advisory Agreement will terminate and REITPlus will thereafter be internally managed by AmREIT s management team.

REITPlus Investment Objectives, Strategy And Policies

The following investment objectives, strategy and policies were established when REITPlus was formed in 2007. Due to the termination of REITPlus s offering in 2008 and the purchase of an interest in only one asset, these investment objectives, strategies and policies may not be achieved.

Investment Objectives

REITPlus s primary investment objectives are:

- to provide current income to its stockholders in the form of monthly cash distributions;
- to preserve and protect its stockholders capital contributions; and
- to realize growth in the value of its assets upon the ultimate sale of its properties.

The methods of implementing REITPlus s investment policies may vary over time or as new investment techniques are developed. REITPlus cannot assure you that it will attain these objectives or that the value of its assets will not decrease. REITPlus s independent directors review its investment policies at least annually, and the REITPlus Board may change its investment objectives without the approval of its stockholders if it determines that such change is advisable and in the best interest of REITPlus stockholders. Each determination and the basis therefore shall be set forth in the minutes of the meetings of the REITPlus Board.

Investment Strategy

The focus of REITPlus s investment strategy is to acquire a portfolio of retail and mixed-use properties, including a combination of stabilized, income-producing properties and value-added opportunities. REITPlus believes that a diversified investment portfolio comprised of both stabilized, income-producing properties and value-added opportunities offers investors the potential for a higher investment return for a given level of risk relative to a more concentrated investment portfolio. REITPlus seeks to maximize its income and capital growth during its operating period by (1) selling a portion of the properties in its portfolio when appropriate and reinvesting the net sales proceeds into additional properties and (2) owning and managing the remainder of its portfolio as income-producing assets during its entire operating period.

The properties that REITPlus will retain in its portfolio as long-term investments will generally have strong operating histories and a steady stream of current income from existing leases. The remainder of REITPlus s portfolio will be comprised of value-added properties. Value-added opportunities arise in circumstances where a property may be undervalued or where product re-positioning, capital expenditures, development, redevelopment or improved property management may increase cash flows. Development and redevelopment projects allow REITPlus to deploy capital in real estate properties that it builds or improves. REITPlus anticipates that it will sell properties it has acquired as value-added projects on an opportunistic basis after completion of substantial value creation and then redeploy the net proceeds in other investments that are complimentary to its overall portfolio. REITPlus expects that the total investment return from its value-added projects will have a relatively larger component derived from capital appreciation than from current income, whereas the total investment return from the core, stabilized assets in its portfolio will represent a relatively larger current income component.

REITPlus s primary investment strategy is to seek to acquire properties which it refers to as Tomorrow s Irreplaceable Corners. These types of properties generally possess the following attributes:

- located in markets with increasing urban densities;
- located at the intersections of major roads that REITPlus anticipates will become high-traffic areas;
- located in markets with increasing household incomes which REITPlus expects will become affluent areas; and
- projected optimal investment horizon of five to seven years, providing for the potential for near-term value creation.

REITPlus believes that if it (i) invests in properties that are located in areas that do not meet all of these factors at the time of its investment, but where market research demonstrates the opportunity to meet all or substantially all of these factors in the near term, and (ii) applies development, redevelopment, repositioning and/or active property management techniques to the acquisition, REITPlus will have a greater potential for value creation and appreciation in the investments it makes upon ultimate disposition of its properties than if it were to acquire properties that are already fully leased, stabilized and recently developed or redeveloped in markets which had already been recognized as having superior density and demographics. REITPlus s advisor will use the criteria it associates with Tomorrow s Irreplaceable Corners to measure the quality and value of investment opportunities relative to others in evaluating each proposed real estate investment. REITPlus believes that the sound real estate fundamentals associated with Tomorrow s Irreplaceable Corners investments will allow it (i) to meet its current income objectives by enhancing the tenant mix and rental income from its properties and (ii) to meet its capital appreciation objectives by enhancing the likelihood of growth in the value of its properties over time.

REITPlus s advisor has primary responsibility for implementing its investment strategy and actively monitors and manages its portfolio. Pursuant to the advisory agreement, AmREIT has agreed that, in the event that an investment opportunity becomes available which is suitable for REITPlus and one or more other public or private entities affiliated with REITPlus s advisor or its affiliates, for which both entities have sufficient uninvested funds, then AmREIT will provide REITPlus with the first opportunity to invest in any property that it deems, in good faith and consistent with the attributes described above, to be a Tomorrow s Irreplaceable Corner.

REITPlus intends to aggressively manage each property it acquires in order to maximize the return on its investment. For its retail and mixed-use properties, REITPlus regularly evaluates the property s overall tenant mix to ensure that it has the tenants most appropriate for the property. Where appropriate, REITPlus may terminate leases in order to promote tenant diversification and enhance overall tenant credit quality. REITPlus also invests in improved landscaping and signage, where needed. When a property has one or more vacancies, REITPlus seeks to attract tenants which it expects to increase traffic to the property, thereby allowing REITPlus to increase rents of other tenants.

Investments in Stabilized Properties

REITPlus intends to invest the majority of its assets in existing properties leased to high quality tenants, which it sometimes refers to as core properties. These investments are anticipated to consist primarily of stabilized, income-producing properties which are multi-tenant shopping centers, mixed-use properties and, on a selective basis, free standing single-tenant retail properties. These properties will generally be fully constructed and have significant operating histories. REITPlus will seek to purchase shopping centers that are primarily grocery-anchored, strip center, mixed-use or lifestyle properties whose tenants consist of national, regional and local retailers. REITPlus anticipates that its grocery-anchored shopping centers will be anchored by an established grocery store operator in the region. REITPlus s other shopping centers typically will be leased to well-established national and regional tenants as well as a mix of local and value retailers. Lifestyle centers are typically anchored by a combination of national and regional tenants that provide customer traffic and tenant draw for specialty and restaurant tenants that support the local consumer. REITPlus may also invest in shopping centers that are leased to national drug stores, national restaurant chains, national value-oriented retail stores and other regional and local retailers. Mixed-use properties incorporate density into retail with components of other property types such as office, residential and hotels. REITPlus seeks existing properties where the majority of the leases are either leased or guaranteed by the lessor s parent company, not just the operator of the individual location, and in areas of substantial retail shopping traffic. REITPlus seeks to acquire properties that generally attract tenants that provide basic staples and convenience items to local customers. REITPlus believes retailers who offer these items are less sensitive to business cycle fluctuations than higher priced retail stores.

Investments in Value-Added Opportunities

REITPlus intends to invest the portion of its portfolio that it does not invest in core properties in value-added opportunities, either directly or indirectly through joint ventures. REITPlus seeks opportunities for investment in value-added opportunities in order to apply its advisor s expertise in development and redevelopment, property management, leasing and repositioning to increase the income and value of assets it identifies as undervalued in the marketplace in relation to other real estate fundamentals such as location and surrounding market demographics. Value-added opportunities arise in retail centers that are lacking amenities, parking facilities or common area aesthetics which provide attractive environments for retail tenants and their customers. Other cases may include distressed assets with serious deferred maintenance or poorly structured financing where REITPlus believes that applying value-oriented solutions to the asset can subsequently create substantial appreciation. REITPlus s value-added investment properties will frequently involve a development or redevelopment component.

REITPlus may invest in unimproved land upon which improvements are to be constructed or completed. REITPlus will seek to invest in development and redevelopment projects in locations where its advisor believes the potential for enhanced value creation in the retail marketplace is strong, and the potential exists for its advisor s experience in development and construction management to add value to the overall investment. REITPlus expects to enter into joint ventures with entities which have secured or closed on property locations and which have construction financing in place but require additional equity financing and its advisor s construction management expertise. REITPlus will work closely with local development partners in these transactions throughout the development process.

REITPlus seeks to develop properties in locations that provide limited competition, quality location and strong market fundamentals. REITPlus anticipates that a substantial portion of its development projects will be mixed-use developments, which may include retail, hospitality, office and residential components. REITPlus s advisor will analyze the market surrounding each mixed-use development to determine the optimal mix of components. REITPlus will commence the leasing process for all new development projects before construction. When REITPlus develops or redevelops a property, it will pay its advisor or its affiliate a development fee that is usual and customary for comparable services rendered to similar projects in the geographic market of the project and that is approved by its independent directors.

REITPlus may also invest in development projects through joint venture arrangements with established commercial developers located near the development property and with whom management of its advisor has established relationships. In exchange for providing equity to the joint venture, REITPlus expects to require a preferred return and to receive a portion of the potential profits of the project. REITPlus s advisor will closely monitor the local developers throughout the development process, structuring the joint venture in order to ensure that it has operating, development and disposition control. REITPlus s advisor will be active in negotiating the lease terms and mitigating the development risks with its in-house development capabilities. Should a local developer fail to perform, REITPlus s advisor s in-house development team, working with the developer, will be prepared to take the project over with minimum disruption. REITPlus s advisor s management will seek to utilize its relationships with developers across the country for REITPlus s benefit.

REITPlus s advisor may hire a general contractor to provide construction and construction management services for each of REITPlus s development and redevelopment projects. The general contractor will be entitled to fees for providing these services, and these fees may be paid on a fixed price basis or a cost plus basis. REITPlus anticipates that AmREIT Construction Company, an affiliate of REITPlus s advisor, will provide general contracting services for many of REITPlus s development and redevelopment projects. Where AmREIT Construction Company is selected to provide general contracting services, such services will only be provided on terms and conditions no less favorable to REITPlus than can be obtained from independent third parties for comparable services in the same geographic market.

Each of REITPlus s development and redevelopment projects will have a project manager assigned to ensure all necessary functions are performed in a manner consistent with REITPlus requirements. The project manager will be responsible for coordinating all phases of the project, including the feasibility study of each project prior to the commencement of development and much of the pre-development work. Each development and redevelopment project will also have a construction manager who will be responsible for coordinating all of the outsourced trades, including architectural, engineering, environmental and construction contractors. The construction manager will be an employee of AmREIT Construction Company in the event that it serves as the general contractor of a project. The project and construction managers will be jointly responsible for the preparation and adherence to the budgets. Actual cost versus budget reports will be prepared on a monthly basis for review by various parties including the development team, management team and lenders.

REITPlus may employ capital in at-risk situations to tie up developable land sites using, among other things, purchase agreements and options. Such commitments may not necessarily result in the eventual acquisition of a land site, as REITPlus may elect to forfeit funds after completing its due diligence.

Location of Investments

REITPlus currently intends to invest in properties located throughout the United States, with a primary focus on markets with increasing population growth and urban density. As a result of its advisor s experience in developing, acquiring and managing retail real estate in metropolitan Texas markets, REITPlus expects that a significant portion of its investments will be located in those areas. The economies in the regions where REITPlus will focus our investments will have a significant impact on its cash flow and the value of its properties. Although a downturn in the economies of the major metropolitan areas in these regions could adversely affect its business, general retail and grocery anchored shopping centers that provide necessity-type items tend to be less sensitive to macroeconomic downturns.

Although it intends to invest only in properties in the United States, REITPlus is not prohibited from making investments in foreign countries that meet its investment criteria.

Investment Decisions

REITPlus s advisor will present to REITPlus suitable investment opportunities consistent with REITPlus s investment objectives and policies. REITPlus s advisor will have substantial discretion with respect to the selection of real property investments. In pursuing REITPlus s investment objectives and making investment recommendations to REITPlus, the advisor will consider relevant real estate property and financial factors, including the following:

- positioning the overall portfolio to achieve an optimal mix of investments in core real property investments with an appropriate portion of value-added projects;
- suitability for any development contemplated or in progress;
- credit quality of in-place tenants and the potential for future rent increases;
- income-producing capacity;
- opportunities for capital appreciation based on product repositioning, operating expense reductions and other factors;
- liquidity and tax considerations; and
- additional factors considered important to meeting our investment objectives.

To the extent feasible, REITPlus s advisor will strive to select a diversified portfolio of properties in terms of geography, type of property and industry of the tenants, although the number and mix of properties acquired will largely depend upon real estate and market conditions and other circumstances existing at the time properties are acquired. All real property acquisitions must be approved by the REITPlus Board or, with respect to investments up to 10% of the aggregate cost of our portfolio, the REITPlus Board s investment committee comprised of a majority of independent directors.

Investment Due Diligence

Prior to acquiring a property, REITPlus s advisor will undertake an extensive site review. REITPlus s advisor will typically also undertake a long-term viability and market value analysis, including an inspection of the property and surrounding area by an acquisition specialist and an assessment of market area demographics, consumer demand, traffic patterns, surrounding land use, accessibility, visibility, competition and parking. REITPlus s advisor also may take the following steps, depending on the property and terms agreed to:

- obtain an independent appraisal of the property;
- obtain surveys of the property;
- obtain evidence of marketable or indefeasible title subject to such liens and encumbrances as are acceptable to our advisor;
- obtain audited financial statements covering recent operations of properties with operating histories unless such statements are not required to be filed with the SEC and delivered to stockholders;
- obtain title and liability insurance policies;
- obtain an independent engineering report of the property s mechanical, electrical and structural integrity (sale/leaseback properties only);
- evaluate the existing property leases relating to the property;
- evaluate both the current and potential alternative uses of the property; and
- obtain an independent Phase I environmental site assessment.

Acquisition of Properties from AmREIT and its Affiliates

REITPlus may acquire properties or interests in properties from or in co-ownership arrangements with AmREIT and its affiliated entities, including properties acquired from affiliates engaged in construction and development of commercial real properties. REITPlus will not acquire any property from an affiliate unless a majority of its directors, including a majority of its independent directors, not otherwise interested in the transaction determine that the transaction is fair and reasonable to REITPlus. The purchase price that REITPlus will pay for any property we acquire from its affiliates will not exceed the appraised value of the property, provided that in the case of a development, redevelopment or refurbishment project that REITPlus agrees to acquire prior to completion of the project, the appraised value will be based upon the completed value of the project as determined at the time the agreement to purchase the property is entered into. In addition, the price of the property REITPlus acquires from an affiliate may not exceed the cost of the property to its affiliate, unless a majority of its directors and a majority of its independent directors determine that substantial justification for the excess exists and the excess is reasonable.

Joint Venture Investments

REITPlus may enter into joint ventures, general partnerships, co-tenancies and other participation arrangements with one or more institutions or individuals, including real estate developers, operators, owners, investors and others, some of whom may be affiliates, for the purpose of acquiring, developing, owning and managing one or more real properties. In determining whether to recommend a particular joint venture, REITPlus s advisor will evaluate the real property that such joint venture owns or is being formed to own under the same criteria used for the selection of REITPlus s real property investments.

REITPlus may enter into joint ventures with affiliates of its advisor for the acquisition of real properties, but only provided that:

- a majority of REITPlus s directors, including a majority of the independent directors, not otherwise interested in the transaction approve the transaction as being fair and reasonable to REITPlus; and
- the investment by REITPlus and such affiliate are on substantially the same terms and conditions as those that would be available to the other joint venturers.

In certain cases, REITPlus may be able to obtain a right of first refusal to buy a real property if a particular joint venture partner elects to sell its interest in the real property held by the joint venture. In the event that the joint venture partner were to elect to sell real property held in any such joint venture, however, REITPlus may not have sufficient funds to exercise its right of first refusal to buy the joint venture partner s interest in the real property held by the joint venture. In the event that any joint venture with an affiliated entity holds interests in more than one real property, the interest in each such real property will be generally allocated based upon the respective proportion of funds invested by each co-venturer in each such property.

Real Property Ownership

REITPlus s investment in real properties will generally take the form of holding fee title or a long-term leasehold estate. REITPlus intends to acquire such interests either (1) directly through its operating partnership or (2) indirectly through taxable REIT subsidiaries, limited liability company interests or through investments in joint ventures, general partnerships, co-tenancies or other co-ownership arrangements with the developers of the real properties, affiliates of its advisor or other entities. In addition, REITPlus may purchase properties and lease them back to

the sellers of such properties. While REITPlus will use its best efforts to structure any such sale-leaseback transaction such that the lease will be characterized as a true lease so that REITPlus will be treated as the owner of the property for federal income tax purposes, REITPlus cannot assure you that the Internal Revenue Service will not challenge such characterization. In the event that any such recharacterization were successful, deductions for depreciation and cost recovery relating to such real property would be disallowed and it is possible that under some circumstances REITPlus could fail to qualify as a REIT as a result.

In determining whether to purchase a particular real property, REITPlus may, in accordance with customary practices, obtain a purchase option on such real property. The amount paid for a purchase option, if any, is normally surrendered if the real property is not purchased and is normally credited against the purchase price if the real property is purchased.

REITPlus intends to purchase insurance for casualty losses for all of the properties it acquires, including insurance related to losses that are generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes and floods. REITPlus s board of directors will determine whether coverage for such catastrophic losses is economically feasible. REITPlus will also ensure that the properties it acquires comply with applicable laws, including the Americans with Disabilities Act.

Tenant Creditworthiness and Lease Terms

REITPlus will seek to lease the majority of the rentable square feet at its properties to high quality tenants. REITPlus anticipates that its anchor tenants will be major corporations and well-established smaller organizations and that REITPlus will lease smaller spaces to local companies and local service providers. A tenant will generally be considered high quality if the tenant has a regional or national presence, an operating history of 10 or more years and a net worth in excess of $50 million. When available, REITPlus s advisor will rely on national credit rating agencies, such as Standard & Poor s, to assist in its determination of tenant creditworthiness. If public data is not available, REITPlus s advisor will rely on its experience, its own credit analysis and resources provided by its lenders to qualify a prospective tenant.

The terms and conditions of any lease that REITPlus enters into with its tenants may vary substantially from those it describes in this joint proxy statement/prospectus. However, REITPlus expects that a majority of its leases will be leases customarily used between landlords and tenants for the specific type and use of the property in the geographic area where the property is located. REITPlus anticipates that most of its leases will be for fixed rentals with periodic increases based on the consumer price index or similar adjustments. Certain rentals may be based in part on the income of the retail tenant. In such cases where the tenant is required to pay rent based on a percentage of the tenant s income from its operations at the real property, the actual rental income REITPlus receives under such a lease may be inadequate to cover the operating expenses associated with the real property if a tenant s income is substantially lower than projected. In such case, REITPlus may not have access to funds required in the future to pay the operating expenses associated with the real property.

Tenant Improvements

At such time as a tenant at one of REITPlus s properties does not renew its lease or otherwise vacates its space in one of REITPlus s properties, it is likely that REITPlus will be required to expend substantial funds for tenant improvements and tenant refurbishments to the vacated space in order to attract new tenants. Since REITPlus does not anticipate maintaining permanent working capital reserves, REITPlus may not have access to funds required in the future for tenant improvements and tenant refurbishments in order to attract new tenants to lease vacated space.

Borrowing Policies

REITPlus intends to use secured and unsecured debt as a means of providing additional funds for the acquisition of its real estate investments. By operating on a leveraged basis, REITPlus expects that it will have more funds available for investments. This will generally allow REITPlus to purchase more properties than would otherwise be possible, potentially resulting in enhanced investment returns and a more diversified portfolio. However, REITPlus s use of leverage increases the risk of default on loan payments and the resulting foreclosure on a particular property. In addition, lenders may have recourse to assets other than those specifically securing the repayment of the indebtedness. When debt financing is unattractive due to high interest rates or other reasons, or when financing is otherwise unavailable on a timely basis, REITPlus may purchase certain properties for cash with the intention of obtaining debt financing at a later time.

REITPlus s advisor will use its best efforts to obtain financing on the most favorable terms available to REITPlus and will seek to refinance assets during the term of a loan only in limited circumstances, such as when a decline in interest rates makes it beneficial to prepay an existing loan, when an existing loan matures or if an attractive investment becomes available and the proceeds from the refinancing can be used to purchase such investment. The benefits of any such refinancing may include an increased cash flow resulting from reduced debt service requirements, an increase in distributions from proceeds of the refinancing and an increase in diversification and assets owned if all or a portion of the refinancing proceeds are reinvested.

There is no limitation on the amount REITPlus may invest in any single improved real property. Additionally, there is no limit on the number of mortgages that may be placed on any single property. REITPlus s aggregate borrowings, secured and unsecured, will be reviewed by the board of directors at least quarterly.

Disposition Policies

As a property reaches what REITPlus believes to be its optimum value, REITPlus will consider disposing of the property and may do so for the purpose of either distributing the net sale proceeds to its stockholders or investing the proceeds in other properties that REITPlus believes may produce a higher overall future return to its investors. In accordance with its investment objective of achieving maximum capital appreciation from its overall portfolio, REITPlus expects to sell a portion of the assets in its portfolio on an opportunistic basis before the end of its operating period in order to reinvest the proceeds in additional properties. REITPlus s advisor will recommend to REITPlus s board of directors that REITPlus sell a property before the end of its operating period if:

- there exists an opportunity to enhance overall investment returns by raising capital through sale of the property;
- there exist diversification benefits associated with disposing of the property and rebalancing REITPlus s real estate portfolio;
- in the judgment of the advisor, the value of the property might decline;
- an opportunity has arisen to pursue a more attractive real property investment;
- the property was acquired as part of a portfolio acquisition and does not meet REITPlus s general acquisition criteria; or
- in the judgment of the advisor, the sale of the property is in REITPlus s best interests.

The REITPlus Board will make the determination of whether a particular real property should be sold or otherwise disposed of after consideration of relevant factors, including prevailing economic conditions, with a view toward achieving maximum capital appreciation. The investment committee of the REITPlus Board may approve dispositions comprising up to 10% of the cost of REITPlus s portfolio. The selling price of a real property which is net leased will be determined in large part by the amount of rent payable under the leases for such property. When selling a property, REITPlus may lend the purchaser all or a portion of the purchase price. In these instances, REITPlus s taxable income may exceed the cash received in the sale.

REITPlus s ability to dispose of property during the first few years following acquisition is restricted to a substantial extent as a result of its REIT status. Under applicable provisions of the Code regarding prohibited transactions by REITs, REITPlus will be subject to a 100% tax on any gain realized on the sale or other disposition of any property (other than foreclosure property) REITPlus owns, directly or through any subsidiary entity, including its operating partnership, but excluding its taxable REIT subsidiaries, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of business. Whether property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each property. REITPlus intends to avoid the 100% prohibited transaction tax by (i) conducting activities that may otherwise be considered prohibited transaction through a taxable REIT subsidiary, (ii) conducting its operations in such a manner so that no sale or other disposition of an asset REITPlus owns, directly or through any subsidiary other than a taxable REIT subsidiary, will be treated as a prohibited transactions, or (iii) structuring certain dispositions of its properties to comply with certain safe harbors available under the Internal Revenue Code for properties held at least four years. However, despite its present intention, no assurance can be given that any particular property REITPlus owns, directly or through any subsidiary entity, including its operating partnership, but excluding its taxable REIT subsidiaries, will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business.

Liquidity Strategy

REITPlus intends to complete a transaction providing liquidity for its stockholders within seven years following the completion of its offering stage. REITPlus will view its offering stage as complete if it has not conducted a public equity offering during any continuous two-year period, and its operating stage will begin from the termination of the previous public equity offering preceding this two-year period. REITPlus may determine not to pursue a liquidity transaction if it believes that then-current market conditions are not favorable for a liquidity transaction, and that such conditions will improve in the future. A liquidity transaction could include (1) the sale of all or substantially all of its assets either on a portfolio basis or individually followed by a liquidation, (2) a listing of its shares on a national securities exchange, or (3) a merger or another transaction approved by its board of directors in which its stockholders will receive cash or shares of a publicly traded company. While REITPlus s intention is to seek to complete a liquidity transaction within seven years following the completion of its offering stage, there can be no assurance that a suitable transaction will be available or that market conditions for a liquidity transaction will be favorable during that timeframe. Alternatively, REITPlus may seek to complete a liquidity transaction earlier than seven years following the completion of its offering stage. While REITPlus is considering liquidity alternatives, REITPlus may choose to limit the making of new investments, unless its board of directors, including a majority of its independent directors, determines that, in light of its expected term of existence at that time, it is in the best interest of the stockholders of REITPlus for REITPlus to make new investments.

Investment Limitations

Aside from the policies and investment activities described above, REITPlus has not, will not and does not propose to:

invest in commodities or commodity futures contracts, except for futures contracts when used solely for the purpose of hedging in connection with its ordinary business of investing in real property;

invest in real estate contracts of sale, otherwise known as land sale contracts, unless the contract is in recordable form and is appropriately recorded in the chain of title;

make or invest in individual mortgage loans (excluding any investments in mortgage pools, CMBS or residential mortgage-backed securities) unless an appraisal is obtained concerning the underlying property except for those mortgage loans insured or guaranteed by a government or government agency. In cases where a majority of its independent directors determines, and in all cases in which the transaction is with any of its directors or its advisor and its affiliates, such appraisal shall be obtained from an independent appraiser. REITPlus will maintain such appraisal in our records for at least five years and it will be available for inspection and duplication. REITPlus will also obtain a mortgagee s or owner s title insurance policy as to the priority of the mortgage;

make or invest in mortgage loans that are subordinate to any lien or other indebtedness of any of its directors, its advisor or its affiliates;

issue (1) equity securities redeemable solely at the option of the holder, (2) debt securities unless the historical debt service coverage (in the most recently completed fiscal year) as adjusted for known changes is anticipated to be sufficient to properly service that higher level of debt or (3) options or warrants to the directors, its advisor, or any of their affiliates except on the same terms as such options or warrants are sold to the general public; options or warrants may be issued to persons other than the directors, its advisor, or any of their affiliates, but not at exercise prices less than the fair market value of the underlying securities on the date of grant and not for consideration (which may include services) that in the judgment of the independent directors has a market value less than the value of such option or warrant on the date of grant;

make any investment that is inconsistent with its objectives of qualifying and remaining qualified as a REIT unless and until its board of directors determines, in its sole discretion, that REIT qualification is not in its best interests;

make or invest in mortgage loans, including construction loans but excluding any investment in CMBS or residential mortgage-backed securities, on any one real property if the aggregate amount of all mortgage loans on such real property would exceed an amount equal to 85.0% of the appraised value of such real property as determined by appraisal unless substantial justification exists because of the presence of other underwriting criteria;

borrow in excess of 300.0% of the value of its net assets (net assets for purposes of this calculation is defined to be REITPlus s total assets (other than intangibles), valued at cost prior to deducting depreciation, reserves for bad debts and other non-cash reserves, less total liabilities); the preceding calculation is generally expected to approximate 75.0% of the cost of its real properties before non-cash reserves and depreciation; provided, however, REITPlus may temporarily borrow in excess of these amounts if such excess is approved by a majority of the independent directors and disclosed to stockholders in its next quarterly report, along with a justification for such excess;

make investments in unimproved real property or indebtedness secured by a deed of trust or mortgage loans on unimproved real property in excess of 10.0% of its total assets;

issue equity securities on a deferred payment basis or other similar arrangement;

issue senior securities;

make loans to other persons;

invest in the securities of other issuers for the purpose of exercising control;

underwrite securities of other issuers;

engage in the purchase and sale (or turnover) of investments;

offer securities in exchange for property; or

repurchase or otherwise reacquire its shares or other securities.

The REITPlus Board can change, suspend, expand or eliminate all of the foregoing limitations without a vote of the REITPlus shareholders. REITPlus delivers to each stockholder an annual report containing information regarding advisor and related fees, and also include financial statements covering the previous year. Additionally, REITPlus was subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act). On November 13, 2008, however, REITPlus filed Form 15 with the SEC, thereby suspending its duty to file annual, periodic and current and other reports with the SEC.

REITPlus Property

As of June 30, 2009, REITPlus owned a 10% interest in AmREIT Shadow Creek Acquisition, LLC (Shadow Creek), which owns a multi-tenant retail property located in Pearland, Texas with a combined gross leasable area of 616,370 square feet. REITPlus entered into a joint venture with JP Morgan Strategic Property Fund, which acquired fee simple title to the property. The ownership interest was acquired at net book value for $5.3 million from AmREIT Realty Investment Company, an affiliated AmREIT entity. The remaining 90% is owned by an unaffiliated third party (80%) and by an affiliated AmREIT entity, AmREIT Monthly Income & Growth Fund IV, L.P. (10%).

Shadow Creek, Pearland, Texas. Shadow Creek is REITPlus s only property interest. The Shadow Creek property, which was built in 2008, has a combined gross leasable area of approximately 600,000 square feet and is located in the city of Pearland, Texas. The typical retail space is roughly 2,100 square feet and primarily consists of retail shopping space. As of June 30, 2009, the building was 76% leased to 41 tenants. Typical lease terms are generally net lease where the tenant pays a monthly base rent and a reimbursement of operating expenses to the landlord. These expense reimbursements include, but are not limited to, property taxes, insurance, security, utilities, landscaping and other common area maintenance items. Generally in-line leased space has a term of between 3-7 years and anchor space has a term of between 10-20 years. The property is held primarily for its income-producing capabilities. REITPlus has no present intention for significant improvements. There are approximately five comparable properties located in the surrounding market that might compete with Shadow Creek Ranch. Most of the retail centers with which Shadow Creek Ranch competes have similar retail tenants, including Target, Wal-Mart, and Barnes & Noble. REITPlus believes the property to be adequately covered by insurance.

The following table sets forth certain leasing and other information for the Shadow Creek property at December 31, 2008.

Occupancy Rate	Non-Anchor Average Annual Base Rent per Leased Square Foot(1)	Federal Income Tax Basis
72.20%	$29.14	$107,864,000

(1) Including anchor tenants the average annual base rent per square foot is $11.20 per square foot.

Depreciation on the Shadow Creek property is taken on a straight line basis over up to 39 years for book purposes, resulting in a depreciation rate of approximately 3.0% per year.

The following table sets forth information with respect to the property s major tenants (tenants occupying more than 10%), principal lease provisions and lease expirations.

Major Tenants

Name	Principal Nature of Business	Lease Expiration	Leased Square Feet	Percentage of Property s Total Leased Square Feet	Annualized Base Rent (1)	Percentage of Annualized Base Rent (2)	Renewal Options
HEB Grocery	Grocery	11/30/27	150,615	33.53%	758,016	14.83%	6 5-yr options
Academy Sports	Sporting Goods	6/30/27	85,584	19.05%	620,484	12.14%	3 5-yr options
Hobby Lobby	Craft Supplies	9/30/22	59,166	13.17%	473,328	9.26%	3 5-yr options
Ashley Furniture	Furniture	7/31/23	50,016	11.13%	350,148	6.85%	4 5-yr options

(1) Calculated as the tenant s actual June 2009 base rent multiplied by 12. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annualized amounts.

(2) Calculated as the percentage of the tenant s annualized base rent divided by the product of the property s actual total June 2009 base rent and 12.

Lease Expiration Schedule Shadow Creek

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Expiring Leases	Percentage of Property s Total Leased Square Feet	Annualized Base Rent of Expiring Leases (1)	Percentage of Property s Annualized Base Rent (2)
2009	0				
2010	0				
2011	0				
2012	0				
2013	11	19,888	4.43%	555,617	10.87%
2014	5	14,549	3.24%	388,995	7.61%
2015	6	15,625	3.48%	453,012	8.86%
2016	0				
2017	0				
2018	7	17,805	3.96%	490,170	9.59%
Thereafter	12	381,389	84.89%	3,223,202	63.06%
Total	41	449,256	100%	5,110,996	100%

(1) Calculated as the product of actual June 2009 base rent of expiring leases at the property and 12. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annualized amounts.

(2) Calculated as the percentage of annualized base rent of expiring leases divided by the product of the actual total June 2009 base rent for the property and 12.

The property is subject to a mortgage loan with a principal balance, as of June 30, 2009, of approximately $65.0 million. The loan requires monthly interest-only payments for the first three years, bears interest at a fixed rate of 5.48% and matures in March 2015. While prepayment of the loan is not restricted, prepayments are subject to a penalty provision. The outstanding balance at the time of maturity will be approximately $61.2 million.

Real estate taxes for 2008 on the Shadow Creek property were $1,656,000, and the current real property tax rate with respect to the property is 3.56% of the assessed value.

REITPlus Common Stock

As of August 15 2009, there were 257 holders of record of 752,307 shares of REITPlus Common Stock. There is no established public trading market for shares of REITPlus Common Stock. REITPlus dividends represent a return of capital.

The following table shows the cash dividends paid per share of REITPlus Common Stock since it began paying dividends. No dividends were paid prior to the second quarter of 2008. As of September 2009, REITPlus suspended its monthly dividend due to insufficient operating cash flow.

	Dividends
2008	
Second Quarter	$ 0.0500
Third Quarter	$ 0.1089
Fourth Quarter	$ 0.1250
2009	
First Quarter	$ 0.0750

Second Quarter	$ 0.0750

Legal proceedings of REITPlus

REITPlus is involved in various matters of litigation arising in the normal course of business. While it is unable to predict with certainty the amounts involved, the management of REITPlus and counsel to the company believe that when such litigation is resolved, the resulting liability of REITPlus, if any, will not have a material adverse effect on its consolidated financial statements.

DESCRIPTION OF REITPLUS S COMMON STOCK

The following summary of the material terms and provisions of the REITPlus Common Stock does not purport to be complete and is subject to the detailed provisions of the REITPlus Charter. You should carefully read each of these documents in order to fully understand the terms and provisions of the REITPlus Common Stock.

General

Under the REITPlus Charter, REITPlus has the authority to issue up to 1,050,000,000 total shares, consisting of 1,000,000,000 shares of common stock, $0.01 par value per share, and 50,000,000 shares of preferred stock, $0.01 par value per share.

Terms

The shares of REITPlus Common Stock will be subject to the express terms of any series of shares of REITPlus preferred stock. Except as may otherwise be specified in the terms of any class or series of REITPlus Common Stock, each share of REITPlus Common Stock will entitle the holder thereof to one vote per share on all matters upon which the shareholders are entitled to vote.

In the event of any voluntary or involuntary liquidation, dissolution or winding up, or any distribution of the assets of REITPlus, the aggregate assets available for distribution to holders of shares of the REITPlus Common Stock will be determined in accordance with applicable law. Each holder of shares of REITPlus Common Stock of a particular class will be entitled to receive, ratably with each other holder of REITPlus Common Stock of such class, that portion of such aggregate assets available for distribution as the number of outstanding shares of REITPlus Common Stock of such class held by such holder bears to the total number of outstanding shares of REITPlus Common Stock of such class then outstanding.

Subject to the provisions of the REITPlus Charter relating to restrictions on ownership and transfer of REITPlus Common Stock and the express terms of any series of shares of preferred stock, the holders of shares of the REITPlus Common Stock will have the exclusive right to vote on all matters as to which a holder of shares of REITPlus Common Stock will be entitled to vote pursuant to the REITPlus Charter and applicable law at all meetings of the REITPlus shareholders.

The REITPlus Board may from time to time authorize REITPlus to declare and pay to its stockholders such dividends or distributions, in cash or other assets of REITPlus or in securities of REITPlus or from any other source as the REITPlus Board in its discretion shall determine. The REITPlus Board will endeavor to authorize REITPlus to declare and pay such dividends and distributions as will be necessary for REITPlus to qualify as a REIT under the Code; however, REITPlus stockholders will have no right to any dividend or distribution unless and until authorized by the REITPlus Board and declared by REITPlus.

Restrictions on Ownership

For REITPlus to qualify as a REIT under the Code, not more than 50% in value of its outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist REITPlus in meeting this requirement, REITPlus may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of REITPlus s outstanding equity securities. See Certain Provisions of Maryland Law and of the REITPlus Charter, below.

The REITPlus Charter also provides certain limitations and restrictions on ownership of shares of the REITPlus Common Stock including limitations on ownership of more than 9.8% in value or number of shares, whichever is more restrictive of the outstanding shares of REITPlus Common Stock and on aggregate share ownership that would result in REITPlus being closely held within the meaning of the Code and restrictions on ownership that would result in shares of the REITPlus Common Stock being beneficially owned by less than one hundred persons.

Transfer Agent

The transfer agent and registrar for REITPlus s Common Stock is Phoenix American.

CERTAIN PROVISIONS OF MARYLAND LAW AND OF THE REITPLUS CHARTER

Restrictions Relating To REIT Status

For REITPlus to qualify as a REIT under the Code, among other things, not more than 50% in value of REITPlus s outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (defined in the Code to include certain entities) during the last half of a taxable year, and such capital shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (in each case, other than the first such year).

Maryland Law

***Business Combinations*.** Under Maryland law, business combinations between a Maryland corporation and an interested shareholder or an affiliate of an interested shareholder are prohibited for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested shareholder is defined as:

- any person who beneficially owns ten percent or more of the voting power of the corporation s voting shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of ten percent or more of the voting power of the then outstanding shares of the corporation.

A person is not an interested shareholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested shareholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms or conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested shareholder generally must be recommended by the board of directors and approved by the affirmative vote of at least:

- eighty percent of the votes entitled to be cast by holders of outstanding voting shares of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting shares of the corporation other than shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested shareholder.

These super-majority vote requirements do not apply if the corporation s common shareholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that the interested shareholder becomes an interested shareholder.

The business combination statute may discourage others from trying to acquire control of REITPlus and increase the difficulty of consummating any offer.

***Control Share Acquisitions*.** Maryland law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by employees who are directors of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares which, if aggregated with all other shares owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;

one-third or more but less than a majority; or

a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the corporation s board of directors to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of shareholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a shareholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if REITPlus is a party to the transaction or (b) to acquisitions approved or exempted by the REITPlus Charter or REITPlus Bylaws. REITPlus s Bylaws, which will be the bylaws of the combined corporation, contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of REITPlus stock. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Certain Elective Provisions of Maryland Law. A Maryland corporation with at least three independent directors and a class of securities registered under the Securities Exchange Act of 1934, as amended, may elect to be governed by all or any part of certain elective provisions of Maryland law. The election to be governed by one or more of these provisions can be made by an eligible Maryland corporation in its charter or bylaws or by resolution adopted by its board of directors so long as the Maryland corporation has at least three directors who, at the time of the election, are not:

officers or employees of the corporation;

persons seeking to acquire control of the corporation;

directors, officers, affiliates or associates of any person seeking to acquire control of the corporation; or

nominated or designated as directors by a person seeking to acquire control of the corporation.

Articles supplementary must be filed with the Maryland SDAT if a Maryland corporation elects to be subject to any or all of the provisions by board resolution or bylaw amendment. Shareholder approval is not required for the filing of these articles supplementary.

A Maryland corporation can elect to be subject to all or any portion of the following provisions, notwithstanding any contrary provisions contained in that corporation s existing charter or bylaws:

Classified Board: The corporation may divide its board into three classes which, to the extent possible, will have the same number of directors, the terms of which will expire at the third annual meeting of shareholders after the election of each class;

Two-thirds Shareholder Vote to Remove Directors: The shareholders may remove any director only by the affirmative vote of at least two-thirds of all votes entitled to be cast by the shareholders generally in the election of directors;

Size of Board Fixed by Vote of Board: The number of directors will be fixed only by resolution of the board;

Board Vacancies Filled by the Board for the Remaining Term: Vacancies that result from an increase in the size of the board, or the death, resignation, or removal of a director, may be filled only by the affirmative vote of a majority of the remaining directors even if they do not constitute a quorum. Directors elected to fill vacancies will hold office for the remainder of the full term of the class of directors in which the vacancy occurred, as opposed to until the next annual meeting of shareholders, and until a successor is elected and qualified; and

Shareholder Calls of Special Meetings: Special meetings of shareholders must be called by the secretary of the corporation upon the request of shareholders only upon the written request of shareholders entitled to cast at least a majority of all votes entitled to be cast at the meeting.

Through provisions of the REITPlus Charter and REITPlus s Bylaws unrelated to these elective provisions of Maryland law, (a) a two-thirds vote will be required to remove any director from the surviving company s board of directors and (b) the exclusive power to fix the number of directors will be vested in the REITPlus board of directors. The REITPlus Charter also provides that, at such time as the surviving company becomes eligible, vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors then in office for the full term of the class of directors in which the vacancy occurred.

INFORMATION ABOUT AMREIT

In addition to the information set forth below, additional information about AmREIT may be found in Annex C.

AmREIT s Investment Policies

AmREIT seeks to create value and drive net operating income (NOI) growth on the properties owned in its institutional-grade portfolio of Irreplaceable Corners and those owned by a series of closed-end, merchant development funds. It also seeks to support a growing advisory business that raises capital through an extensive independent broker dealer channel as well as through institutional joint venture partners.

The institutional-grade portfolio of Irreplaceable Corners premier retail properties in high-traffic, highly-populated areas throughout the United States are held for long-term value and to provide a foundation to our funds from operations (FFO) through a steady stream of rental income. AmREIT s advisory business has a 24-year track record of delivering returns to its investor partners through a series of closed-end, merchant development funds, resulting in recurring income from assets under management and in transactional income through profit participation interests and real estate fees, including acquisition, development and leasing fees. Management generally believes that no more than 20% of AmREIT s total assets should be invested in any one property. AmREIT typically uses secured and unsecured debt as a means of providing funds for the acquisition of its real estate investments.

The recurring-income nature of the institutional-grade portfolio of Irreplaceable Corners and the advisory business can be complemented by the added growth potential of our real estate development and operating business. This model seeks to provide value through offering an array of services to AmREIT s tenants and to the properties owned in both the institutional-grade portfolio of Irreplaceable Corners and those owned by the closed-end, merchant development funds as well as to third parties.

AmREIT s investment policies have been adopted by the AmREIT Board and set forth the policies and restrictions pursuant to which AmREIT conducts its affairs. The AmREIT Board may change any investment policy without the approval of shareholders. Set forth below is a summary of AmREIT s investment policies.

Investments in Properties. AmREIT does:

- § invest only in interests in (including mortgage loan interests secured by) income-producing, undeveloped, development stage and improved real estate properties using borrowed capital only where prudent as determined by the board;
- § not invest more than 10% of its total assets in unimproved real property or mortgage loans on unimproved real property;
- § not acquire properties leased, or to be leased, to one tenant generating annual rental income in excess of 15% of AmREIT s total annual rental income, without the prior approval of the AmREIT Board;
- § not engage in the purchase and sale of investments, other than real property interests which satisfy AmREIT s investment objectives or for the purpose of investing on a short-term basis reserves and funds available for the purchase of properties; and
- § pay consideration for a property which is based on its fair market value as determined by a majority of the trustees. In cases where the majority of the independent trustees determine, and in all acquisitions from interested persons, such fair market value shall be determined by an independent expert selected by the independent trustees.

Policy Restrictions. AmREIT does not:

- § invest more than ten percent (10%) of its total assets in second mortgages, excluding wrap-around type second mortgage loans;

- make or invest in mortgage loans, including construction loans, on any one property if the aggregate amount of all mortgage loans outstanding on the property, including AmREIT s loan(s), would exceed an amount equal to eighty-five percent (85%) of the appraised value of the property as determined by appraisal unless substantial justification exists because of the presence of other underwriting criteria. For purposes of this subsection, the aggregate amount of all mortgage loans outstanding on the property shall include all interest (excluding contingent participation in income and/or appreciation in value of the mortgaged property), the current payment of which may be deferred pursuant to the terms of such loans, to the extent that deferred interest on each loan exceeds five percent (5%) per annum of the principal balance of the loan;

- make or invest in any mortgage loans that are subordinate to any mortgage or equity interest of any affiliate of AmREIT; invest in any mortgage loans that are subordinate to any liens or other indebtedness on a property if the effect of such mortgage loans would be to cause the aggregate value of all such subordinated indebtedness to exceed twenty-five percent (25%) of AmREIT s tangible assets;

- invest in equity securities of other issuers unless a majority of the trustees, including a majority of the independent trustees, not otherwise interested in the transaction approve the transaction as being fair, competitive and commercially reasonable;

- invest in the equity securities of any non-governmental issue, including other real estate investment trusts or limited partnerships for a period in excess of eighteen (18) months, unless approved by a majority of the trustees, including a majority of the independent trustees;

- engage in underwriting or the agency distribution of securities issued by others;

- invest in commodities or commodity futures contracts, other than solely for hedging purposes;

- engage in short sales of securities or trading, as distinguished from investment activities;

- invest in real estate contracts of sale, otherwise known as land sale contracts, unless such contracts are in recordable form and appropriately recorded in the chain of title;

- issue equity securities which are redeemable at the election of the holder of such securities;

- issue debt securities unless the historical debt service coverage (in the most recently completed fiscal year) as adjusted for known changes is sufficient to properly service that higher level of debt;

- issue warrants, options or similar evidences of a right to buy its securities, unless issued to all of its security holders ratably, or issued as part of a financing arrangement; or

- issue shares on a deferred payment basis or other similar arrangement.

Restrictions on Leverage. AmREIT may not borrow funds in order to distribute the proceeds to the shareholders and thereby offset under-performance by the properties, unless it is required to do so for REIT qualification purposes.

The AmREIT Board must review AmREIT s borrowings at least quarterly for reasonableness in relation to its net assets. AmREIT may not incur indebtedness if, after giving effect to the incurrence thereof, aggregate indebtedness, secured and unsecured, would exceed fifty-five percent (55%) of its net assets on a consolidated basis. For this purpose, the term net assets means the value of AmREIT s total assets (less intangibles) based on market capitalization rates and current year rental income, as determined by AmREIT s Board, before deducting depreciation or other non-cash reserves, less total liabilities, as calculated at the end of each quarter on a basis consistently applied.

Joint Venture Investments. AmREIT may enter into joint ventures with unaffiliated third parties. AmREIT may also invest jointly with another publicly-registered entity sponsored by a sponsor, advisor or trustee that has investment objectives and management compensation provisions substantially identical to those of AmREIT, provided that the following conditions must be satisfied:

the joint venture must have approval of a majority of the trustees, including a majority of the independent trustees;

the joint venture must have investment objectives comparable to AmREIT;

the investment by each party to the joint venture must be on substantially the same terms and conditions; provided, however, AmREIT shall own more than fifty percent (50%) of any joint venture between it and its affiliate;

in making any such joint venture investment, AmREIT may not pay more than once, directly or indirectly, for the same services and may not act indirectly through any such joint venture if AmREIT would be prohibited from doing so directly because of restrictions contained in its bylaws; and

in the event of a proposed sale of the property initiated by the other joint venture partner, AmREIT must have a right of first refusal to purchase the other party s interest.

AmREIT s Strategy

During 2007, AmREIT initiated a strategic plan which it refers to as Vision 2010 . Vision 2010 is designed to create a more confirming structure that will reduce the earnings volatility of AmREIT s business model while also simplifying its capital structure, with the ultimate goal of growing its portfolio of Irreplaceable Corners. AmREIT expects that Vision 2010 will have three phases as follows:

Phase I consisted of business model changes which were designed to reduce the earnings volatility created by some of AmREIT s transactional operating subsidiaries. In connection with phase I of the plan AmREIT simplified its operating platform and reduced its transactional volatility by exiting the general contracting business and the fund raising business. Additionally, AmREIT suspended the REITPlus, Inc. best efforts equity offering. Together, these restructuring initiatives resulted in a one-time restructuring charge of approximately $2.5 million during 2008 and reduced the annual overhead and general and administrative expenses by approximately $4.5 million.

Phase II consists of changes which are designed to simplify AmREIT s equity capital structure. As the first step in Phase II, in December 2008, it voluntarily de-listed its Class A Common Stock from trading on the NYX. The Class A Common Stock is therefore no longer traded on a national exchange. Additionally, it announced the potential merger of AmREIT into REITPlus, resulting in a combined, conforming entity with a single class of common stock.

Phase III will consist of growing AmREIT s portfolio of Irreplaceable Corners and identifying additional sources of liquidity for shareholders once it has accomplished the first two phases of Vision 2010 and the country begins to move into recovery.

On January 7, 2009, the AmREIT Board approved in concept the merger of AmREIT with REITPlus. The merger is the next step in Vision 2010 and would combine all AmREIT capital stock into a single class, accomplishing its goal of simplifying its capital structure. AmREIT believe these steps would better position the combined company to raise Wall Street and/or institutional capital either through joint ventures at the entity level or through an IPO and re-listing of its shares.

AmREIT s Structure

AmREIT s structure consists of an institutional grade portfolio of Irreplaceable Corners and its advisory business, each of which is supported by its real estate development and operating group.

Portfolio of Irreplaceable Corners

AmREIT s core portfolio consists of Today s Irreplaceable Corners . These are corner properties in Top U.S. Growth Markets with the following characteristics:

Located on a corner in major metropolitan area

High barriers to entry

High daytime and evening population

High count of cars per day

High average household income within 3-5 mile radius

As of June 30, 2009, AmREIT owned a real estate portfolio consisting of 45 properties located in 15 states. Leased to national, regional and local tenants, its properties are primarily located throughout Texas. AmREIT is currently focused in three of the top six population and job growth markets in the United States: Houston, Dallas and San Antonio. Its long term goal is to be in six of the top ten population and job growth major markets in the United States. As owners of real estate, AmREIT implements high standards of excellence in maintaining the value, aesthetics, tenant mix and safety of each of our properties. As of June 30, 2009, our operating properties were leased at 91.5% based on leasable square footage.

Advisory Business

For 25 years, AmREIT has created financial solutions for its investors by offering real estate investment opportunities as a stable and dependable source of income and portfolio growth. It has successfully advised 17 private and public investment vehicles over the past two and a half decades that have led to the acquisition, development and redevelopment of Tomorrow s Irreplaceable Corners properties throughout the United States. Tomorrow s Irreplaceable Corners are properties that are located on dominant regional intersections within fast growing markets. AmREIT creates value for its clients and investors through its expertise in development, redevelopment and daily operation of these properties.

As of June 30, 2009, the advisory group directly managed, through its seven merchant development funds, a total of $172 million in contributed capital. Two of the seven partnerships, AmREIT Opportunity Fund, Ltd. (AOF) and AmREIT Income and Growth Fund, Ltd. (AIG), entered into their liquidation phase in 2003 and 2007 respectively, and the remaining five partnerships are scheduled to enter their liquidation phases in 2010, 2011, 2012, 2013, and 2016. As these partnerships enter into liquidation, AmREIT, acting as the general partner/advisor, expects to receive economic benefit from its profit participation, after certain preferred returns have been paid to the limited partners. During the years ended December 31, 2008, 2007 and 2006, AmREIT recognized approximately $80,000, $401,000 and $414,000, respectively, related to its general partner interest in AOF, which fully liquidated during 2008.

Real Estate Development and Operating Group

AmREIT s real estate operating and development business is comprised of a fully integrated real estate team that works directly with landlords, builders and developers. This team is primarily focused on managing, leasing and creating value on AmREIT s owned and managed portfolio of Irreplaceable Corners and gives AmREIT a competitive edge on pricing and development opportunities. Having a full complement of real estate professionals helps secure strong tenant relationships for both the portfolio and the merchant development portfolios managed by AmREIT s advisory business. During the years ended December 31, 2008, 2007 and 2006, the real estate operating and development business generated net real estate and asset management fees of $5.8 million, $6.5 million, and $9.1 million, which represented 14%, 13%, and 16% of the Company s total revenues, respectively. This business is structured as a taxable REIT.

AmREIT Significant Properties

Uptown Park, Houston, Texas. Uptown Park accounts for 21% of AmREIT s total assets. The Uptown Park property, which was built in 1999 and then expanded in 2005, consists of 169,000 rentable square foot in several buildings located in the Galleria area of Houston, Texas. AmREIT acquired the property in June 2005. The typical retail space is roughly 3,000 square feet. As of June 30, 2009, the building was 99% leased to 49 tenants. Typical lease terms are generally net lease where the tenant pays a monthly base rent and a reimbursement of operating expenses to the landlord. These expense reimbursements include, but are not limited to, property taxes, insurance, security, utilities, landscaping and other common area maintenance items. Generally in-line leased space has a term of between 3-7 years and anchor space has a term of between 10-20 years. The federal income tax basis for the Uptown Park property is $67,631,000.

The following table sets forth the occupancy rate and average annual rent per leased rentable square foot for the Uptown Park property at the end of each year indicated.

	Occupancy Rate	Average Annual Base Rent per Leased Square Foot
2005	85%	$ 27
2006	93%	$ 29
2007	99%	$ 31
2008	98%	$ 32

Depreciation on the Uptown Park property is taken on a straight line basis over 15 to 41 years for book purposes, resulting in a depreciation rate of approximately 4% per year.

The following table sets forth information with respect to the property s major tenants and lease expirations.

Name	Principal Nature of Business	Lease Expiration	Major Tenants Leased Square Feet	Percentage of Property s Total Leased	Annualized Base Rent (1)	Percentage of Annualized Base Rent (2)	Renewal Options

			Square Feet				
Champps	Restaurant	8/5/2014	11,384	7%	$ 409,824.00	8%	None
McCormick & Schmicks	Restaurant	7/11/2014	8,822	5%	$ 327,093.00	6%	None
Tasting Room	Wine Bar	10/31/2013	7,568	5%	$ 248,684.52	5%	1 5-yr option

(1) Calculated as the tenant s actual June 2009 base rent multiplied by 12. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annualized amounts.

(2) Calculated as the percentage of the tenant s annualized base rent divided by the product of the property s actual total June 2009 base rent times 12 months.

Lease Expiration Schedule Uptown Park

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Expiring Leases	Percentage of Property s Total Leased Square Feet	Annualized Base Rent of Expiring Leases (1)	Percentage of Property s Annualized Base Rent (2)
2009	4	8,443	5%	$ 256,266	5%
2010	8	18,715	11%	473,888	9%
2011	2	8,415	5%	241,615	4%
2012	7	16,100	10%	536,452	10%
2013	11	37,112	22%	1,218,198	23%
2014	9	41,769	25%	1,399,550	26%
2015					
2016	4	21,033	13%	654,855	12%
2017	2	6,860	4%	250,797	5%
2018	1	1,337	1%	53,480	1%
Thereafter	2	6,540	4%	253,720	5%
Total	50	166,321		$ 5,338,821	

(1) Calculated as the product of actual June 2009 base rent of expiring leases at the property times 12 months. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annualized amounts.

(2) Calculated as the percentage of annualized base rent of expiring leases divided by the product of the actual total June 2009 base rent for the property times 12 months.

AmREIT holds fee simple title to this property, which is subject to a mortgage loan with a principal balance, as of June 30, 2009, of approximately $49.0 million. The loan requires monthly interest-only payments for the entire term, bears interest at a fixed rate of 5.37% and matures on June 1, 2015. While prepayment of the loan is not restricted, prepayments are subject to a penalty provision. The outstanding balance at the time of maturity will be approximately $49.0 million**.**

The property is held primarily for its income producing capabilities. Uptown Park directly competes with approximately 10 other shopping centers in the Galleria submarket of Houston, Texas. The most directly competitive centers are Highland Village, Boulevard Place, the Centre at Post Oak and Post Oak Plaza, each of which has similar tenants to those occupying space at Uptown Park. AmREIT is in the early stages of creating a master development plan for Uptown Park that may require significant capital and may include additional uses of the property, such as office and hotel space. AmREIT management believes the property to be adequately covered by insurance.

Real estate taxes for 2008 on the Uptown Park property were $899,000, and the current real property tax rate with respect to the property is 2.67% of the assessed value.

MacArthur Park, Irving, Texas, MacArthur Park accounts for 15% of AmREIT s total assets. The MacArthur park property, which was built in 2000, has a combined gross leasable area of 237,381 square feet and is located in the city of Irving, Texas. AmREIT acquired the property in 2004 and 2005. The typical retail space is roughly 2,200 square feet. Typical lease terms are generally net lease where the tenant pays a monthly base rent and a reimbursement of operating expenses to the landlord. These expense reimbursements include, but are not limited

to, property taxes, insurance, security, utilities, landscaping and other common area maintenance items. Generally in-line leased space has a term of between 3-7 years and anchor space has a term of between 10-20 years. As of June 30, 2009, the building was 82% leased, including the Linen-N-Things vacancy of 35,000 square feet or 15%, to 39 tenants. The federal income tax basis for the MacArthur Park property is $48,541,953.

The following table sets forth the occupancy rate and average annual rent per leased rentable square foot for the MacArthur Park property at the end of each year indicated.

	Occupancy Rate	Average Annual Base Rent per Leased Square foot
2004	100%	$ 15
2005	98%	$ 16
2006	97%	$ 17
2007	97%	$ 17
2008	96%	$ 17

Depreciation on the MacArthur Park property is taken on a straight line basis up to 39 years for book purposes, resulting in a rate of approximately 3% per year.

The following tables set forth information with respect to the property s top three major tenants and lease expirations, respectively.

Major Tenants

Name	Principal Nature of Business	Lease Expiration	Leased Square Feet	Percentage of Property s Total Leased Square Feet	Annualized Base Rent (1)	Percentage of Annualized Base Rent (2)	Renewal Options
Kroger	Grocery	11/30/2020	63,373	33%	$ 522,827.28	15%	6 5-yr options
Pier 1 Import, Inc.	Home Décor	2/28/2010	9,028	5%	$ 192,115.80	5%	3 5-yr options
Men s Wearhouse	Men s Wear	2/2/2010	6,660	3%	$ 168,964,20	5%	2 5-yr options

(1) Calculated as the tenant s actual June 2009 base rent multiplied by 12. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annulized amounts.

(2) Calculated as the percentage of the tenant s annualized base rent divided by the product of the property s actual total June 2009 base rent times 12 months.

Lease Expiration Schedule- MacArthur Park

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Expiring Leases	Percentage of Properties Total Leased Square Feet	Annualized Base Rent of Expiring Leases (1)	Percentage of Property s Annualized Base Rent (2)
2009	3	7,088	4%	$ 189,937	6%
2010	7	37,351	19%	863,555	25%
2011	17	63,203	33%	1,301,682	38%
2012	2	4,792	3%	115,008	3%
2013	5	7,514	4%	211,082	6%
2014	1	4,000	2%	108,000	3%
2015	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a
2017	1	2,818	1%	112,720	3%
2018	1	1,400	1%	36,399	1%

Thereafter	1	63,373	33%		522,827	15%
Total	38	191,539		$	3,461,210	

(1) Calculated as the product of actual June 2009 base rent of expiring leases at the property times 12 months. Because annualized base rental revenue is not derived from historical results that were accounted for in accordance with generally accepted accounting principles, historical results differ from the annualized amounts.

(2) Calculated as the percentage of annualized base rent of expiring leases divided by the product of the actual total June 2009 base rent for the property times 12 months.

AmREIT holds fee simple title to this property, which is subject to a mortgage loan with a principal balance, as of June 30, 2009, of approximately $17 million. The loan requires monthly interest -only payments for the entire term, bears interest at a fixed rate of 5.11% and matures on December 1, 2011. While prepayment of the loan is not restricted, prepayments are subject to a penalty provision. The outstanding balance at the time of maturity will be approximately $17 million.

McArthur Park competes directly with six shopping centers that are all located within 1.5 miles of McArthur Park. The most directly competitive centers are Las Colinas Village and McArthur Crossing, each of which has similar tenants to those occupying space at McArthur Park.

The property is held primarily for its income producing capabilities. AmREIT has no present intention for significant improvements. AmREIT management believes the property to be adequately covered by insurance.

Real estate taxes for 2008 on the MacArthur Park property were $1,247,000, and the current real property tax rate with respect to the property is 3.16% of the assessed value.

COMPARISON OF SHAREHOLDER RIGHTS

On May 20, 2009, the shareholders of AmREIT approved a redomestication merger pursuant to which AmREIT migrated from a Texas REIT to a Maryland REIT. In connection with that transaction, AmREIT adopted a Maryland declaration of trust. The following table sets forth a comparison of the provisions of the existing REITPlus Charter and Bylaws, REITPlus being the surviving company, and the AmREIT Declaration of Trust filed in connection with the redomestication merger and AmREIT s Bylaws. The provisions of the AmREIT Declaration of Trust and the REITPlus Charter are substantially similar.

	AmREIT Declaration of Trust	**Charter of Surviving Company (REITPlus)**
Name	AmREIT s Declaration of Trust provides for the name AmREIT. The board of trustees may change the name without shareholder approval.	The surviving company s Charter provides for the name REITPlus, Inc. The name of the surviving corporation will be changed to AmREIT, Inc. at the time of the completion of the merger. The board of directors may change the name without shareholder approval.
Repurchase of Shares	AmREIT s Declaration of Trust does not specifically allow or preclude the repurchase of shares of AmREIT Common Stock by AmREIT. After the 3rd anniversary of the issue date, shares of Class C Stock are subject to mandatory redemption by AmREIT, in whole or in part, at any time or from time to time, for a specified price or Class A stock, upon not less than 30 days	Except in connection with the restrictions on ownership and transfer of its shares, the surviving company s Charter does not specifically require, allow or preclude the repurchase of shares of common stock by the surviving company.

	nor more than 60 days notice. After the 7th anniversary of the issue date, a holder of Class C Stock who has held shares for more than one year may present such shares to AmREIT for redemption, and AmREIT may, at its sole option, redeem such shares for cash. No more than 5% of all Class C Stock may be redeemed during any 12-month period. After the 1st anniversary of the issue date, shares of Class D Stock are subject to mandatory redemption by AmREIT, in whole or in part, at any time or from time to time, for a price based upon a pro rata portion of the conversion premium. After the 7th anniversary of the issue date, a holder of Class D Stock who has held shares for more than one year may present such shares to AmREIT for redemption, and AmREIT may, at it s sole option, redeem such shares for cash. No more than 5% of all Class D Stock may be redeemed during any 12-month period.	
Term of Directors/Trustees	Each initial trustee holds office until the first meeting of shareholders of AmREIT and until his or her successor is duly elected and qualified.	Each director holds office until the next meeting of shareholders of the surviving company and until his or her successor is duly elected and qualified.
Number of Directors/ Trustees	The number of trustees is currently four (4) and the trustees may increase the number of trustees and fill any vacancy, whether resulting from an increase in the number of trustees or otherwise, on the board of trustees in the manner provided in the bylaws.	The number of directors is currently four (4) and the directors may increase the number of directors and fill any vacancy, whether resulting from an increase in the number of directors or otherwise, on the board of directors in the manner provided in the bylaws. The board of the surviving company will increase the number of directors to seven (7) at the effective time of the merger.
Removal of Directors/ Trustees	A trustee may be removed only for cause by the affirmative vote of at least two-thirds (2/3) of all votes entitled to be cast.	A director may be removed only for cause by the affirmative vote of at least two-thirds (2/3) of all votes entitled to be cast.

	AmREIT Declaration of Trust	**Charter of Surviving Company (REITPlus)**
Limitation of Director/ Trustee and Officer Liability	The AmREIT Declaration of Trust eliminates trustees and officers liability to the maximum extent permitted by Maryland law, which eliminates the liability of trustees and officers to the trust and its shareholders for money damages, except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty established by a final judgment and which is material to the cause of action.	The surviving company s Charter eliminates directors and officers liability to the maximum extent permitted by Maryland law, which eliminates the liability of directors and officers to the corporation and its shareholders for money damages, except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty established by a final judgment and which is material to the cause of action.
Distributions	The Class C Common Stock and the Class D Common Stock receive specified distributions as set forth in the AmREIT Declaration of Trust.	The surviving corporation s Charter provides that the board of directors may from time to time authorize dividends as the board in its

		discretion shall determine.
	No dividends may be declared or paid with respect to Class A Stock unless and until all dividends are declared or paid with respect to Class C Stock. No dividends may be declared or paid with respect to the Class D Stock unless and until full dividends are paid in respect of the Class C Stock. The Declaration of Trust does not require prior or contemporaneous payment of monthly dividends with respect to the Class D Stock before monthly dividends can be paid with respect to the Class A Stock. Consequently, holders of Class A Stock and Class C Stock could receive payments of monthly dividends in certain months when no dividends are paid with respect to the Class D Stock.	
Mergers, Consolidations and Sale of Company Property	Pursuant to its Declaration of Trust, AmREIT may merge, consolidate or sell, lease, exchange or otherwise transfer all or substantially all of its property only if such action is approved by the board of trustees and by the affirmative vote of a majority of all the votes entitled to be cast on the matter. Any sale of substantially all of the assets of AmREIT requires the affirmative vote of at least 2/3 of the holders of each of the Class C Stock and Class D Stock, each voting as a separate class.	Pursuant to the Charter, the surviving company may merge, consolidate or sell, lease, exchange or otherwise transfer all or substantially all of its property only if such action is approved by the board of directors and by the affirmative vote of a majority of all the votes entitled to be cast on the matter.
Appraisal Rights	The AmREIT Declaration of Trust provides that shareholders will be entitled to exercise any rights of an objecting shareholder provided for under the Maryland REIT Law and the MGCL if (i) the trust is a party to a merger, (ii) as of the record date fixed to determine the shareholders entitled to vote on a plan of merger, the shares of the trust are held of record by less than 2,000 holders, and (iii) consideration for the shares of the trust are shares of a surviving domestic or foreign entity, which, immediately after the effective date of the merger, will be held of record by less than 2,000 holders. If the conditions described above are not met, the AmREIT Declaration of Trust provides that shareholders will not be entitled to exercise any rights of an objecting shareholder unless the board of trustees, upon the affirmative vote of a majority of the entire board of trustees, determines that such rights apply, with respect to all or any classes or series of shares, to one or more transactions occurring after the date of such determination.	The surviving company s Charter provides that shareholders will not be entitled to exercise any rights of an objecting stockholder provided for under the MGCL or any successor statute unless the board of directors, upon the affirmative vote of a majority of the board of directors, determines that such rights apply, with respect to all or any classes or series of shares, to one or more transactions occurring after the date of such determination.

	AmREIT Declaration of Trust	**Charter of Surviving Company (REITPlus)**
Amendment to Declaration of Trust/Charter	If an amendment materially and adversely affects the voting powers, rights or preferences of the holders of the Class C Stock, the affirmative vote of holders of at least two-thirds of the votes entitled to be cast by the holders of the Class C Stock, voting as a class, is required to approve such amendment. Except for amendments permitted to be made without shareholder approval by Maryland law, which include amendments to qualify as a REIT, amendments to the AmREIT Declaration of Trust will generally require the affirmative vote of shareholders of	Except for amendments permitted to be made without shareholder approval by Maryland law or the surviving company s Charter (which do not include amendments required for the surviving company to qualify as a REIT), amendments to the surviving company s Charter will generally require the affirmative vote of shareholders of not less than a majority of all shares entitled to vote on the matter. However, any amendment to

not less than a majority of all shares entitled to vote on the matter. However, any amendment to provisions regarding the removal of trustees must be deemed advisable by the board of trustees and approved by the affirmative vote of shareholders entitled to cast not less than two-thirds (2/3) of all the votes entitled to be cast on the matter. If an amendment materially and adversely affects the voting powers, rights or preferences of the holders of the Class D Stock, the affirmative vote of holders of at least two-thirds of the votes entitled to be cast by the holders of the Class D Stock, voting as a class, is required to approve such amendment.

In addition, the board of trustees may suspend, but not amend (without shareholder approval), any redemption plan relating to the Class C Stock or the Class D Stock.

provisions regarding the removal of directors must be deemed advisable by the board of directors and approved by the affirmative vote of shareholders entitled to cast not less than two-thirds (2/3) of all the votes entitled to be cast on the matter.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Introduction

The following summary discusses the material U.S. federal income tax consequences of the merger. This summary is based on current law, is for general information only and is not tax advice. This discussion is based on the Code, applicable Treasury Regulations, judicial authority, and administrative rulings and practice, all as currently in effect and which are subject to change or differing interpretations, possibly with retroactive effect. This summary assumes that the AmREIT Common Stock is held as capital assets for U.S. federal income tax purposes. This summary is not intended to be a complete description of all of the U.S. federal income tax consequences of the merger. In addition, except as specifically set forth below, this summary does not discuss any state or local income taxation or foreign income taxation or other tax consequences. This discussion does not address all of the aspects of U.S. federal income taxation that may be relevant to a particular holder of AmREIT Common Stock in light of their personal circumstances, or to holders of AmREIT Common Stock that are subject to special treatment under U.S. federal income tax laws, including but not limited to:

dealers in securities or foreign currencies, financial institutions, insurance companies or tax-exempt organizations;

persons who are subject to the alternative minimum tax, or who elect to apply a mark-to-market method of accounting;

persons that hold their AmREIT Common Stock as part of a hedge, straddle, constructive sale or conversion transaction;

persons whose functional currency is not the U.S. dollar;

persons who are not United States persons (as defined in Section 7701(a)(30) of the Code);

persons that are, or hold their AmREIT Common Stock through partnerships or other pass-through entities; or

holders of options granted by AmREIT or persons who acquired AmREIT Common Stock through the exercise of employee stock options or otherwise as compensation.

In connection with the delivery to shareholders of AmREIT and REITPlus of this joint proxy statement/prospectus, Bass, Berry & Sims, PLC, as counsel to REITPlus, has rendered its opinion, which is filed as an exhibit to the registration statement of which this document is a part, and subject to and on the basis of the facts, representations and assumptions set forth in its opinion, to the effect that (1) the merger will qualify as a reorganization under Section 368(a) of the Code, and (2) REITPlus qualified to be taxed as a REIT for its taxable year ended December 31, 2008, and REITPlus s organization and current and proposed method of operation will enable REITPlus to continue to qualify as a REIT for its taxable year ending December 31, 2009 and in the future.

In connection with the delivery to shareholders of AmREIT and REITPlus of this joint proxy statement/prospectus, Bass, Berry & Sims, PLC, as counsel to AmREIT, has rendered its opinion, which is filed as an exhibit to the registration statement of which this document is a part, and subject to and on the basis of the facts, representations and assumptions set forth in its opinion, to the effect that that (1) the merger will qualify as a reorganization under Section 368(a) of the Code, and (2) AmREIT qualified to be taxed as a REIT for its taxable years ended December 31, 2006 through December 31, 2008, and from January 1, 2009 through the closing date of the merger, AmREIT s organization and current and proposed method of operation will enable AmREIT to continue to meet the requirements for qualification as a REIT under the Code, taking into account the transactions contemplated under the merger agreement.

In addition, at the time of closing of the merger and as a condition to such closing, Bass, Berry & Sims, PLC will deliver an opinion to REITPlus to the effect that (1) the merger will qualify as a reorganization under Section 368(a) of the Code, and (2) for AmREIT s taxable year ended December 31, 2006 through its taxable year ended December 31, 2008, AmREIT qualified as a REIT under the Code, and from January 1, 2009 through the closing date of the merger, AmREIT s organization and current and proposed method of operation will enable AmREIT to continue to meet the requirements for qualification as a REIT under the Code. Moreover, Bass, Berry & Sims, PLC will at the same time and as a condition to closing the merger deliver to AmREIT an opinion to the effect that (1) the merger will qualify as a reorganization under Section 368(a) of the Code, and (2) REITPlus qualified to be taxed as a REIT for the taxable year ended December 31, 2008 and taking into account the merger, REITPlus s organization and current and proposed method of operation will enable REITPlus to continue to qualify as a REIT for its taxable year ending December 31, 2009 and in the future.

THE U.S. FEDERAL INCOME TAX LAWS ARE COMPLEX, AND A SHAREHOLDER S INDIVIDUAL CIRCUMSTANCES MAY AFFECT THE SHAREHOLDER S TAX CONSEQUENCES. CONSEQUENTLY, ALL HOLDERS OF COMMON STOCK RECEIVED IN THE MERGER ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX

CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE AND LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS TO THEIR PARTICULAR CIRCUMSTANCES.

U.S. Federal Income Tax Consequences of the Merger

General

The following is a summary of the material anticipated U.S. federal income tax consequences of the merger. This summary is generally applicable to holders of AmREIT Common Stock who are U.S. persons (as defined in Section 7701(a)(30) of the Code) and who hold their AmREIT Common Stock as capital assets for U.S. federal income tax purposes.

In addition to the Code, applicable Treasury regulations, judicial authority, and administrative rulings and practice, all as in effect as of the date of this document, this summary is based on representations, covenants, and assumptions as to factual matters provided by AmREIT and REITPlus to Bass, Berry & Sims PLC, counsel to AmREIT and REITPlus. The failure of any such factual representations, covenants or assumptions to be true, accurate, and complete in all material respects, may adversely affect the accuracy of the statements and conclusions described in this discussion.

The merger is intended to qualify as a reorganization under the provisions of Section 368(a) of the Code, and the income tax consequences summarized below are based on the assumption that the merger will qualify as a reorganization. Bass, Berry & Sims PLC is of the opinion that, on the basis of certain facts, representations, and assumptions, the merger will qualify as a reorganization under the provisions of Section 368(a) of the Code. In addition, the obligations of AmREIT and REITPlus to complete the merger are conditioned upon the receipt by each of an opinion from Bass, Berry & Sims PLC, that on the basis of the facts, representations and assumptions set forth or referred to in such opinions, the merger will qualify as a reorganization under the provisions of Section 368(a) of the Code. In rendering these opinions, Bass, Berry & Sims PLC may rely upon customary representations of AmREIT and REITPlus reasonably requested by counsel, including those contained in customary tax representation letters.

No ruling has been or will be requested from the Internal Revenue Service (which we refer to as the IRS) with respect to the tax consequences of the merger. Moreover, the opinions of Bass, Berry & Sims PLC described in this discussion are not binding on the IRS, and no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences set forth below.

Federal Income Tax Consequences of the Merger to holders of AmREIT Common Stock

The treatment of the merger as a reorganization under Section 368(a) of the Code will have the following U.S. federal income tax consequences to holders of AmREIT Common Stock:

*Excha*nge *of AmREIT Common Stock for REITPlus Common Stock.* AmREIT shareholders who receive REITPlus Common Stock in exchange for their AmREIT Common Stock in the merger will not recognize any gain or loss with respect to shares of REITPlus Common Stock received (except with respect to cash received instead of a fractional share interest in REITPlus Common Stock, as discussed below). The aggregate tax basis of the REITPlus Common Stock

received by a holder of AmREIT Common Stock in the merger (including fractional shares deemed received and redeemed as described below) will be the aggregate tax basis of the AmREIT Common Stock surrendered in exchange therefor reduced by any basis allocable to any fractional share for which cash is received. An AmREIT shareholder s holding period in the REITPlus Common Stock received in the merger in exchange for AmREIT Common Stock will include the holding period for the AmREIT Common Stock surrendered in exchange therefor.

Cash in Lieu of Fractional Shares. Cash received in the merger by a holder of AmREIT Common Stock instead of a fractional share of REITPlus Common Stock will be treated as though the fractional share had been received and then redeemed for cash, and in general gain or loss will be recognized, measured by the difference between the amount of cash received and the portion of the basis of the AmREIT Common Stock allocable to such fractional interest. Such gain or loss generally will be long-term capital gain or loss if the holding period for such shares of AmREIT Common Stock was more than one year as of the effective date of the merger.

Federal Income Tax Consequences of the Merger to the Entities

No gain or loss will be recognized by REITPlus or AmREIT as a result of the merger if the merger qualifies as a reorganization under Section 368(a) of the Code.

Backup Withholding

In general, merger consideration that includes cash (i.e., cash paid in the merger in lieu of fractional shares of REITPlus Common Stock) will be subject to information reporting to the IRS. In addition, backup withholding at the applicable rate, currently 28%, will generally apply to such merger consideration if the exchanging AmREIT shareholder fails to properly certify that it is not subject to backup withholding, generally on a substitute IRS Form W-9. Certain holders, including, among others, U.S. corporations, are not subject to information reporting or backup withholding, but they may still need to furnish an IRS Form W-9 or otherwise establish an exemption. Any amount withheld as backup withholding from payments to an exchanging AmREIT shareholder will be creditable against the shareholder s U.S. federal income tax liability, provided that it timely furnishes the required information to the IRS. AmREIT shareholders should consult their tax advisors as to their qualifications for exemption from backup withholding and the procedure for obtaining such an exemption.

Federal Income Tax Consequences of the Merger if the Merger Does Not Qualify as a Reorganization

It is a condition to consummation of the merger that REITPlus and AmREIT receive opinions of counsel that the merger will qualify as a reorganization under the provisions of Section 368(a) of the Code, but these opinions will not be binding upon the IRS or the courts.

If the merger fails to qualify as a reorganization, then the tax consequences to AmREIT shareholders are as follows:

a holder of AmREIT Common Stock would recognize gain or loss, as applicable, equal to the difference between (1) the aggregate fair market value of the REITPlus Common Stock received by such holder in the merger plus any cash received instead of a fractional share of REITPlus Common Stock, and (2) the shareholder s adjusted basis in its AmREIT Common Stock.

If the merger fails to qualify as a reorganization, but AmREIT qualifies as a REIT at the time of the merger, AmREIT would not incur a tax liability so long as AmREIT has made distributions (which would be deemed to include for this purpose the fair market value of the REITPlus Common Stock issued pursuant to the merger) to AmREIT shareholders in an amount at least equal to the net income or gain on the deemed sale of its assets to REITPlus. In the event that such distributions were not sufficient to eliminate all of AmREIT s tax liability as a result of the deemed sale of its assets to REITPlus, REITPlus would be liable for any remaining tax owed by AmREIT as a result of the merger.

If the merger fails to qualify as a reorganization and AmREIT fails to qualify as a REIT at the time of the merger, AmREIT would generally recognize gain or loss on the deemed transfer of its assets to REITPlus and REITPlus, as its successor, could incur a very significant current tax liability.

If the merger qualifies as a reorganization and AmREIT fails to qualify as a REIT at the time of the merger, REITPlus would be subject to tax on the built-in gain on each AmREIT asset existing at the time of the merger if REITPlus were to dispose of the AmREIT asset within the ten-year period following the merger. Such tax would be imposed at the highest regular corporate rate in effect at the date of the disposition.

REIT Qualification of REITPlus and AmREIT

As a condition to closing the merger transaction, Bass, Berry & Sims PLC will deliver an opinion to REITPlus to the effect that for AmREIT s taxable year ended December 31, 2006 through its taxable year ended December 31, 2008, AmREIT qualified as a REIT under the Code, and from January 1, 2009 through the closing date of the merger, AmREIT s organization and current and proposed method of operation will enable AmREIT to continue to meet the requirements for qualification as a REIT under the Code. This opinion will not be binding on the IRS or the courts.

The opinion of Bass, Berry & Sims PLC will rely upon customary representations made by AmREIT about factual matters relating to the organization and operation of AmREIT and its subsidiaries. In addition, this opinion will be based on factual representations of AmREIT concerning its business and properties as set forth in this joint proxy statement/prospectus and the other documents annexed to this joint proxy statement/prospectus. If AmREIT did not qualify as a REIT in any of its prior tax years, AmREIT would be liable for (and, as successor to AmREIT in the merger, REITPlus would be obligated to pay any) federal income tax on its income earned in any year that it did not qualify as a REIT.

As a condition to closing the merger transaction, Bass, Berry & Sims PLC will deliver an opinion to AmREIT to the effect that REITPlus qualified to be taxed as a REIT under the Code for its taxable year ended December 31, 2008, and taking into account the merger, REITPlus s organization and current and proposed method of operation will enable REITPlus to continue to qualify as a REIT for its taxable year ending December 31, 2009 and in the future. This opinion will not be binding on the IRS or the courts.

The opinion of Bass, Berry & Sims PLC will rely upon customary representations made by REITPlus about factual matters relating to the organization and operation of REITPlus and its subsidiaries. In addition, this opinion will be based upon factual representations of REITPlus concerning its business and properties as set forth in this joint proxy statement/prospectus and the other documents annexed to this joint proxy statement/prospectus. Finally, the portion of the Bass, Berry & Sims PLC opinion that will address the qualification of REITPlus as a REIT following the merger is based in part upon the opinion of Bass, Berry & Sims PLC described above relating to the qualification of AmREIT as a REIT currently and at the closing of the merger and the factual representations made by AmREIT in connection with such opinion.

REITPlus intends to continue to operate in a manner to qualify as a REIT following the merger, but there is no guarantee that REITPlus will qualify or remain qualified as a REIT. Qualification and taxation as a REIT depend upon REITPlus s ability to meet, through actual annual (or, in some cases, quarterly) operating results, requirements relating to income, asset ownership, distribution levels and diversity of share ownership, and the various REIT qualification requirements imposed under the Code. Bass, Berry & Sims PLC will not review REITPlus s compliance with these tests on a continuing basis. Given the complex nature of the REIT qualification requirements, the ongoing importance of factual determinations and the possibility of future changes in the circumstances of REITPlus, REITPlus cannot guarantee that its actual operating results will satisfy the requirements for taxation as a REIT under the Code for any particular tax year.

Failure to Qualify

Specified cure provisions may be available to REITPlus in the event that REITPlus discovers a violation of a provision of the Code that would otherwise result in its failure to qualify as a REIT. Except with respect to violations of the REIT income tests and assets tests, and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If REITPlus fails to qualify for taxation as a REIT in any taxable year, and the relief provisions of the Code do not apply, REITPlus will be required to pay tax, including any applicable alternative minimum tax, on its taxable income at regular corporate tax rates. Distributions to REITPlus s shareholders in any year in which REITPlus fails to qualify as a REIT will not be deductible by REITPlus, and REITPlus will not be required to distribute any amounts to its shareholders. As a result, REITPlus anticipates that its failure to qualify as a REIT would reduce the cash available for distribution by it to its shareholders. In addition, if REITPlus fails to qualify as a REIT, all distributions to REITPlus s shareholders will be taxable as regular corporate dividends to the extent of REITPlus s current and accumulated earnings and profits. In this event, subject to certain limitations under the Code, corporate distributees may be eligible for the dividends-received deduction. Unless entitled to relief under specific statutory provisions, REITPlus will also be disqualified from taxation as a REIT for the four taxable years following the year in which REITPlus lost its qualification. It is not possible to state whether in all circumstances REITPlus would be entitled to this statutory relief.

Tax Liabilities and Attributes Inherited from AmREIT

If AmREIT failed to qualify as a REIT for any of its taxable years, AmREIT would be liable for (and, as successor to AmREIT in the merger, REITPlus would be obligated to pay) federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Furthermore, after the merger, the asset and income tests will apply to all of REITPlus s assets, including the assets REITPlus acquires from AmREIT, and to all of REITPlus s income, including the income derived from the assets REITPlus acquires from AmREIT. As a result, the nature of the assets that REITPlus acquires from AmREIT and the income REITPlus derives from those assets may have an effect on REITPlus s tax status as a REIT.

Qualification as a REIT requires AmREIT to satisfy numerous requirements, some on an annual and others on a quarterly basis, as described above with respect to REITPlus. There are only limited judicial and administrative interpretations of these requirements and qualification as a REIT involves the determination of various factual matters and circumstances which were not entirely within AmREIT s control.

Federal Income Tax Considerations Relating to the REIT

This section summarizes the current material federal income tax consequences generally resulting from our election to be taxed as a REIT. As used in this section, the terms we and our refer solely to REITPlus and not to our subsidiaries and affiliates which have not elected to be taxed as REITs under the Code. This discussion is not exhaustive of all possible tax considerations and does not provide a detailed discussion of any state, local or foreign tax considerations.

The statements in this section and the opinion of Bass, Berry & Sims PLC, described below, are based on the current federal income tax laws governing qualification as a REIT. We cannot assure you that new laws, interpretations of law or court decisions, any of which may take effect retroactively, will not cause any statement in this section to be inaccurate.

We urge you to consult your own tax advisor regarding the specific tax consequences to you of ownership of our securities and of our election to be taxed as a REIT. Specifically, you should consult your own tax advisor regarding the federal, state, local, foreign, and other tax consequences of such ownership and election, and regarding potential changes in applicable tax laws.

Taxation of REITPlus

We elected to be taxed as a REIT under the federal income tax laws beginning with our taxable year ended December 31, 2008. We believe that, beginning with such taxable year, we have been organized and have operated in such a manner as to qualify for taxation as a REIT under the Code and intend to continue to operate in such a manner. However, no assurances can be given that our beliefs or expectations will be fulfilled, since qualification as a REIT depends on our continuing to satisfy numerous asset, income, stock ownership and distribution tests described below, the satisfaction of which depends, in part, on our operating results.

The sections of the Code relating to qualification and operation as a REIT, and the federal income taxation of a REIT, are highly technical and complex. The following discussion sets forth only the material aspects of those sections. This summary is qualified in its entirety by the applicable Code provisions and the related rules and regulations.

In the opinion of Bass, Berry & Sims PLC, we qualified to be taxed as a REIT for our taxable year ended December 31, 2008 and our organization and current and proposed method of operation will enable us to continue to qualify as a REIT for our taxable year ending December 31, 2009 and in the future. Investors should be aware that Bass, Berry & Sims PLC s opinion is based upon customary assumptions, is conditioned upon certain representations made by us as to factual matters, including representations regarding the nature of our assets and the future conduct of our business, and is not binding upon the IRS or any court and speaks as of the date issued. In addition, Bass, Berry & Sims PLC s opinion is based on existing federal income tax law governing qualification as a REIT, which is subject to change, possibly on a retroactive basis. Moreover, our continued qualification and taxation as a REIT depend upon our ability to meet on a continuing basis, through actual annual operating results, certain qualification tests set forth in the federal income tax laws. Those qualification tests involve the percentage of income that we earn from specified sources, the percentage of our assets that falls within specified categories, the diversity of our share ownership, and the percentage of our earnings that we distribute. While Bass, Berry & Sims PLC has reviewed those matters in connection with the foregoing opinion, Bass, Berry & Sims PLC will not review our compliance with those tests on a continuing basis. Accordingly, no assurance can be given that the actual results of our operations for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of our failure to qualify as a REIT, see Requirements for Qualification Failure to Qualify below.

Pursuant to our charter, our board of directors has the authority to make any tax elections on our behalf that, in its sole judgment, are in our best interest. This authority includes the ability to revoke or otherwise terminate our status as a REIT. Our board of directors has the authority under our charter to make these elections without the necessity of obtaining the approval of our shareholders. In addition, our board of directors has the authority to waive any restrictions and limitations contained in our charter that are intended to preserve our status as a REIT during any period in which our board of directors has determined not to pursue or preserve our status as a REIT.

If we qualify as a REIT, we generally will not be subject to federal income tax on the taxable income that we distribute to our shareholders. The benefit of that tax treatment is that it avoids the double taxation, or taxation at both the corporate and shareholder levels, that generally results from owning shares in a corporation. However, we will be subject to federal tax in the following circumstances:

We are subject to the corporate federal income tax on any taxable income, including net capital gain that we do not distribute to shareholders during, or within a specified time period after, the calendar year in which the income is earned.

We may be subject to the corporate alternative minimum tax on any items of tax preference, including any deductions of net operating losses.

We are subject to tax, at the highest corporate rate, on:

net income from the sale or other disposition of property acquired through foreclosure (foreclosure property) that we hold primarily for sale to customers in the ordinary course of business, and

other non-qualifying income from foreclosure property.

We are subject to a 100% tax on net income from sales or other dispositions of property, other than foreclosure property, that we hold primarily for sale to customers in the ordinary course of business.

If we fail to satisfy one or both of the 75% gross income test or the 95% gross income test, as described below under Requirements for Qualification Gross Income Tests, but nonetheless continue to qualify as a REIT because we meet other requirements, we will be subject to a 100% tax on:

the greater of (1) the amount by which we fail the 75% gross income test, or (2) the amount by which 95% of our gross income exceeds the amount of our income qualifying under the 95% gross income test, multiplied, in either case, by

a fraction intended to reflect our profitability.

If we fail to distribute during a calendar year at least the sum of: (1) 85% of our REIT ordinary income for the year, (2) 95% of our REIT capital gain net income for the year, and (3) any undistributed taxable income required to be distributed from earlier periods, then we will be subject to a 4% nondeductible excise tax on the excess of the required distribution over the amount we actually distributed.

If we fail any of the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test), as described below under Requirements for Qualification Asset Tests, as long as (1) the failure was due to reasonable cause and not to willful neglect, (2) we file a description of each asset that caused such failure with the IRS, and (3) we dispose of the assets or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify such failure, we will pay a tax equal to the greater of $50,000 or 35% of the net income from the nonqualifying assets during the period in which we failed to satisfy the asset tests.

If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and such failure is due to reasonable cause and not to willful neglect, we will be required to pay a penalty of $50,000 for each such failure.

We may elect to retain and pay income tax on our net long-term capital gain.

We will be subject to a 100% excise tax on transactions with a taxable REIT subsidiary that are not conducted on an arm s-length basis.

If we acquire any asset from a C corporation, or a corporation that generally is subject to full corporate-level tax, in a merger or other transaction in which we acquire a basis in the asset that is determined by reference either to the C corporation s basis in the asset or to another asset, we will pay tax at the highest regular corporate rate applicable if we recognize gain on the sale or disposition of the asset during the 10-year period after we acquire the asset. The amount of gain on which we will pay tax generally is the lesser of:

the amount of gain that we recognize at the time of the sale or disposition, and

the amount of gain that we would have recognized if we had sold the asset at the time we acquired it.

We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT s shareholders, as described below in Requirements for Qualification Recordkeeping Requirements.

The earnings of our lower-tier entities that are subchapter C corporations, including taxable REIT subsidiaries, are subject to federal corporate income tax.

In addition, we may be subject to a variety of taxes, including payroll taxes and state, local and foreign income, property and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

Requirements for Qualification

To qualify as a REIT, we must elect to be treated as a REIT, and we must meet various (a) organizational requirements, (b) gross income tests, (c) asset tests, and (d) annual distribution requirements.

Organizational Requirements. A REIT is a corporation, trust or association that meets each of the following requirements:

(1) It is managed by one or more trustees or directors;

(2) Its beneficial ownership is evidenced by transferable shares, or by transferable certificates of beneficial interest;

(3) It would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) It is neither a financial institution nor an insurance company subject to special provisions of the federal income tax laws;

(5) At least 100 persons are beneficial owners of its shares or ownership certificates (determined without reference to any rules of attribution);

(6) Not more than 50% in value of its outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals, which the federal income tax laws define to include certain entities, during the last half of any taxable year;

(7) It elects to be a REIT, or has made such election for a previous taxable year, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status;

(8) It uses a calendar year for federal income tax purposes and complies with the recordkeeping requirements of the federal income tax laws; and

(9) It meets certain other qualifications, tests described below, regarding the nature of its income and assets and the distribution of its income.

We must meet requirements 1 through 4, 8 and 9 during our entire taxable year and must meet requirement 5 during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. If we comply with all the requirements for ascertaining information concerning the ownership of our outstanding shares in a taxable year and have no reason to know that we violated requirement 6, we will be deemed to have satisfied requirement 6 for that taxable year. Our charter provides for restrictions regarding the ownership and transfer of our shares of beneficial interest so that we should continue to satisfy these requirements. The provisions of the charter restricting the ownership and transfer of our shares of beneficial interest are described in Description of Our Capital Shares Restrictions on Ownership and Transfer.

For purposes of determining share ownership under requirement 6, an individual generally includes a supplemental unemployment compensation benefits plan, a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes. An individual, however, generally does not include a trust that is a qualified employee pension or profit sharing trust under the federal income tax laws, and beneficiaries of such a trust will be treated as holding our shares in proportion to their actuarial interests in the trust for purposes of requirement 6. We believe we have issued sufficient shares of beneficial interest with enough diversity of ownership to satisfy requirements 5 and 6 set forth above.

A corporation that is a qualified REIT subsidiary is not treated as a corporation separate from its parent REIT. A qualified REIT subsidiary is a corporation, all of the capital stock of which is owned by the REIT and that has not elected to be a taxable REIT subsidiary. All assets, liabilities, and items of income, deduction, and credit of a qualified REIT subsidiary are treated as assets, liabilities, and items of income, deduction, and credit of the REIT. Thus, in applying the requirements described herein, any qualified REIT subsidiary that we own will be ignored, and all assets, liabilities, and items of income, deduction, and credit of such subsidiary will be treated as our assets, liabilities, and items of income, deduction, and credit.

An unincorporated domestic entity, such as a partnership or limited liability company that has a single owner, generally is not treated as an entity separate from its parent for federal income tax purposes. An unincorporated domestic entity with two or more owners is generally treated as a partnership for federal income tax purposes. In the case of a REIT that is a partner in a partnership, the REIT is treated as owning its proportionate share of the assets of the partnership and as earning its allocable share of the gross income of the partnership for purposes of the applicable REIT qualification tests. Thus, our proportionate share of the assets, liabilities and items of income of any partnership, joint venture, or limited liability company that is treated as a partnership for federal income tax purposes in which we acquire an interest, directly or indirectly, is treated as our assets and gross income for purposes of applying the various REIT qualification requirements. For purposes of the 10% value test (described in Requirements for Qualification Asset Tests), our proportionate share is based on our proportionate interest in the equity interests and certain debt securities issued by a partnership. For all of the other asset and income tests, our proportionate share is based on our proportionate interest in the capital of the partnership.

A REIT is permitted to own up to 100% of the stock of one or more taxable REIT subsidiaries. A taxable REIT subsidiary is a fully taxable corporation that may earn income that would not be qualifying income if earned directly by the parent REIT. The subsidiary and the REIT must jointly elect to treat the subsidiary as a taxable REIT subsidiary. A taxable REIT subsidiary will pay income tax at regular corporate rates on any income that it earns. In addition, the taxable REIT subsidiary rules limit the deductibility of interest paid or accrued by a taxable REIT subsidiary to its parent REIT to assure that the taxable REIT subsidiary is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a taxable REIT subsidiary and its parent REIT or the REIT s tenants that are not conducted on an arm s-length basis. We may engage in activities indirectly through a taxable REIT subsidiary as necessary or convenient to avoid obtaining the benefit of income or services that would jeopardize our REIT status if we engaged in the activities directly. In particular, we would likely engage in activities through a taxable REIT subsidiary if we wished to provide services to unrelated parties which might produce income that does not qualify under the gross income tests described below. We might also dispose of an unwanted asset through a taxable REIT subsidiary as necessary or convenient to avoid the 100% tax on income from prohibited transactions. See description below under Prohibited Transactions.

We own interests in various entities described above.

Gross Income Tests. We must satisfy two gross income tests annually to maintain our qualification as a REIT. First, at least 75% of our gross income for each taxable year must consist of defined types of income that we derive, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income. Qualifying income for purposes of that 75% gross income test generally includes:

- rents from real property;
- interest on debt secured by mortgages on real property or on interests in real property;
- dividends or other distributions on, and gain from the sale of, shares in other REITs (excluding dividends from our taxable REIT subsidiaries);
- gain from the sale of real estate assets;
- income and gain derived from foreclosure property; and
- income derived from the temporary investment of new capital that is attributable to the issuance of our shares of beneficial interest or a public offering of our debt with a maturity date of at least five years and that we receive during the one year period beginning on the date on which we receive such new capital.

Second, in general, at least 95% of our gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends (including dividends from our taxable REIT subsidiaries), gain from the sale or disposition of stock or securities, or any combination of these. Gross income from our sale of property that we hold primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both income tests. In addition, any gains from hedging transactions, as defined in Hedging Transactions, that are clearly and timely identified as such will be excluded from both the numerator and the denominator for purposes of the 95% gross income test (but not the 75% gross income test). Income and gain from hedging transactions entered into after July 30, 2008 that are clearly and timely identified as such will also be excluded from both the numerator and the denominator for purposes of the 75% gross income test. In addition, certain foreign currency gains recognized after July 30, 2008 will be excluded from gross income for purposes of one or both of the gross income tests. See Foreign Currency Gain. The following paragraphs discuss the specific application of the gross income tests to us.

Rents from Real Property. Rent that we receive from our real property will qualify as rents from real property, which is qualifying income for purposes of the 75% and 95% gross income tests, only if the following conditions are met:

First, the rent must not be based in whole or in part on the income or profits of any person. Participating rent, however, will qualify as rents from real property if it is based on percentages of receipts or sales and the percentages:

- are fixed at the time the leases are entered into;
- are not renegotiated during the term of the leases in a manner that has the effect of basing percentage rent on income or profits; and
- conform with normal business practice.

More generally, the rent will not qualify as rents from real property if, considering the relevant lease and all the surrounding circumstances, the arrangement does not conform with normal business practice, but is in reality used as a means of basing the rent on income or profits. We have represented to Bass, Berry & Sims PLC that we intend to set and accept rents which are fixed dollar amounts or a fixed percentage of gross revenue, and not to any extent by reference to any person s income or profits, in compliance with the rules above.

Second, we must not own, actually or constructively, 10% or more of the stock of any corporate tenant or the assets or net profits of any tenant, referred to as a related party tenant, other than a taxable REIT subsidiary. The constructive ownership rules generally provide that, if 10% or more in value of our shares is owned, directly or indirectly, by or for any person, we are considered as owning the stock owned, directly or indirectly, by or for such person. We do not own any stock or any assets or net profits of any tenant directly. Additionally, we have represented to Bass, Berry & Sims PLC that we will not rent any property to a related-party tenant. However, because the constructive ownership rules are broad and it is not possible to monitor continually direct and indirect transfers of our shares, no absolute assurance can be given that such transfers or other events of which we have no knowledge will not cause us to own constructively 10% or more of a tenant (or a subtenant, in which case only rent attributable to the subtenant is disqualified) other than a taxable REIT subsidiary at some future date.

Under an exception to the related-party tenant rule described in the preceding paragraph, rent that we receive from a taxable REIT subsidiary will qualify as rents from real property as long as (1) at least 90% of the leased space in the property is leased to persons other than taxable REIT subsidiaries and related-party tenants, and (2) the amount paid by the taxable REIT subsidiary to rent space at the property is substantially comparable to rents paid by other tenants of the property for comparable space. The substantially comparable requirement must be satisfied when the lease is entered into, when it is extended, and when the lease is modified, if the modification increases the rent paid by the taxable REIT subsidiary. If the requirement that at least 90% of the leased space in the related property is rented to unrelated tenants is met when a lease is entered into, extended, or modified, such requirement will continue to be met as long as there is no increase in the space leased to any taxable REIT subsidiary or related party tenant. Any increased rent attributable to a modification of a lease with a taxable REIT subsidiary in which we own directly or indirectly more than 50% of the voting power or value of the stock (a controlled taxable REIT subsidiary) will not be treated as rents from real property.

Third, the rent attributable to the personal property leased in connection with a lease of real property must not be greater than 15% of the total rent received under the lease. The rent attributable to personal property under a lease is the amount that bears the same ratio to total rent under the lease for the taxable year as the average of the fair market values of the leased personal property at the beginning and at the end of the taxable year bears to the average of the aggregate fair market values of both the real and personal property covered by the lease at the beginning and at the end of such taxable year (the personal property ratio). With respect to each of our leases, we believe that the personal property ratio generally is less than 15%. Where that is not, or may in the future not be, the case, we believe that any income attributable to personal property will not jeopardize our ability to qualify as a REIT. There can be no assurance, however, that the IRS would not challenge our calculation of a personal property ratio, or that a court would not uphold such assertion. If such a challenge were successfully asserted, we could fail to satisfy the 75% or 95% gross income test and thus lose our REIT status.

If a portion of the rent we receive from a property does not qualify as rents from real property because the rent attributable to personal property exceeds 15% of the total rent for a taxable year, the portion of the rent attributable to personal property will not be qualifying income for purposes of either the 75% or 95% gross income test. Thus, if rent attributable to personal property, plus any other income that is nonqualifying income for purposes of the 95% gross income test, during a taxable year exceeds 5% of our gross income during the year, we would lose our REIT status, unless we qualified for certain statutory relief provisions. By contrast, in the following circumstances, none of the rent from a lease of property would qualify as rents from real property : (1) the rent is considered based on the income or profits of the tenant; (2) the lessee is a related party tenant or fails to qualify for the exception to the related-party tenant rule for qualifying taxable REIT subsidiaries; or (3) we furnish noncustomary services to the tenants of the property, or manage or operate the property, other than through a qualifying independent contractor or a taxable REIT subsidiary. In any of these circumstances, we could lose our REIT status, unless we qualified for certain statutory relief provisions, because we would be unable to satisfy either the 75% or 95% gross income test.

Fourth, we cannot furnish or render noncustomary services to the tenants of our properties, or manage or operate our properties, other than through an independent contractor who is adequately compensated and from whom we do not derive or receive any income. However, we need

not provide services through an independent contractor, but instead may provide services directly to our tenants, if the services are usually or customarily rendered in connection with the rental of space for occupancy only and are not considered to be provided for the tenants convenience. In addition, we may provide a minimal amount of noncustomary services to the tenants of a property, other than through an independent contractor, as long as our income from the services does not exceed 1% of our income from the related property. Finally, we may own up to 100% of the stock of one or more taxable REIT subsidiaries, which may provide noncustomary services to our tenants without tainting our rents from the related properties. We have not performed, and do not intend to perform, any services other than customary ones for our tenants, other than services provided through independent contractors or taxable REIT subsidiaries.

Tenants may be required to pay, in addition to base rent, reimbursements for certain amounts we are obligated to pay to third parties (such as a lessee s proportionate share of a property s operational or capital expenses), penalties for nonpayment or late payment of rent or additions to rent. These and other similar payments should qualify as rents from real property. To the extent they do not, they should be treated as interest that qualifies for the 95% gross income test.

Interest. The term interest generally does not include any amount received or accrued, directly or indirectly, if the determination of the amount depends in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term interest solely because it is based on a fixed percentage or percentages of receipts or sales. Furthermore, to the extent that interest from a loan that is based on the profit or net cash proceeds from the sale of the property securing the loan constitutes a shared appreciation provision, income attributable to such participation feature will be treated as gain from the sale of the secured property.

Prohibited Transactions. A REIT will incur a 100% tax on the net income derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. We believe that none of our assets are held primarily for sale to customers and that a sale of any of our assets will not be in the ordinary course of our business. Whether a REIT holds an asset primarily for sale to customers in the ordinary course of a trade or business depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset. A safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction and the 100% prohibited transaction tax is available if the following requirements are met:

- the REIT has held the property for not less than four years (or, for sales made after July 30, 2008, two years);
- the aggregate expenditures made by the REIT, or any partner of the REIT, during the four-year period (or, for sales made after July 30, 2008, two-year period) preceding the date of the sale that are includable in the basis of the property do not exceed 30% of the selling price of the property;
- either (1) during the year in question, the REIT did not make more than seven sales of property other than foreclosure property or sales to which Section 1033 of the Internal Revenue Code applies, (2) the aggregate adjusted bases of all such properties sold by the REIT during the year did not exceed 10% of the aggregate bases of all of the assets of the REIT at the beginning of the year or (3) for sales made after July 30, 2008, the aggregate fair market value of all such properties sold by the REIT during the year did not exceed 10% of the aggregate fair market value of all of the assets of the REIT at the beginning of the year;
- in the case of property not acquired through foreclosure or lease termination, the REIT has held the property for at least four years (or, for sales made after July 30, 2008, two years) for the production of rental income; and
- if the REIT has made more than seven sales of non-foreclosure property during the taxable year, substantially all of the marketing and development expenditures with respect to the property were made through an independent contractor from whom the REIT derives no income.

We will attempt to comply with the terms of the safe-harbor provision in the federal income tax laws prescribing when an asset sale will not be characterized as a prohibited transaction. We cannot assure you, however, that we can comply with the safe-harbor provisions or that we will avoid owning property that may be characterized as property held primarily for sale to customers in the ordinary course of a trade or business. We may, however, form or acquire a taxable REIT subsidiary to hold and dispose of those properties we conclude may not fall within the safe-harbor provisions.

Foreclosure Property. We will be subject to tax at the maximum corporate rate on any income from foreclosure property, which includes certain foreign currency gains and related deductions recognized subsequent to July 30, 2008, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, gross income from foreclosure property will qualify under the 75% and 95% gross income tests. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

that is acquired by a REIT as the result of the REIT having bid on such property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;

for which the related loan or leased property was acquired by the REIT at a time when the default was not imminent or anticipated; and

for which the REIT makes a proper election to treat the property as foreclosure property.

A REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor. Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property (or longer if an extension is granted by the Secretary of the Treasury). This period (as extended, if applicable) terminates, and foreclosure property ceases to be foreclosure property on the first day:

on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;

on which any construction takes place on the property, other than completion of a building or, any other improvement, where more than 10% of the construction was completed before default became imminent; or

which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business which is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income.

Hedging Transactions. From time to time, we may enter into hedging transactions with respect to our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase such items, and futures and forward contracts. For hedging transactions entered into on or before July 30, 2008, income and gain from hedging transactions will be excluded from gross income for purposes of the 95% gross income test, but not the 75% gross income test. For hedging transactions entered into after July 30, 2008, income and gain from hedging transactions will be excluded from gross income for purposes of both the 75% and 95% gross income tests. A hedging transaction means either (1) any transaction entered into in the normal course of our trade or business primarily to manage the risk of interest rate, price changes, or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets or (2) for transactions entered into after July 30, 2008, any transaction entered into primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% gross income test (or any property which generates such income or gain). We will be required to clearly identify any such hedging transaction before the close of the day on which it was acquired, originated, or entered into and to satisfy other identification requirements. No assurance can be given that our hedging activities will not give rise to income that does not qualify for purposes of either or both of the gross income tests, and will not adversely affect our ability to satisfy the REIT qualification requirements.

Foreign Currency Gain. Certain foreign currency gains recognized after June 30, 2008 will be excluded from gross income for purposes of one or both of the gross income tests. Real estate foreign exchange gain will be excluded from gross income for purposes of the 75% gross income test. Real estate foreign exchange gain generally includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 75% gross income test, foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations secured by mortgages on real property or on interest in real property and certain foreign currency gain attributable to certain qualified business units of a REIT. Passive foreign exchange gain will be excluded from gross income for purposes of the 95% gross income test. Passive foreign exchange gain generally includes real estate foreign exchange gain as described above, and also includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 95% gross income test and foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations secured by mortgages on real property or on interest in real property. Because passive foreign exchange gain includes real estate foreign exchange gain, real estate foreign exchange gain is excluded from gross income for purposes of both the 75% and 95% gross income test. These exclusions for real estate foreign exchange gain and passive foreign exchange gain do not apply to any certain foreign currency gain derived from dealing, or engaging in substantial and regular trading, in securities. Such gain is treated as nonqualifying income for purposes of both the 75% and 95% gross income tests.

Failure to Satisfy Gross Income Tests. If we fail to satisfy one or both of the gross income tests for any taxable year, we nevertheless may qualify as a REIT for that year if we qualify for relief under certain provisions of the federal income tax laws. Those relief provisions will be available if:

our failure to meet those tests is due to reasonable cause and not to willful neglect; and

following such failure for any taxable year, a schedule of the sources of our income is filed with the Internal Revenue Service in accordance with regulations prescribed by the Secretary of the Treasury.

We cannot predict, however, whether any failure to meet these tests will qualify for the relief provisions. As discussed above in Taxation of Our Company, even if the relief provisions apply, we would incur a 100% tax on the gross income attributable to the greater of (1) the amount by which we fail the 75% gross income test, or (2) the excess of 95% of our gross income over the amount of gross income qualifying under the 95% gross income test, multiplied, in either case, by a fraction intended to reflect our profitability.

Asset Tests. To maintain our qualification as a REIT, we also must satisfy the following asset tests at the end of each quarter of each taxable year.

First, at least 75% of the value of our total assets must consist of:

cash or cash items, including certain receivables;

government securities;

interests in real property, including leaseholds and options to acquire real property and leaseholds;

interests in mortgages on real property;

stock in other REITs; and

investments in stock or debt instruments during the one year period following our receipt of new capital that we raise through equity offerings or public offerings of debt with at least a five year term.

Second, of our investments not included in the 75% asset class, the value of our interest in any one issuer s securities may not exceed 5% of the value of our total assets, or the 5% asset test .

Third, of our investments not included in the 75% asset class, we may not own more than 10% of the voting power or value of any one issuer s outstanding securities, or the 10% vote test and 10% value test , respectively.

Fourth, no more than 20% of the value of our total assets (or, beginning with our 2009 taxable year, 25% of the value of our total assets) may consist of the securities of one or more taxable REIT subsidiaries.

Fifth, no more than 25% of the value of our total assets may consist of the securities of taxable REIT subsidiaries and other taxable subsidiaries and other assets that are not qualifying assets for purposes of the 75% asset test.

For purposes of the 5% asset test, the 10% vote test and 10% value test, the term securities does not include stock in another REIT, equity or debt securities of a qualified REIT subsidiary or taxable REIT subsidiary, mortgage loans that constitute real estate assets, or equity interests in a partnership. The term securities, however, generally includes debt securities issued by a partnership or another REIT, except that for purposes of the 10% value test, the term securities does not include:

Straight debt securities, which is defined as a written unconditional promise to pay on demand or on a specified date a sum certain in money if (i) the debt is not convertible, directly or indirectly, into stock, and (ii) the interest rate and interest payment dates are not contingent on profits, the borrower s discretion, or similar factors. Straight debt securities do not include any securities issued by a partnership or a corporation in which we or any controlled taxable REIT subsidiary hold non- straight debt securities that have an aggregate value of more than 1% of the issuer s outstanding securities. However, straight debt securities include debt subject to the following contingencies:

a contingency relating to the time of payment of interest or principal, as long as either (i) there is no change to the effective yield of the debt obligation, other than a change to the annual yield that does not exceed the greater of 0.25% or 5% of the annual yield, or (ii) neither the aggregate issue price nor the aggregate face amount of the issuer s debt obligations held by us exceeds $1 million and no more than 12 months of unaccrued interest on the debt obligations can be required to be prepaid; and

a contingency relating to the time or amount of payment upon a default or prepayment of a debt obligation, as long as the contingency is consistent with customary commercial practice.

Any loan to an individual or an estate.

Any section 467 rental agreement, other than an agreement with a related party tenant.

Any obligation to pay rents from real property.

Certain securities issued by governmental entities.

Any security issued by a REIT.

Any debt instrument issued by an entity treated as a partnership for federal income tax purposes in which we are a partner to the extent of our proportionate interest in the debt and equity securities of the partnership.

Any debt instrument issued by an entity treated as a partnership for federal income tax purposes not described in the preceding bullet points if at least 75% of the partnership s gross income, excluding income from prohibited transactions, is qualifying income for purposes of the 75% gross income test described above in Requirements for Qualification Gross Income Tests. For purposes of the 10% value test, our proportionate share of the assets of a partnership is our proportionate interest in any securities issued by the partnership, without regard to the securities described in the last two bullet points above.

We will monitor the status of our assets for purposes of the various asset tests and will manage our portfolio in order to comply at all times with such tests. If we fail to satisfy the asset tests at the end of a calendar quarter, we would not lose our REIT status if:

we satisfied the asset tests at the end of the preceding calendar quarter; and

the discrepancy between the value of our assets and the asset test requirements arose from changes in the market values of our assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets.

If we did not satisfy the condition described in the second item above, we still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which the discrepancy arose.

In the event that, at the end of any calendar quarter, we violate the 5% asset test, the 10% vote test or the 10% value test described above, we will not lose our REIT status if (i) the failure is de minimis (up to the lesser of 1% of our assets or $10 million) and (ii) we dispose of assets or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify such failure. In the event of any other failure of the asset tests, we will not lose our REIT status if (i) the failure was due to reasonable cause and not to willful neglect, (ii) we file a description of each asset causing the failure with the Internal Revenue Service, (iii) we dispose of assets or otherwise comply with the asset tests within six months after the last day of the quarter in which we identify the failure, and (iv) we pay a tax equal to the greater of $50,000 or 35% of the net income from the nonqualifying assets during the period in which we failed to satisfy the asset tests.

Annual Distribution Requirements. Each taxable year, we must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to our shareholders in an aggregate amount not less than:

the sum of

90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gain or loss, and

90% of our after-tax net income, if any, from foreclosure property, minus

the sum of certain items of non-cash income.

Generally, we must pay such distributions in the taxable year to which they relate, or in the following taxable year if either (a) we declare the distribution before we timely file our federal income tax return for the year and pay the distribution on or before the first regular dividend payment date after such declaration or (b) we declare the distribution in October, November, or December of the taxable year, payable to shareholders of record on a specified day in any such month, and we actually pay the dividend before the end of January of the following year. In both instances, these distributions relate to our prior taxable year for purposes of the 90% distribution requirement.

We will pay federal income tax on taxable income, including net capital gain, that we do not distribute to shareholders. Furthermore, if we fail to distribute during a calendar year, or by the end of January of the following calendar year in the case of distributions with declaration and record dates falling in the last three months of the calendar year, at least the sum of:

85% of our REIT ordinary income for the year,

95% of our REIT capital gain income for the year, and

any undistributed taxable income from prior periods,

we will incur a 4% nondeductible excise tax on the excess of such required distribution over the amounts we actually distributed. If we so elect, we will be treated as having distributed any such retained amount for purposes of the 4% nondeductible excise tax described above.

It is possible that, from time to time, we may experience timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of that income and deduction of such expenses in arriving at our REIT taxable income. For example, we may not deduct recognized capital losses from our REIT taxable income. Further, it is possible that, from time to time, we may be allocated a share of net capital gain from a partnership in which we own an interest attributable to the sale of depreciated property that exceeds our allocable share of cash attributable to that sale. Although several types of non-cash income are excluded in determining the annual distribution requirement, we will incur corporate income tax and the 4% nondeductible excise tax with respect to those non-cash income items if we do not distribute those items on a current basis. As a result of the foregoing, we may have less cash than is necessary to distribute all of our taxable income and thereby avoid corporate income tax and the 4% nondeductible excise tax imposed on certain undistributed income. In such a situation, we may need to borrow funds or issue additional common or preferred shares.

Under certain circumstances, we may be able to correct a failure to meet the distribution requirement for a year by paying deficiency dividends to our shareholders in a later year. We may include such deficiency dividends in our deduction for dividends paid for the earlier year. Although we may be able to avoid income tax on amounts distributed as deficiency dividends, we will be required to pay interest to the Internal Revenue Service based upon the amount of any deduction we take for deficiency dividends.

Recordkeeping Requirements. We must maintain certain records in order to qualify as a REIT. In addition, to avoid paying a penalty, we must request on an annual basis information from our shareholders designed to disclose the actual ownership of our outstanding common shares.

Failure to Qualify. If we were to fail to qualify as a REIT in any taxable year and no relief provision applied, we would have the following consequences: We would be subject to federal income tax and any applicable alternative minimum tax at regular corporate rates applicable to regular C corporations on our taxable income, determined without reduction for amounts distributed to shareholders. We would not be required to make any distributions to shareholders. Unless we qualified for relief under specific statutory provisions, we would not be permitted to elect taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT.

If we fail to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, we could avoid disqualification if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of $50,000 for each such failure. In addition, there are relief provisions for a failure of the gross income tests and asset tests, as described in Requirements for Qualification Gross Income Tests and Requirements for Qualification Asset Tests.

Taxable REIT Subsidiaries. As described above, we may own up to 100% of the stock of one or more taxable REIT subsidiaries. A taxable REIT subsidiary is a fully taxable corporation that is permitted to have income that would not be qualifying income if earned directly by us. A taxable REIT subsidiary may provide services to our tenants and engage in activities unrelated to our tenants, such as third-party management, development, and other independent business activities.

We and a subsidiary must elect for the subsidiary to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary directly or indirectly owns more than 35% of the value or voting power of all outstanding stock of a corporation, the corporation will automatically also be treated as a taxable REIT subsidiary.

Rent we receive from our taxable REIT subsidiaries will qualify as rents from real property as long as at least 90% of the leased space in the property is leased to persons other than taxable REIT subsidiaries and related party tenants, and the amount paid by the taxable REIT subsidiary to rent space at the property is substantially comparable to rents paid by other tenants of the property for comparable space. The substantially comparable requirement must be satisfied when the lease is entered into, when it is extended, and when the lease is modified, if the modification increases the rent paid by the taxable REIT subsidiary. If the requirement that at least 90% of the leased space in the related property is rented to unrelated tenants is met when a lease is entered into, extended, or modified, such requirement will continue to be met as long as there is no increase in the space leased to any taxable REIT subsidiary or related party tenant. Any increased rent attributable to a

modification of a lease with a controlled taxable REIT subsidiary will not be treated as rents from real property. The taxable REIT subsidiary rules limit the deductibility of interest paid or accrued by a taxable REIT subsidiary to us to assure that the taxable REIT subsidiary is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a taxable REIT subsidiary and us or our tenants that are not conducted on an arm s-length basis.

State and Local Taxes. We may be subject to taxation by various states and localities, including those in which we transact business or own property. The state and local tax treatment in such jurisdictions may differ from the federal income tax treatment described above.

Taxation of our Shareholders

Certain Distributions of Our Shares

The IRS recently issued guidance that permits certain distributions made by a REIT consisting of both cash and its stock to be treated as dividend distributions for purposes of satisfying the annual distribution requirements applicable to REITs. Based on that guidance, if we satisfy certain requirements, including the requirement that at least 10% of the total value of any such distribution consists of cash, the cash and our shares that we distribute will be treated as a dividend, to the extent of our earnings and profits. If we make such a distribution to our shareholders, each of our shareholders will be required to treat the total value of the distribution that each shareholder receives as a dividend, to the extent of each shareholder s pro-rata share of our earnings and profits, regardless of whether such shareholder receives cash, our shares or a combination of cash and our shares. For a general discussion of the federal income tax consequences to our shareholders on the receipt of dividends, see below, Taxation of Taxable U.S. Shareholders, Taxation of Tax-Exempt Shareholders and Taxation of Non-U.S. Shareholders.

We advise each of our shareholders that the taxes resulting from your receipt of a distribution consisting of cash and our shares may exceed the cash that you receive in the distribution. We urge each of our shareholders to consult your tax advisor regarding the specific federal, state, local and foreign income and other tax consequences of distributions consisting of both cash and our shares.

Taxation of Taxable U.S. Shareholders

For purposes of our discussion, the term U.S. shareholder means a holder of our common shares that, for U.S. federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation (including an entity treated as a corporation for federal income tax purposes) created or organized under the laws of the United States, any of its states or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- any trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

As long as we qualify as a REIT, distributions made out of our current or accumulated earnings and profits that we do not designate as capital gain dividends or retained long-term capital gains will be ordinary dividend income to taxable U.S. shareholders. A U.S. shareholder will not qualify for the dividends-received deduction generally available to corporations. Dividends paid to a U.S. shareholder generally will not qualify for the 15% tax rate for qualified dividend income. Legislation enacted in 2003 and 2006 reduced the maximum tax rate for qualified dividend income from 38.6% to 15% for tax years 2003 through 2010. Without future congressional action, the maximum tax rate on qualified dividend income will increase to 39.6% in 2011. Qualified dividend income generally includes dividends paid by domestic C corporations and certain qualified foreign corporations to most noncorporate U.S. shareholders. Because a REIT is not generally subject to federal income tax on the portion of its REIT taxable income distributed to its shareholders, our dividends generally will not be eligible for the 15% rate on qualified dividend income. As a result, our ordinary REIT dividends will be taxed at the higher rate applicable to ordinary income. Currently, the highest marginal individual income tax rate on ordinary income is 35%. The 15% tax rate for qualified dividend income will apply, however, to our ordinary REIT dividends, if any, that are (i) attributable to dividends received by us from non-REIT corporations, such as our taxable REIT subsidiary, and (ii) attributable to income upon which we have paid corporate income tax (e.g., to the extent that we distribute less than 100% of our taxable income). In general, to qualify for the reduced tax rate on qualified dividend income under such circumstances, a U.S. shareholder must hold our common shares for more than 60 days during the 121-day period beginning on the date that is 60 days before the date on which our common shares become ex-dividend.

If a partnership, entity or arrangement treated as a partnership for federal income tax purposes holds our common shares, the federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding our common shares, you should consult your tax advisor regarding the consequences of the ownership and disposition of our common shares by the partnership.

Any distribution we declare in October, November, or December of any year that is payable to a U.S. shareholder of record on a specified date in any of those months will be treated as paid by us and received by the U.S. shareholder on December 31 of the year, provided we actually pay the distribution during January of the following calendar year.

Distributions to a U.S. shareholder which we designate as capital gain dividends will generally be treated as long-term capital gain, without regard to the period for which the U.S. shareholder has held our shares. We generally will designate our capital gain dividends as either 15% or 25% rate distributions. A corporate U.S. shareholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

We may elect to retain and pay income tax on the net long-term capital gain that we receive in a taxable year. In that case, a U.S. shareholder would be taxed on its proportionate share of our undistributed long-term capital gain. The U.S. shareholder would receive a credit or refund for its proportionate share of the tax we paid. The U.S. shareholder would increase the basis in its common shares by the amount of its proportionate share of our undistributed long-term capital gain, minus its share of the tax we paid.

A U.S. shareholder will not incur tax on a distribution in excess of our current and accumulated earnings and profits if the distribution does not exceed the adjusted basis of the U.S. shareholder s common shares. Instead, the distribution will reduce the adjusted basis of the shares, and any amount in excess of both our current and accumulated earnings and profits and the adjusted basis will be treated as capital gain, long-term if the shares have been held for more than one year, provided the shares are a capital asset in the hands of the U.S. shareholder.

Shareholders may not include in their individual income tax returns any of our net operating losses or capital losses. Instead, these losses are generally carried over by us for potential offset against our future income. Taxable distributions from us and gain from the disposition of common shares will not be treated as passive activity income; and, therefore, shareholders generally will not be able to apply any passive activity losses, such as, for example, losses from certain types of limited partnerships in which the shareholder is a limited partner, against such income. In addition, taxable distributions from us and gain from the disposition of common shares generally will be treated as investment income for purposes of the investment interest limitations. We will notify shareholders after the close of our taxable year as to the portions of the distributions attributable to that year that constitute ordinary income, return of capital and capital gain.

Taxation of Taxable U.S. Shareholders on the Disposition of Common Stock. In general, a U.S. shareholder who is not a dealer in securities must treat any gain or loss realized upon a taxable disposition of our common shares as long-term capital gain or loss if the U.S. shareholder has held the shares for more than one year, and otherwise as short-term capital gain or loss. In general, a U.S. shareholder will realize gain or loss in an amount equal to the difference between the sum of the fair market value of any property and the amount of cash received in such disposition and the U.S. shareholder s adjusted tax basis. A U.S. shareholder s adjusted tax basis generally will equal the U.S. shareholder s acquisition cost, increased by the excess of undistributed net capital gains deemed distributed to the U.S. shareholder over the tax deemed paid by it and decreased by any returns of capital. However, a U.S. shareholder must treat any loss upon a sale or exchange of common shares held by such shareholder for six months or less as a long-term capital loss to the extent of capital gain dividends and any actual or deemed distributions from us that such U.S. shareholder treats as long-term capital gain. All or a portion of any loss that a U.S. shareholder realizes upon a taxable disposition of common shares may be disallowed if the U.S. shareholder purchases other common shares within 30 days before or after the disposition.

Capital Gains and Losses. The tax-rate differential between capital gain and ordinary income for non-corporate taxpayers may be significant. A taxpayer generally must hold a capital asset for more than one year for gain or loss derived from its sale or exchange to be treated as long-term capital gain or loss. The highest marginal individual income tax rate is currently 35% (which rate currently is scheduled to apply through December 31, 2010). The maximum tax rate on long-term capital gain applicable to U.S. shareholders taxed at individual rates currently is 15% (which rate currently is scheduled to apply through December 31, 2010). The maximum tax rate on long-term capital gain from the sale or exchange of section 1250 property (i.e., generally, depreciable real property) is 25% to the extent the gain would have been treated as ordinary income if the property were section 1245 property (i.e., generally, depreciable personal property). We generally may designate whether a distribution we designate as capital gain dividends (and any retained capital gain that we are deemed to distribute) is taxable to non-corporate shareholders at a 15% or 25% rate. The characterization of income as capital gain or ordinary income may affect the deductibility of capital losses. A non-corporate taxpayer may deduct capital losses not offset by capital gains against its ordinary income only up to a maximum of $3,000 annually. A non-corporate taxpayer may carry unused capital losses forward indefinitely. A corporate taxpayer must pay tax on its net capital gain at corporate ordinary-income rates. A corporate taxpayer may deduct capital losses only to the extent of capital gains, with unused losses carried back three years and forward five years.

Information Reporting Requirements and Backup Withholding. We will report to our shareholders and to the IRS the amount of distributions we pay during each calendar year and the amount of tax we withhold, if any. A shareholder may be subject to backup withholding at a rate of up to 28% with respect to distributions unless the holder:

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

A shareholder who does not provide us with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the shareholder s income tax liability. In addition, we may be required to withhold a portion of capital gain distributions to any shareholders who fail to certify their non-foreign status to us.

Taxation of Tax-Exempt Shareholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts and annuities, generally are exempt from federal income taxation. However, they are subject to taxation on their unrelated business taxable income. While many investments in real estate generate unrelated business taxable income, the IRS has issued a ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute unrelated business taxable income so long as the exempt employee pension trust does not otherwise use the shares of the REIT in an unrelated trade or business of the pension trust. Based on that ruling, amounts we distribute to tax-exempt shareholders generally should not constitute unrelated business taxable income. However, if a tax-exempt shareholder were to finance its acquisition of common shares with debt, a portion of the income it received from us would constitute unrelated business taxable income pursuant to the debt-financed property rules.

Furthermore, social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans that are exempt from taxation under special provisions of the federal income tax laws are subject to different unrelated business taxable income rules, which generally will require them to characterize distributions they receive from us as unrelated business taxable income.

Finally, in certain circumstances, a qualified employee pension or profit-sharing trust that owns more than 10% of our shares of beneficial interest (by value) must treat a percentage of the dividends it receives from us as unrelated business taxable income. This rule applies to a pension trust holding more than 10% of our shares only if:

- the percentage of our dividends that the tax-exempt trust must treat as unrelated business taxable income is at least 5%;
- we qualify as a REIT by reason of the modification of the rule requiring that no more than 50% of our shares of beneficial interest be owned by five or fewer individuals that allows the beneficiaries of the pension trust to be treated as holding our shares in proportion to their actuarial interests in the pension trust; and
- either:
  - one pension trust owns more than 25% of the value of our shares of beneficial interest; or
  - one or more pension trusts each individually holding more than 10% of the value of our shares of beneficial interest collectively owns more than 50% of the value of our shares of beneficial interest.

As a result of limitations included in our charter on the transfer and ownership of our shares, we do not expect to be classified as a pension-held REIT, and as a result, the tax treatment described in this paragraph should be inapplicable to our shareholders. However, because our common shares are publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Shareholders

For purposes of our discussion, the term non-U.S. shareholder means a holder of our common shares that is neither a U.S. shareholder nor a partnership (or an entity treated as a partnership for federal income tax purposes). The rules governing U.S. federal income taxation of non-U.S. shareholders are complex. This section is only a summary of such rules. **We urge non-U.S. shareholders to consult their own tax advisors to determine the impact of federal, state, local and foreign income tax laws on the ownership of our common shares, including any reporting requirements.**

A non-U.S. shareholder that receives a distribution that is not attributable to gain from our sale or exchange of a United States real property interest (a USRPI) (discussed below) and that we do not designate a capital gain dividend or retained capital gain will recognize

ordinary income to the extent that we pay such distribution out of our current or accumulated earnings and profits. A withholding tax equal to 30% of the gross amount of the distribution ordinarily will apply unless an applicable tax treaty reduces or eliminates the tax. However, a non-U.S. shareholder generally will be subject to federal income tax at graduated rates on any distribution treated as effectively connected with the non-U.S. shareholder s conduct of a U.S. trade or business, in the same manner as U.S. shareholders are taxed on distributions. A corporate non-U.S. shareholder may, in addition, be subject to the 30% branch profits tax with respect to that distribution. We plan to withhold U.S. income tax at the rate of 30% on the gross amount of any distribution paid to a non-U.S. shareholder unless either:

a lower treaty rate applies and the non-U.S. shareholder submits an IRS Form W-8BEN to us evidencing eligibility for that reduced rate; or

the non-U.S. shareholder submits an IRS Form W-8ECI to us claiming that the distribution is effectively connected income.

A non-U.S. shareholder will not incur tax on a distribution in excess of our current and accumulated earnings and profits if the excess portion of such distribution does not exceed the adjusted basis of its common shares. Instead, the excess portion of the distribution will reduce the adjusted basis of such shares. A non-U.S. shareholder will be subject to tax on a distribution that exceeds both our current and accumulated earnings and profits and the adjusted basis of its shares, if the non-U.S. shareholder otherwise would be subject to tax on gain from the sale or disposition of common shares, as described below. Because we generally cannot determine at the time we make a distribution whether the distribution will exceed our current and accumulated earnings and profits, we normally will withhold tax on the entire amount of any distribution at the applicable rate. However, a non-U.S. shareholder may obtain a refund of amounts we withhold if we later determine that a distribution in fact exceeded our current and accumulated earnings and profits.

We may be required to withhold 10% of any distribution that exceeds our current and accumulated earnings and profits. Consequently, although we intend to withhold at a rate of 30% on the entire amount of any distribution, to the extent we do not do so, we may withhold at a rate of 10% on any portion of a distribution not subject to withholding at a rate of 30%.

For any year in which we qualify as a REIT, a non-U.S. shareholder will incur tax on distributions attributable to gain from our sale or exchange of a USRPI under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). A USRPI includes certain interests in real property and shares in corporations at least 50% of whose assets consist of interests in real property. Under FIRPTA, a non-U.S. shareholder is taxed on distributions attributable to gain from sales of USRPIs as if the gain were effectively connected with the conduct of a U.S. business of the non-U.S. shareholder. A non-U.S. shareholder thus would be taxed on such a distribution at the normal capital gain rates applicable to U.S. shareholders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual. A non-U.S. corporate shareholder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on such a distribution. We must withhold 35% of any distribution that we could designate as a capital gain dividend. A non-U.S. shareholder may receive a credit against its tax liability for the amount we withhold.

Capital gain distributions to the holders of our common shares that are attributable to our sale of real property will be treated as ordinary dividends rather than as gain from the sale of a USRPI, as long as (i) our common shares continue to be regularly traded on an established securities market in the United States and (ii) the non-U.S. shareholder did not own more than 5% of our common shares any time during the one-year period prior to the distribution. As a result, non-U.S. shareholders owning 5% or less of our common shares generally would be subject to withholding tax on such capital gain distributions in the same manner as they are subject to withholding tax on other distributions. If our common shares cease to be regularly traded on an established securities market in the United States or the non-U.S. shareholder owned more than 5% of our common shares any time during the one-year period prior to the distribution, capital gain distributions that are attributable to our sale of real property would be subject to tax under FIRPTA, as described in the preceding paragraph. Moreover, if a non-U.S. shareholder disposes of our common shares during the 30-day period preceding a dividend payment, and such non-U.S. shareholder (or a person related to such non-U.S. shareholder) acquires or enters into a contract or option to acquire our common shares within 61 days of the 1st day of the 30 day period described above, and any portion of such dividend payment would, but for the disposition, be treated as a USRPI capital gain to such non-U.S. shareholder, then such non-U.S. shareholder shall be treated as having USRPI capital gain in an amount that, but for the disposition, would have been treated as USRPI capital gain.

A non-U.S. shareholder generally will not incur tax under FIRPTA with respect to gain on a sale of common shares as long as, at all times, non-U.S. persons hold, directly or indirectly, less than 50% in value of the outstanding common shares. We cannot assure you that this test will be met. In addition, a non-U.S. shareholder that owned, actually or constructively, 5% or less of the outstanding common shares of a REIT at all times during a specified testing period will not incur tax under FIRPTA on gain from a sale of common shares if the shares are regularly traded on an established securities market. Because our common shares are regularly traded on an established securities market, we expect that a non-U.S. shareholder generally will not incur tax under FIRPTA on gain from a sale of our common shares unless it owns or has owned more than 5% of our common shares at any time during the five year period prior to such sale. Any gain subject to tax under FIRPTA will be treated in the same manner as it would be in the hands of U.S. shareholders subject to alternative minimum tax, but under a special alternative minimum

tax in the case of nonresident alien individuals.

A non-U.S. shareholder generally will incur tax on gain not subject to FIRPTA if:

- the gain is effectively connected with the conduct of the non-U.S. shareholder s U.S. trade or business, in which case the non-U.S. shareholder will be subject to the same treatment as U.S. shareholders with respect to the gain; or
- the non-U.S. shareholder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a tax home in the United States, in which case the non-U.S. shareholder will incur a 30% tax on capital gains.

Other Tax Consequences

Tax Aspects of Our Investments in the Partnerships. The following discussion summarizes certain federal income tax considerations applicable to our direct or indirect investment in any subsidiary partnerships or limited liability companies we form or acquire that are treated as partnerships for federal income tax purposes, each individually referred to as a Partnership and, collectively, as Partnerships. The following discussion does not address state or local tax laws or any federal tax laws other than income tax laws.

Classification as Partnerships. We are required to include in our income our distributive share of each Partnership s income and to deduct our distributive share of each Partnership s losses but only if such Partnership is classified for federal income tax purposes as a partnership (or an entity that is disregarded for federal income tax purposes if the entity has only one owner or member), rather than as a corporation or an association taxable as a corporation.

An organization with at least two owners or members will be classified as a partnership, rather than as a corporation, for federal income tax purposes if it:

- is treated as a partnership under the Treasury regulations relating to entity classification (the check-the-box regulations); and

- is not a publicly traded partnership.

Under the check-the-box regulations, an unincorporated entity with at least two owners or members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity does not make an election, it generally will be treated as a partnership for federal income tax purposes. We intend that each Partnership will be classified as a partnership for federal income tax purposes (or else a disregarded entity where there are not at least two separate beneficial owners).

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market (or a substantial equivalent). A publicly traded partnership is generally treated as a corporation for federal income tax purposes, but will not be so treated if, for each taxable year beginning after December 31, 1987 in which it was classified as a publicly traded partnership, at least 90% of the partnership s gross income consisted of specified passive income, including real property rents (which includes rents that would be qualifying income for purposes of the 75% gross income test, with certain modifications that make it easier for the rents to qualify for the 90% passive income exception), gains from the sale or other disposition of real property, interest, and dividends (the 90% passive income exception).

Treasury regulations, referred to as PTP regulations, provide limited safe harbors from treatment as a publicly traded partnership. Pursuant to one of those safe harbors (the private placement exclusion), interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if (1) all interests in the partnership were issued in a transaction or transactions that were not required to be registered under the Securities Act of 1933, as amended, and (2) the partnership does not have more than 100 partners at any time during the partnership s taxable year. For the determination of the number of partners in a partnership, a person owning an interest in a partnership, grantor trust, or S corporation that owns an interest in the partnership is treated as a partner in the partnership only if (1) substantially all of the value of the owner s interest in the entity is attributable to the entity s direct or indirect interest in the partnership and (2) a principal purpose of the use of the entity is to permit the partnership to satisfy the 100-partner limitation. Each Partnership should qualify for the private placement exclusion.

We have not requested, and do not intend to request, a ruling from the Internal Revenue Service that the Partnerships will be classified as partnerships (or disregarded entities, if the entity has only one owner or member) for federal income tax purposes. If for any reason a Partnership were taxable as a corporation, rather than as a partnership, for federal income tax purposes, we may not be able to qualify as a REIT, unless we

qualify for certain relief provisions. See Requirements for Qualification Gross Income Tests and Requirements for Qualification Asset Tests. In addition, any change in a Partnership s status for tax purposes might be treated as a taxable event, in which case we might incur tax liability without any related cash distribution. See Requirements for Qualification Annual Distribution Requirements. Further, items of income and deduction of such Partnership would not pass through to its partners, and its partners would be treated as shareholders for tax purposes. Consequently, such Partnership would be required to pay income tax at corporate rates on its net income, and distributions to its partners would constitute dividends that would not be deductible in computing such Partnership s taxable income.

Income Taxation of the Partnerships and Their Partners

Partners, Not the Partnerships, Subject to Tax. A partnership is not a taxable entity for federal income tax purposes. We will therefore take into account our allocable share of each Partnership s income, gains, losses, deductions, and credits for each taxable year of the Partnership ending with or within our taxable year, even if we receive no distribution from the Partnership for that year or a distribution less than our share of taxable income. Similarly, even if we receive a distribution, it may not be taxable if the distribution does not exceed our adjusted tax basis in our interest in the Partnership.

Partnership Allocations. Although a partnership agreement generally will determine the allocation of income and losses among partners, allocations will be disregarded for tax purposes if they do not comply with the provisions of the federal income tax laws governing partnership allocations. If an allocation is not recognized for federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item.

Tax Allocations With Respect to Contributed Properties. Income, gain, loss, and deduction attributable to (a) appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership or (b) property revalued on the books of a partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss, referred to as built-in gain or built-in loss, is generally equal to the difference between the fair market value of the contributed or revalued property at the time of contribution or revaluation and the adjusted tax basis of such property at that time, referred to as a book-tax difference. Such allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. The U.S. Treasury Department has issued regulations requiring partnerships to use a reasonable method for allocating items with respect to which there is a book-tax difference and outlining several reasonable allocation methods. Unless we, as general partner, select a different method, our operating partnership will use the traditional method for allocating items with respect to which there is a book-tax difference.

Basis in Partnership Interest. Our adjusted tax basis in any partnership interest we own generally will be:

- the amount of cash and the basis of any other property we contribute to the partnership;
- increased by our allocable share of the partnership s income (including tax-exempt income) and our allocable share of indebtedness of the partnership; and
- reduced, but not below zero, by our allocable share of the partnership s loss (excluding any non-deductible items), the amount of cash and the basis of property distributed to us, and constructive distributions resulting from a reduction in our share of indebtedness of the partnership.

Loss allocated to us in excess of our basis in a partnership interest will not be taken into account until we again have basis sufficient to absorb the loss. A reduction of our share of partnership indebtedness will be treated as a constructive cash distribution to us, and will reduce our adjusted tax basis. Distributions, including constructive distributions, in excess of the basis of our partnership interest will constitute taxable income to us. Such distributions and constructive distributions normally will be characterized as long-term capital gain.

Sale of a Partnership s Property. Generally, any gain realized by a Partnership on the sale of property held for more than one year will be long-term capital gain, except for any portion of the gain treated as depreciation or cost recovery recapture. Any gain or loss recognized by a Partnership on the disposition of contributed or revalued properties will be allocated first to the partners who contributed the properties or who were partners at the time of revaluation, to the extent of their built-in gain or loss on those properties for federal income tax purposes. The partners built-in gain or loss on contributed or revalued properties is the difference between the partners proportionate share of the book value of those properties and the partners tax basis allocable to those properties at the time of the contribution or revaluation. Any remaining gain or loss recognized by the Partnership on the disposition of contributed or revalued properties, and any gain or loss recognized by the Partnership on the disposition of other properties, will be allocated among the partners in accordance with their percentage interests in the Partnership.

Our share of any Partnership gain from the sale of inventory or other property held primarily for sale to customers in the ordinary course of the Partnership s trade or business will be treated as income from a prohibited transaction subject to a 100% tax. Income from a prohibited transaction may have an adverse effect on our ability to satisfy the gross income tests for REIT status. See Requirements for Qualification Gross Income Tests. We do not presently intend to acquire or hold, or to allow any Partnership to acquire or hold, any property that is likely to be treated as inventory or property held primarily for sale to customers in the ordinary course of our, or the Partnership s, trade or business.

INFORMATION ON EXECUTIVE OFFICERS AND DIRECTORS OF THE SURVIVING COMPANY

Executive Officers

Name	Title
H. Kerr Taylor	President, Chairman of the Board and Chief Executive Officer
Chad C. Braun	Executive Vice-President, Chief Financial Officer and Secretary
Tenel H. Tayar	Senior Vice-President and Chief Investment Officer
Charles Scoville	Managing Vice-President and Director of Leasing/Property Management
Brett Treadwell	Managing Vice-President Finance and Chief Accounting Officer

H. Kerr Taylor - As founder, Chairman of the AmREIT Board and Chief Executive Officer, Mr. Taylor is responsible for overseeing the building of the AmREIT personnel team, cultivating the 4C corporate culture, directing the AmREIT strategic initiatives and expanding AmREIT s investor and partner relationships. Since founding AmREIT in 1985, Mr. Taylor has led the growth of the AmREIT team from three to more than 50 professionals, has grown the AmREIT property portfolio to one approaching a $1 billion of primarily Irreplaceable Corners™, and has increased AmREIT s investor base to more than 6,000 shareholders and partners.

Chad C. Braun. As Executive Vice President and Chief Financial Officer of AmREIT, Mr. Braun is responsible for leading the corporate finance and accounting team as well as AmREIT s equity capital and debt structuring initiatives. Mr. Braun joined AmREIT in 1999, and has helped lead its growth from $100 million in assets to approximately $1 billion in real estate assets. Prior to joining AmREIT in 1999, Mr. Braun served as a manager in the real estate advisory services group at Ernst & Young, LLP where he provided extensive consulting and audit services to a number of REITs, private real estate companies and other Fortune 500 companies. Mr. Braun is one of AmREIT s two executive officers.

Tenel Tayar. Mr. Tayar serves as Senior Vice President and Chief Investment Officer of AmREIT. Mr. Tayar has been with AmREIT since January 2003 and leads the team that is responsible for creating and executing the investment strategy for AmREIT and its advisory funds. Under Mr. Tayar s leadership, this team has sourced, negotiated and closed over $700 million in real estate transactions. Mr. Tayar has 16 years of real estate experience. Prior to joining AmREIT, he served as the director of finance at The Woodlands Operating Company where he directed dispositions, construction financing and permanent financing for office, retail, industrial, land and multi-family properties, resulting in over $300 million in real estate transactions.

Charles Scoville. Mr. Scoville serves as Managing Vice President and Director of Leasing and Property Management for AmREIT. Mr. Scoville leads the leasing and property management team for AmREIT s property and advisory portfolio. In that capacity, he supervises a team of 10 leasing and property management professionals who are dedicated to enhancing the value of AmREIT properties on a daily basis. Prior to joining AmREIT in 2007, Mr. Scoville was vice president of leasing for the Southwest Region of New Plan Excel Realty Trust, one of the nation s largest retail REITs. In that capacity, he was responsible for all leasing activities for a portfolio of over 100 shopping centers in seven states. Mr. Scoville began his commercial real estate career in 1980 as a project leasing agent for a Texas-based shopping center development firm. Since then, he has been active in the industry in various roles including acquisitions, dispositions, development, and property management in addition to leasing.

Brett P. Treadwell. Mr. Treadwell serves as Managing Vice president of Finance and Chief Accounting Officer of AmREIT. Mr. Treadwell is responsible for leading AmREIT s financial reporting team as well as assisting in the setting and execution of AmREIT s strategic financial initiatives. He oversees AmREIT s filings with the SEC. its periodic internal reporting to management and its compliance with the Sarbanes-Oxley Act of 2002. Mr. Treadwell has over 17 years of accounting, financial, and SEC reporting experience and prior to joining AmREIT in 2004, he served as a senior manager with Arthur Andersen LLP and most recently with PricewaterhouseCoopers, LLP. He has provided extensive audit services, regularly dealt with both debt and equity offerings for publicly traded and privately owned clients in various industries and has strong experience with SEC reporting and registration statements and offerings.

Directors

H. Kerr Taylor. For a description of the business experience and background of Mr. Taylor, please see Information on Executive Officers and Directors of the Surviving Company - Executive Officers.

Robert S. Cartwright, Jr. - Mr. Cartwright, age 58, has been a trustee, trust manager or director of AmREIT or its predecessor corporation since 1993. Mr. Cartwright is a Professor of Computer Science at Rice University. Mr. Cartwright earned a bachelor s degree magna cum laude in Applied Mathematics from Harvard College (Phi Beta Kappa) in 1971 and a doctoral degree in Computer Science from Stanford University in 1977. Mr. Cartwright has been a member of the Rice faculty since 1980 and twice served as department Chair. Mr. Cartwright has compiled an extensive record of professional service. He is a Fellow of the Association for Computing Machinery (ACM), a member of the Sun Microsystems Developer Advisory Council, and the Computer Science Advisory Committee for Prairie View A&M University. He served on the ACM Education Board from 1997 to 2006 and the Board of Directors of the Computing Research Association from 1994 to 2000. Mr. Cartwright has served as a charter member of the editorial boards of two professional journals and has also chaired several major ACM conferences. From 1991-1996, he was a member of the ACM Turing Award Committee, which selects the annual recipient of the most prestigious international prize for computer science research.

Brent M. Longnecker Mr. Longnecker, age 52, serves as one of REITPlus s independent directors. Mr. Longnecker serves as President of Longnecker & Associates, an executive compensation and corporate governance consulting firm. Prior to forming Longnecker & Associates in 2003, Mr. Longnecker served as president of Resources Consulting Group, and executive vice president of Resources Connection since June 1999. Mr. Longnecker has over 20 years of consulting experience, including as National Principal-In-Charge for the Performance Management and Compensation Consulting Practice of Deloitte & Touche and as partner at KPMG Peat Marwick. Mr. Longnecker s consulting experience includes working with real estate companies, including publicly traded companies, on corporate governance issues and on the management of their assets. Mr. Longnecker received Bachelor of Business Administration and Masters of Business Administration degrees from the University of Houston.

Scot J. Luther Mr. Luther, age 46, serves as one of REITPlus s independent directors. Mr. Luther is president and sole owner of Luther Properties, LLC, a commercial real estate development company that develops and manages commercial property. During the past eight years, Luther Properties, LLC has acquired and developed 22 retail and medical properties totaling over 250,000 square feet in 3 states. Prior to the formation of Luther Properties, LLC, Mr. Luther spent a combined twelve years as director of acquisitions for CenterAmerica Property Trust, a Morgan Stanley-owned real estate investment trust, and as leasing executive at Weingarten Realty Investors, a REIT listed on the New York Stock Exchange. Mr. Luther received his Bachelors of Finance and Masters in Land Economics & Real Estate degrees from Texas A&M in College Station, Texas and a law degree from South Texas College of Law in Houston, Texas.

Mack D. Pridgen III Mr. Pridgen, age 59, serves as one of REITPlus s independent directors. From 1997 until March 2007, Mr. Pridgen served as general counsel, vice president and secretary of Highwoods Properties, Inc., a commercial REIT that owns and operates primarily suburban office properties, as well as industrial, retail and residential properties. Prior to joining Highwoods Properties, Inc., Mr. Pridgen was a partner with Smith, Helms, Mulliss and Moore, LLP, with a specialized focus on the tax, corporate and REIT practices. Mr. Pridgen also served as a tax consultant for Arthur Andersen & Co. for fifteen years. Mr. Pridgen received his Bachelor of Business Administration and Accounting degree from the University of North Carolina at Chapel Hill and his law degree from the University of California at Los Angeles School of Law.

H. L. Hank Rush, Jr. Mr. Rush, age 57, has been a trustee or trust manager of AmREIT since 2006 and currently serves as its Lead Independent Trustee. In 2008, Mr. Rush was appointed to serve as the President and CEO of The Star of Hope Mission, Houston s 102 year old mission to Houston s homeless. This role answers a life-long desire to serve in full-time ministry while utilizing the business skills developed in his professional life. Mr. Rush formerly served as Executive Vice President and Chief Operating Officer, President and CEO of various subsidiaries, and a member of the Compensation Committee of the Board of Directors of PropertyInfo Corporation, a wholly owned subsidiary of Stewart Information Services Corp. from 2005 to 2008. This corporation provides real estate information and online software tools for the title, realtor, lender, builder/developer and government sectors of the real estate industry. He has over 20 years of senior executive and start-up management experience in IT development and outsourcing, residential and commercial construction and energy. Prior to joining PropertyInfo Corporation, Mr. Rush served as chairman and co-founder of EC Power, Inc. for ten years, an internet transaction services company. In addition, he founded and served for eight years as President and Chief Executive Officer of a high-end residential construction company in Houston and served as a senior executive with BMC Software, Inc., where he managed the initial phase of BMC s new headquarters land acquisition and construction. Texas Eastern Corp., now a part of Duke Energy, was his professional home for almost 17 years prior to his move to BMC.

Philip Taggart - Mr. Taggart, age 78, has been a trustee, trust manager or director of AmREIT or its predecessor corporation since 2000. Mr. Taggart has specialized in investor relations activities since 1964 and is the President and Chief Executive Officer of Taggart Financial Group, Inc. He is the co-author of the book Taking Your Company Public and has provided communications services for 58 initial public offerings, more than 200 other new issues, 210 mergers and acquisitions, 3,500 analyst meetings and annual and quarterly reports for over 25 years. Mr. Taggart serves on the boards of International Expert Systems, Inc. and served on the board of the Foundation of Texas State Technical College for 10 years. A distinguished alumnus of the University of Tulsa, he also has been a university instructor in investor relations at the University of Houston.

Each of the directors listed above, with the exception of Mr. Taylor, is independent, as that term is defined by the listing standards of the New York Stock Exchange.

AmREIT Executive Officer and Director Compensation

Overview of Compensation Program

The compensation committee of the AmREIT Board has responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy. The compensation committee ensures that the total compensation paid to AmREIT s executive leadership team is fair, reasonable and competitive. Generally, the types of compensation and benefits provided to members of the executive leadership team, including the executive officers, are similar to those provided to other executive officers at other Real Estate Investment Trusts.

Compensation Objectives and Philosophy

The compensation committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals by AmREIT, and which aligns executives interests with those of the shareholders by rewarding performance above established goals, with the ultimate objective of improving shareholder value. The compensation committee evaluates both performance and compensation to ensure that AmREIT maintains its ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of AmREIT s peer companies. To that end, the compensation committee believes executive compensation packages provided by AmREIT to its executives, including the executive officers, should include both cash and share-based compensation that reward performance as measured against established goals.

The compensation committee believes that measures such as FFO and growth in assets play an important part in the decision making, however, the compensation committee also recognizes that often outside forces beyond the control of management, such as economic conditions, capital market conditions, changing retail and real estate markets and other factors, may contribute to less favorable near term results. The compensation committee also strives to assess whether management is making the right strategic decisions that will allow AmREIT to succeed over the long term and build long term shareholder value. These may include ensuring that AmREIT has the appropriate leasing pipelines to ensure a future stream of recurring and increasing revenues, assessing AmREIT s risks associated with real estate markets and tenant credit, managing our debt maturities, and determining whether AmREIT s staffing and G&A is appropriate given AmREIT s projected operating requirements.

Role of Executive Officers in Compensation Decisions

The compensation committee makes the compensation decisions for AmREIT s President and Chief Executive Officer and establishes the general parameters within which the Chief Executive Officer establishes the compensation for AmREIT s other executive officers and management team, including its Chief Financial Officer. The compensation committee also approves recommendations regarding equity awards to all of AmREIT s other officers and employees.

H. Kerr Taylor, AmREIT s President and Chief Executive Officer, annually reviews the performance of AmREIT s other executive officers. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the compensation committee. The compensation committee can exercise its discretion in modifying any recommended adjustment or award. The Committee reviews the performance of AmREIT s executive officers.

Peer Groups for Executive Compensation Purposes

The compensation committee used the 2008 NAREIT Compensation and Benefits Survey and the 2008 Real Estate Executive Compensation Review (the Compensation Surveys) to assist it in considering compensation for executive officers. Among other items, the Surveys provided company specific, sector specific and positions specific compensation information including base salary, total annual cash compensation and long term compensation for various percentiles. The compensation committee relied on the Compensation Survey to provide it with relevant market compensation data for its executive officers compared to the peer companies, sector averages and position averages in order to make compensation decisions for AmREIT s executive officers. The information provided from the various REITs was based on 2007 compensation data, which was the most recent available data.

For executive compensation purposes, AmREIT started with the established retail REIT peer group of:

Acadia Realty Trust
Cedar Shopping Centers, Inc.
Equity One, Inc.
Tanger Factory
Inland Real Estate Corporation
Kite Realty Group Trust
Ramco-Gershenson Properties Trust
Saul Centers, Inc.
Urstadt Biddle Properties Inc.

The REIT peer group had total capitalization ranging from approximately $693 million to $16.6 billion, with a median of $2.5 billion. AmREIT s total capitalization at that time was $625 million, including $285 million of total capitalization in AmREIT s managed funds through its asset advisory group.

As such, AmREIT further refined the peer group for compensation purposes to those companies that more closely approximated AmREIT s total capitalization. Therefore, the following REITs, whose total capitalization ranged from approximately $550 million to $1.5 billion, comprised AmREIT s peer group:

Urstadt Biddle;
Ramco Gershenson; and
Cedar Shopping Centers

As this refined peer group still has a greater capitalization than AmREIT s, AmREIT has further discounted its compensation metrics in order to more appropriately compare to the refined peer group. As AmREIT is able to grow its capitalization in relation to the peer group, it is anticipated that this additional discount will be reduced and as AmREIT s size is comparable, the discount will ultimately go away.

Total Compensation

In setting compensation for AmREIT s executive officers, including its Chief Executive Officer, the compensation committee focuses on total annual compensation as well as the components of total compensation. For this purpose, total annual compensation consists of base salary, cash incentive at target levels of performance and long-term equity incentive compensation in the form of restricted shares. In setting the total annual compensation for AmREIT s executive officers, the compensation committee evaluates market data provided by the Compensation Surveys and information on the performance of each executive officer for the prior year and compared to the refined peer group. This evaluation is comprised of both quantitative assessment as well as qualitative assessment. In order to remain competitive in the marketplace for executive talent, the target levels for the total annual compensation of AmREIT s executive officers, including its Chief Executive Officer, are set to the average of the refined peer group. AmREIT believes this is an appropriate target that contemplates both the quantitative and qualitative elements of each position and rewards for performance. In addition, each executive officer has corporate level quantitative goals, qualitative strategic goals and team oriented goals. The compensation committee believes that this approach allows AmREIT to attract and retain skilled and talented executives to guide and lead AmREIT s business and supports a pay for performance culture. AmREIT s 2008 target total compensation is comprised of the following components:

base salary: 41% of target total compensation;
cash incentives: 33% of target total compensation; and
equity incentives: 26% of target total compensation

Annual Cash Compensation

In order to remain competitive in the marketplace for executive talent, the targeted levels for the total annual compensation of AmREIT s executive officers, including its Chief Executive Officer, are set to the average of the refined peer group, and then discounted for size to more appropriately compare to the refined peer group.

***Base Salary*.** Each of AmREIT s executive officers receives a base salary to compensate him for services performed during the year. When determining the base salary for each of AmREIT s executive officers, the compensation committee considers the market levels of similar positions, discounted for size, at the refined peer group companies through the data provided to them by the Compensation Surveys, the performance of the executive officer, the experience of the executive officer in his position, and in comparison to the other components of compensation and total compensation. The base salaries of AmREIT s executive officers are established by the terms of their employment agreements. The executive officers are eligible for annual increases in their base salaries as determined by the compensation committee. In accordance with AmREIT s Vision 2010 strategic plan, the current macro economic conditions and AmREIT s performance goals, the CEO, CFO and entire company were not awarded any increase to base salary for 2009. The compensation committee felt that this was appropriate and consistent with the goals and steps delineated in Vision 2010. The base salaries paid to AmREIT s executive officers in 2008 are set forth below in the Executive Compensation Summary Compensation Table.

Annual Non-Equity Compensation. The compensation committee s practice is to provide a significant portion of each executive officer s compensation in the form of an annual cash bonus. These annual bonuses are primarily based upon quantifiable company performance objectives. This practice is consistent with AmREIT s compensation objective of supporting a performance-based environment. As such, AmREIT s historical assessment of these goals has been strictly objective, and has generally resulted in lower payouts of performance bonuses than others in AmREIT s industry. Each year, the compensation committee sets for the executive officers the threshold target and maximum bonus that may be awarded to those officers if the threshold goals are achieved.

For 2008, the compensation committee established the following goals for our Chief Executive Officer and set a target bonus of 100% of base salary. As reflected in the table, our chief executive officer did not achieve certain goals and only partly achieved the remaining goals, resulting in his being awarded a bonus of 20% of his potential bonus.

2008 Goal	2008 Actual	% of Company Goal	% Attained	Incentive paid, as Percentage of Base Salary
Increase FFO to $0.55	$0.47 as adjusted	55%	0%	0%
Capital raised for advisory business, up to $80 million	Approximately $16 million	20%	40%	8%
Build and retain management team	Substantially achieved.	10%	85%	8.5%
Grow Irreplaceable Corner Portfolio by up to $250 million	Approximately $125 million	10%	0%	0%
Set forth and Execute Upon Strategic Initiatives and Advancement	Set out Vision 2010, executed Phase I.	5%	70%	3.5%

For 2008, the compensation committe established the following goals for AmREIT s Chief Financial Officer:

2008 Goal	2008 Actual	% of Company Goal	% Attained	Incentive paid, as Percentage of Base Salary
Increase FFO to $0.55	$0.47 as adjusted	40%	0%	0%
Department financial performance to budget	Finance dept. (25%) Yes, Securities dept. (75%) did not achieve budget	10%	25%	2.5%
Grow Combined Portfolio by up to $250 million	Approximately $125 million	10%	50%	5.0%
Capital raised for Advisory business, up to $80 million	Approximately $16 million	15%	15%	2.25%
Create Institutional Joint Venture Fund	Not Accomplished	10%	0%	0%
Sale of refinance of AAA CTL Notes, Ltd.	Not Accomplished	15%	0%	0%
Set forth and Execute Upon Strategic Initiatives and Advancement	Set out Vision 2010, executed Phase I.	10%	100%	10%

Based upon the named executive officers achievements, the compensation committee awarded the Chief Executive Officer $49,875, which was 20% of his potential bonus and the Chief Financial Officer $37,620, which was 20% of his potential bonus. The compensation committee makes an annual determination as to the appropriate split between company-wide and executive specific goals based on its assessment of the appropriate balance.

Long-Term Incentive Compensation. AmREIT awards long-term equity incentive grants to its executive officers as part of AmREIT s overall compensation package. These awards are consistent with AmREIT s policies of fostering a performance-based environment and aligning the interests of AmREIT s senior management with the financial interests of its shareholders. When determining the amount of long-term equity incentive awards to be granted to AmREIT s executive officers, the compensation committee considered, among other things, the following factors, based on current year performance and three-year historical performance: AmREIT s business performance, such as growth in FFO and

performance of real estate assets (including but not limited to occupancy, same property NOI growth, leasing spreads, etc.); the responsibilities and performance of the executive, such as how they performed relative to their delineated goals; value created for AmREIT s shareholders, such as total shareholder return (defined as distributions plus capital appreciation for a given year or period) compared to sector average and net asset value; strategic accomplishment, such as identifying strategic direction for the Company such as with Vision 2010; and direction of AmREIT and other market factors, such as navigating the current economic recession and the strength of the balance sheet and debt maturities.

AmREIT compensates its executive officers for long-term service to AmREIT and for sustained increases in AmREIT s share performances, through grants of restricted shares. Historically these shares have vested ratably over four years for the CEO and 70% in the fifth year and 15% in each of the sixth and seventh years for the CFO. Currently, all restricted share grants for both the CEO and CFO vest ratably over a seven year period, which the compensation committee believes appropriately aligns the interest of senior management with that of the shareholders. The aggregate value of the long-term incentive compensation granted is based on established goals set by the compensation committee and include an assessment of FFO as compared to its budgeted or targeted goals; FFO growth year over year as compared against the refined peer group; the identification of strategic initiatives, their execution and the anticipated long term benefits to shareholders; and overall shareholder value and performance based on the above metrics and in relation to the refined peer group performance.

The compensation committee determines the number of restricted shares and the period and conditions for vesting. The compensation committee awarded equity compensation to its executive officers and senior management team based primarily on the strategic initiatives and decisions made during 2008 surrounding AmREIT s Vision 2010 strategic plan and the platform changes made during 2008. The CEO received 32,025 restricted shares that vest ratably over seven years and the CFO received 8,030 restricted shares that vest ratably over seven years. Additional information regarding restricted shares granted to AmREIT s executive officers can be found below under Grants of Plan Based Awards.

Perquisites and Other Personal Benefits. AmREIT provides the executive officers with perquisites and other personal benefits that AmREIT and the compensation committee believe are reasonable and consistent with AmREIT s overall compensation program to better enable AmREIT to attract and retain superior employees for key positions. The compensation committee periodically reviews the levels of perquisites and other personal benefits provided to the executive officers.

AmREIT maintain a 401(k) retirement savings plan for all of its employees on the same basis, which provides matching contributions at the rate of 50% of the employees contributions, not to exceed 2% of those salaries. Executive officers are also eligible to participate in all of AmREIT s employee benefit plans, such as medical, dental, group life, disability and accidental death and dismemberment insurance, in each case on the same basis as other employees.

AmREIT has entered into employment agreements with its senior executive officers, which provide severance payments under specified conditions within one year following a change in control. These severance agreements are described below under Employment Agreements. AmREIT believes these agreements help AmREIT to retain executives who are essential to our long-term success.

Other Compensation Policies

***Equity Grant Practices*.** All equity-based compensation awards are made under AmREIT s 1999 Flexible Incentive Plan, which AmREIT s shareholders approved. AmREIT s equity awards are determined and granted in the first quarter of each year, at the same time as management and the compensation committee conclude their evaluation of the performance of AmREIT s senior executives as a group and each executive individually. In addition and from time to time, additional equity awards may be granted in connection with new hires or promotions. AmREIT has never granted options.

***Employment, Severance and Change of Control Agreements*.** AmREIT does, from time to time, enter into employment agreements with some of its senior executive officers, which AmREIT negotiates on a case-by-case basis in connection with a new employment arrangement or a new agreement governing an existing employment arrangement. Otherwise, AmREIT s senior executive and other employees serve at will. Except as may be provided in these employment agreements or pursuant to AmREIT s compensation plans generally, AmREIT has not entered into any separate severance or change of control agreements. For those of AmREIT s senior executives who have employment agreements, these agreements generally provide for a severance payment for termination by AmREIT without cause or by the executive with good reason (each as defined in the applicable employment agreement and further described below under Employment Agreements) and change of control payments if employment is terminated following a change of control (as defined in the applicable employment agreement and further described below under Employment Agreements) in the range of one to two times the applicable executive s annual salary and bonus. In addition, the employment agreements generally provide that equity grants will vest automatically on a change of control. These change of control arrangements are designed to compensate management in the event of a fundamental change in the company, their employer, and to provide an

incentive to these executives to continue with AmREIT at least through such time. A more complete description of employment agreements, severance and change of control arrangements pertaining to named executive officers is set forth under Employment Agreements.

Deductibility of Executive Compensation. Section 162(m) of the Internal Revenue Code limits the deductibility on AmREIT s tax return of compensation over $1 million to any of AmREIT s executive officers. However, compensation that is paid pursuant to a plan that is performance-related, non-discretionary and has been approved by AmREIT s shareholders is not subject to section 162(m). AmREIT had such a plan and may utilize it to mitigate the potential impact of section 162(m). AmREIT did not pay any compensation during 2008 that would be subject to section 162(m). AmREIT believes that, because it qualifies as a REIT under the Internal Revenue Code and therefore is not subject to federal income taxes on its income to the extent distributed, the payment of compensation that does not satisfy the requirements of section 162(m) will not generally affect AmREIT s net income. However, to the extent that compensation does not qualify for deduction under section 162(m) or under AmREIT s short term incentive plan approved by shareholders to, among other things, mitigate the effects of section 162(m), a larger portion of shareholder distributions may be subject to federal income taxation as dividend income rather than return of capital. AmREIT does not believe that section 162(m) will materially affect the taxability of shareholder distributions, although no assurance can be given in this regard due to the variety of factors that affect the tax position of each shareholder. For these reasons, the compensation committee s compensation policy and practices are not directly governed by section 162(m).

Summary Compensation Table

The following table includes information concerning compensation for the one-year periods ended December 31, 2008, December 31, 2007 and December 31, 2006.

Name and Principal Position	Year	Salary	Bonus ($)	Share Awards ($) (3)	Option Awards ($)	Non-Equity Incentive Plan Compensation (1) ($)	Change in Pension Value and Preferential Nonqualified Deferred Compensation Earnings ($)	All Other Compensation (2) ($)	Total ($)
H. Kerr Taylor	2008	$ 350,000	$	$ 288,225	$	$ 49,875	$	$ 15,887	$ 703,987
(President & CEO)	2007	350,000				41,250		18,810	410,060
	2006	350,000		279,356		157,500		23,705	810,561
Chad C. Braun	2008	198,000		72,270		37,620		9,377	317,267
(EVP & CFO)	2007	185,500				44,056		10,761	240,317
	2006	175,000		132,663		107,188		9,920	424,771

(1) Non-Equity Incentive Plan Compensation represents the portion of the named executive s incentive compensation that is paid in cash. These annual incentives are primarily based upon company performance objectives.

(2) All Other Compensation includes amounts paid on behalf of each named executive for employer matching contributions to the tax qualified 401(k) plan and insurance premiums paid as part of the employer sponsored group benefit plans such as medical, dental, group life, and disability insurance, offered by us to our associates.

(3) Represents the total value of restricted shares granted, however, all shares are restricted shares and vest over a period of 5-7 years.

Employment Agreements

As of December 31, 2008, AmREIT had entered into employment agreements with each of its executive officers (Mr. Taylor and Mr. Braun) and certain of its management team (Mr. Tayar and Mr. Scoville) that provide that during the term of the respective agreements, that executive s base salary will not be reduced and that the executive will remain eligible for participation in AmREIT s executive compensation and benefit programs. The employment agreements provide that each executive receive a base salary, is eligible to participate in AmREIT s annual cash and share incentive awards as provided for in our pay for performance incentive plans as approved by AmREIT s compensation committee, and to participate in all other employee benefit programs (such as medical insurance and 401(k) plan), which are applicable to all of AmREIT s employees.

Each employment agreement provides that the respective executive may terminate the agreement at any time by delivering written notice of termination to AmREIT at least 30 days prior to the effective date of such termination, in which case he will be subject to a 12 month non-competition agreement and entitled to payment of his base salary through the effective date of termination, plus all other benefits to which he has a vested right at that time.

The employment agreements provide that, if AmREIT terminates an executive s employment without cause or the executive terminates his employment for good reason (each as defined below), the executive will be entitled to the following payments and benefits, subject to his execution and non-revocation of a general release of claims:

- a cash payment equal to one times executive s annual base salary at the time of termination and one times the executive s annual bonus, computed as the average of the last three years bonuses received by the executive, payable in equal monthly installments over 12 months;
- all unvested restricted shares and equity interests will immediately vest; and
- health and medical benefits shall continue for a period of one year.

For purposes of the employment agreements, cause has the following definition and meaning:

(A) continued failure by executive (other than for reason of mental or physical illness), after notice by AmREIT, to perform his duties;

(B) misconduct in the performance of executive s duties;

(C) any act by executive of fraud or dishonesty with respect to any aspect of AmREIT s business including, but not limited to, falsification of records;

(D) conviction of executive of a felony (or a plea of nolo contendere with respect thereto);

(E) acceptance by executive of employment with another employer; or

(F) executive s breach of certain sections of the employment agreement addressing confidential information and records, non-competition and solicitation of employees.

For purposes of the employment agreements, good reason has the following definition and meaning:

(A) a reduction by AmREIT, without executive s consent, in executive s position, duties, responsibilities or status with the company that represents a substantial adverse change from his position, duties, responsibilities or status, but specifically excluding any action in connection with the termination of executive s employment for death, disability, Cause (as defined herein) or by executive for normal retirement; provided, however, that AmREIT (i) hiring or promoting of one or more new or existing employees to whom executive may report or (ii) otherwise undertaking an internal reorganization that results in executive reporting to a new or different person shall not be considered Good Reason ;

(B) AmREIT s requiring, as a condition of employment, executive to relocate his employment more than fifty (50) miles from the location of his principal office on the date of the employment agreement, without his consent;

(C) any willful and material breach by AmREIT (or by the acquiring or successor business entity) of any material provision of the employment agreement or any other agreement between AmREIT or any of its subsidiaries and executive that, in any case, is not cured within thirty (30) days of AmREIT s receipt of written notice from executive of such breach; or

(D) the failure by AmREIT to obtain the assumption of the employment agreement by any successor or assign of the company.

The employment agreements also provide for a change of control (as defined below) provision. On the date of a change of control all of the executive s unvested restricted shares and equity interest will immediately vest. Additionally, if within a period beginning six months before, and ending 12 months after, the date of a change of control, the executive s employment is terminated without cause or terminated for good reason, then the executive will be entitled to the following payments and benefits, subject to his execution and non-revocation of a general release of claims:

- a cash payment equal to two times for Mr. Taylor, one and a half times for Mr. Braun and one times for Mr. Tayar and Mr. Scoville, the executive s annual base salary at the time of termination and annual bonus, computed as the average of the last three years bonuses received by the executive, payable in equal monthly installments over twelve months; and
- health and medical benefits shall continue for a period of one year.

For purposes of the employment agreement, a change in control shall be deemed to have occurred at such time as:

(A) any person (as the term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of AmREIT s voting securities representing more than 50% of AmREIT s outstanding voting securities or rights to acquire such securities except for any voting securities issued or purchased under any employee benefit plan of AmREIT or its subsidiaries; or

(B) a plan of reorganization, merger, consolidation, sale of all or substantially all of our assets or similar transaction is approved or occurs or is effectuated pursuant to which we are not the resulting or surviving entity; provided, however, that such an event listed above will be deemed to have occurred or to have been effectuated only upon receipt of all required regulatory approvals not including the lapse of any required waiting periods; or

(C) a plan of liquidation of AmREIT or an agreement for its sale or liquidation is approved and completed; or

(D) the board determines in its sole discretion that a Change in Control has occurred, whether or not any event described above has occurred or is contemplated.

Each employment agreement expired on December 31, 2008 and was automatically renewed one year and will continue to renew annually for successive one-year periods until either party gives written notice of non-renewal, which will be subject to the terms and conditions of the employment agreement.

As part of All Other Compensation, AmREIT is required to report any payments that were made to named executives due to any obligation under AmREIT s employment contracts and any amounts accrued by us for the benefit of the named executives relating to any obligation under AmREIT s employment contracts. There have been no payments, nor have there been any amounts accrued as of December 31, 2008.

The following table quantifies compensation that would become payable under the employment agreements with Messrs. Taylor and Braun if the named executive s employment had terminated on December 31, 2008, based on, where applicable, our closing share price on that date. Due to the number of factors that affect the amount of any benefits provided upon the events discussed below, actual amounts paid or distributed may be different.

Involuntary Termination Without Cause or Quit with Good Reason

Name and Principal Position	*Salary[1]*	*Bonus[2]*	*Participation in Back-End Interests of Partnerships[3]*	*Continuation of Health Benefits[4]*	*Value of Unvested Restricted Share Awards[5]*	*Total*
H. Kerr Taylor *President and Chief Executive Officer*	$ 350,000	$ 82,875	$ 1,304,250	$ 13,145	$ 598,977	$ 2,349,247
Chad C. Braun *Executive Vice President and Chief Financial Officer*	198,000	62,955	187,980	13,145	448,785	910,865

(1) Amount equal to one times annual base salary.
(2) Amount equal to one times the average of the last three years bonuses.
(3) Calculated assuming that the underlying partnerships are liquidated in the next 12 months at their estimated fair values, as estimated by management in the absence of readily ascertainable market values, that distributions are made to the respective general partners in accordance with the provisions of the limited partnership agreements, and that distributions are then made to the executive officers based on their percentage participation in such back-end interests.
(4) Benefits amounts include the cost of continued medical and dental coverage to the executive, spouse and dependents for one year.
(5) Because AmREIT s shares are no longer traded on a national exchange, the value of the restricted shares is based on an estimate of Net Asset Value, equating to $9.00 per share.

Involuntary Termination or Quit with Good Reason Following a Change in Control

Name and Principal Position	*Salary[1]*	*Bonus[2]*	*Participation in Back-End Interests of Partnerships[3]*	*Continuation of Health Benefits[4]*	*Value of Unvested Restricted Share Awards[5]*	*Total*
H. Kerr Taylor *President and Chief Executive Officer*	$ 700,000	$ 165,750	$ 1,304,250	$ 13,145	$ 598,977	$ 2,782,122
Chad C. Braun *Executive Vice President and Chief Financial Officer*	297,000	94,432	187,980	13,145	448,785	1,041,342

(1) Amount equal to two time annual base salary for Mr. Taylor and one and one-half times annual base salary for Mr. Braun.
(2) Amount equal to two times the average of the last three years bonuses for Mr. Taylor and one and one-half times the average of the last three years bonuses for Mr. Braun.
(3) Calculated assuming that the underlying partnerships are liquidated in the next 12 months at their estimated fair values, as estimated by management in the absence of readily ascertainable market values, that distributions are made to the respective general partners in accordance with the provisions of the limited partnership agreements and that distributions are then made to the executive officers based on their percentage participation in such back-end interests.
(4) Benefits amounts include the cost of continued medical and dental coverage to the executive, spouse and dependents for one year.
(5) Because AmREIT shares are no longer traded on a national exchange, the value of the restricted shares is based on an estimate of Net Asset Value, equating to $9.00 per share.

Grants of Plan-Based Awards

The compensation committee determined the number of restricted shares and the period and conditions for vesting. Based on the recommendation of the Chief Executive Officer, the Committee did not award any equity compensation to its named executive officers, nor were any members of the management team awarded equity compensation, during 2008 for its 2007 performance. Mr. Taylor and the entire AmREIT management team believes that this was an appropriate step given the direction of AmREIT and the anticipation of the economic turmoil, financial chaos and turbulent commercial real estate market that would ensue. The compensation committee commended management for their willingness to align their interests with shareholders and accepted their recommendations.

Outstanding Equity Awards

The following table sets forth certain information with respect to the value of all shares previously awarded to the named executive officers as of December 31, 2008. The AmREIT Board has not previously granted options to our named executive officers.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Share Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares that Have Not Vested (#)**	**Market Value of Shares that Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Shares, Units, or Other Rights that Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested ($)**
H. Kerr Taylor						66,553	$ 598,977(1)		
Chad C. Braun						49,865	448,785(2)		

(1) 24,203 shares vest in 2009, 21,779 shares vest in 2010, 13,389 shares vest in 2011, 7,143 shares vest in 2012.
(2) 14,441 shares vest in 2009, 9,084 shares vest in 2010, 10,616 shares vest in 2011, 10,735 shares vest in 2012, 3,454 shares vest in 2013 and 1,534 shares vest in 2014.

Shares Vested

The following table sets forth certain information with respect to the shares held by the named executive officers that vested during the year ended December 31, 2008.

	Share Awards	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
Name	(#)	($)
H. Kerr Taylor	26,037	$ 171,584
Chad C. Braun	4,115	27,118

Non-Qualified Deferred Compensation Table

AmREIT did not offer, and the named executive officers did not participate in, any non-qualified deferred compensation programs during 2008.

Trustee Compensation

The following table provides compensation information for the one year period ended December 31, 2008 for each non-officer member of the AmREIT Board.

Trust Manager Compensation for the Year Ended December 31, 2008

Name	Fees Earned or Paid in Cash (1) ($)	Share Awards (2) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
G. Steven Dawson (3)	$ 23,000	$ 47,118	$	$	$	$ 70,118
Robert Cartwright (4)	21,000	30,328				48,828
Philip Taggart (5)	28,500	24,729				46,229
H. L. Hank Rush, Jr. (6)	30,000	11,223				41,223

(1) Each non-employee trust manager received an annual retainer fee of $12,000. Additionally, each non-employee trust manager received fees for attending board meetings and committee meetings as follows: $1,000 for each board meeting attended in person, $1,000 for each audit committee meeting attended in person, $1,000 for each compensation, nominating and corporate governance or pricing committee meetings attended in person, and $1,000 for each board or committee meeting attended via teleconference. The audit committee chairman received $5,000. The chairman for each other committee received $3,000, respectively. Each non-employee trust manager can elect to defer up to $10,000 of cash compensation into restricted shares with a 25% premium ($10,000 of cash deferred into $12,500 in shares). The restricted shares vest 33% on the date of grant and equally on each of the next two anniversaries.
(2) Each non-employee trust manager received an award of 2,000 restricted shares that vest 33% on the date of grant and equally on each of the next two anniversaries. Additionally, the Lead Independent Trust Manager receives an additional award of 2,000 restricted shares that vest the same way. The amounts reflected in the table above reflects the value of the restricted share awards that vested during 2008.
(3) Mr. Dawson resigned from the board effective September 5, 2008.

(4) Mr. Cartwright holds an aggregate of 2,495 shares in unvested share awards.
(5) Mr. Taggart holds an aggregate of 2,247 shares in unvested share awards.
(6) Mr. Rush holds an aggregate of 3,333 shares in unvested share awards.

REITPlus Executive Officer and Director Compensation

REITPlus has no employees to whom it pays salaries. REITPlus does not intend to pay any annual compensation to its officers for their services as officers. Pursuant to the Advisory Agreement between REITPlus s Advisor, AmREIT, REITPlus s operating partnership and REITPlus, REITPlus will reimburse AmREIT for the services of its personnel, including those who serve as REITPlus s officers; provided, however, that REITPlus will not reimburse for personnel costs in connection with services for which the AmREIT receives acquisition fees, asset management fees, property management fees or real estate commissions. Examples of reimbursable personnel costs include legal services (such as negotiating leases and tenant collection issues), preparation of sales materials for use in REITPlus s best efforts initial public offering, accounting and financial reporting services, and investor services. As a result, REITPlus does not have, and its board of directors has not considered, a compensation policy or program for its executive officers.

Option/SAR Grants in Last Fiscal Year

No option grants were made to officers and directors for the year ended December 31, 2008.

Director Compensation

REITPlus s independent directors receive the following forms of compensation:

Annual Retainer	Independent directors receive an annual retainer of $20,000 each.
Monthly Retainer	Independent directors receive a monthly retainer of $2,000 per month each.
Meeting Fees	Independent directors receive $2,000 for each board meeting attended in person or by telephone, and $1,000 for each committee meeting attended in person or by telephone, and an additional annual retainer of $4,000 to the audit committee chair.
Equity Deferral Option	Each of the independent directors, at his sole discretion and election, may direct a portion of his cash compensation to be deferred into restricted shares of REITPlus Common Stock at the then current fair market value, 33% of which will vest immediately at the time of the issuance and the remaining 66.6% in equal installments over two years on each anniversary of the date of issuance.

Other Compensation	REITPlus reimburses its directors for reasonable out-of-pocket expenses incurred in connection with attendance at meetings, including committee meetings, of the board of directors. Independent directors do not receive other benefits from REITPlus.

Non-independent directors do not receive any compensation from REITPlus.

The following table sets forth the compensation earned by REITPlus s directors in 2008:

Name	Fees Earned or Paid in Cash ($)	Stock Awards	Options Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
H. Kerr Taylor, Chairman of the Board	$						
Chad C. Braun, Director	$						
Mack D. Pridgen III, Chairman, Audit Committee	$30,000	20,000					$50,000
Brent M. Longnecker, Member, Audit Committee	$30,000	20,000					$50,000
	$30,000	20,000					$50,000

Scot J. Luther, Member,
Audit Committee

Equity Compensation Plan Information

Under the terms of the REITPlus, Inc. 2007 Incentive Plan, the aggregate number of shares of REITPlus Common Stock subject to options, restricted shares of common stock, stock purchase rights, stock appreciation rights or other awards will be no more than 2,000,000 shares. The following table sets forth REITPlus s equity compensation plans as of December 31, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders			2,000,000
Equity compensation plans not approved by security holders			
Total			**2,000,000**

EXPENSES

AmREIT will bear the cost of preparing, printing, assembling and mailing the proxy cards, joint proxy statement/ prospectus and other materials that may be sent to REITPlus and AmREIT shareholders in connection with this solicitation.

LEGAL MATTERS

The validity of the REITPlus Common Stock to be issued in the merger will be opined upon for REITPlus by Venable LLP. Bass, Berry & Sims PLC will deliver an opinion to REITPlus and AmREIT as to certain federal income tax matters. Members of Bass, Berry & Sims, PLC own an aggregate of 31,000 shares of AmREIT Class A Stock.

EXPERTS

The consolidated financial statements of REITPlus, Inc. and subsidiary as of December 31, 2008 and 2007 and for the year ended December 31, 2008 and the period May 16, 2007 (inception) through December 31, 2007, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Shadow Creek Holding Company LLC and subsidiaries as of December 31, 2008 and for the period from February 25, 2008 (inception) through December 31, 2008, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of AmREIT and subsidiaries for the year ended December 31, 2008 and 2007 and for each of the years in the three-year period ended December 31, 2008 and the related financial statement schedule, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

SUBMISSION OF SHAREHOLDER PROPOSALS

To be included in the proxy statement for the 2010 annual meeting of REITPlus shareholders, any shareholder proposals must be received by REITPlus, addressed to Mr. Chad C. Braun, 8 Greenway Plaza, Suite 1000, Houston, Texas, 77046, no later than March 19, 2010 and must otherwise comply with REITPlus s bylaws and Rule 14d-8 under the Securities Exchange Act of 1934, as amended. To be properly brought

before the annual meeting, a shareholder must provide notice to Mr. Braun of director nominations and other business after the close of business on February 17, 2010, and prior to the close of business on March 19, 2010. Management is not aware of any other matters to be brought before the special meeting.

WARNING ABOUT FORWARD-LOOKING STATEMENTS

REITPlus and AmREIT have made forward-looking statements in this joint proxy statement/prospectus and in the documents annexed to this joint proxy statement/prospectus, which are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of REITPlus and AmREIT, as the case may be, and on the information currently available to them.

When used or referred to in this joint proxy statement/prospectus or the documents annexed to this joint proxy statement/prospectus, these forward-looking statements may be preceded by, followed by or otherwise include the words believes, expects, anticipates, intends, plans, estimates, projects or similar expressions, or statements that certain events or conditions will or may occur. Forward-looking statements in this joint proxy statement/prospectus also include:

- statements relating to the anticipated cost savings expected to result from the merger;
- statements regarding other perceived benefits expected to result from the merger;
- statements with respect to various actions to be taken or requirements to be met in connection with completing the merger; and
- statements relating to revenue, income and operations of the combined company after the merger is completed.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The following factors, among others, including those discussed in the section of this joint proxy statement/prospectus entitled Risk Factors, could cause actual results to differ materially from those described in the forward-looking statements:

- cost savings expected from the merger may not be fully realized;
- revenue of the combined company following the merger may be lower than expected;
- general economic conditions, either internationally or nationally or in the jurisdictions in which REITPlus or AmREIT are doing business, may be less favorable than expected;
- legislative or regulatory changes, including changes in environmental regulation, may adversely affect the businesses in which REITPlus and AmREIT are engaged;
- there may be environmental risks and liability under federal, state and foreign environmental laws and regulations; and
- changes may occur in the securities or capital markets.

Except for its ongoing obligations to disclose material information as required by the federal securities laws, neither REITPlus nor AmREIT has any intention or obligation to update these forward-looking statements after it distributes this joint proxy statement/prospectus.

WHAT INFORMATION YOU SHOULD RELY ON

No person has been authorized to give any information or to make any representation that differs from, or adds to, the information discussed in this joint proxy statement/prospectus or in the annexes attached hereto which are specifically incorporated into this joint proxy statement/prospectus. Therefore, if anyone gives you different or additional information, you should not rely on it.

This joint proxy statement/prospectus is dated October 19, 2009. The information contained in this joint proxy statement/prospectus speaks only as of its date unless the information specifically indicates that another date applies. This joint proxy statement/prospectus does not constitute an offer to exchange or sell, or a solicitation of an offer to exchange or purchase, REITPlus Common Stock or to ask for proxies, to or from any person to whom it is unlawful to direct these activities.

ANNEX A

Unaudited Pro Forma Condensed Consolidated Financial Statements

A-1

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements, which we refer to as the pro forma financial statements, have been derived from the historical consolidated financial statements of REITPlus and AmREIT, both of which are included in this joint proxy statement/prospectus. The transaction between AmREIT and REITPlus will be treated legally as a merger of the two entities; however, for accounting purposes, the transaction has been treated as an asset acquisition (the Acquisition) pursuant to Statement of Financial Accounting Standards No. 141(R), *Business Combinations,* which we refer to as SFAS 141(R), as outlined in the accompanying notes to the pro forma financial statements, which we refer to as the pro forma notes. In accordance with SFAS 141(R), AmREIT has been treated as the accounting acquirer and therefore is deemed to have acquired the net assets of REITPlus in the proposed transaction.

The following unaudited pro forma condensed combined balance sheet at June 30, 2009, which we refer to as the pro forma balance sheet, is presented on a basis to reflect the recapitalization and Acquisition as if they had occurred on June 30, 2009. The following unaudited pro forma condensed combined statements of operations, which we refer to as the pro forma statements of operations, for the year ended December 31, 2008 and for the six months ended June 30, 2009 are presented on a basis to reflect the Acquisition as if it had occurred on January 1, 2008.

The Acquisition is accounted for by applying the acquisition method under SFAS 141(R). The purchase price for REITPlus will be determined based on the fair value of the consideration given in exchange for the REITPlus net assets received in the Acquisition. A final determination of the acquired fair values, which cannot be made prior to completion of the Acquisition, will be based on the actual fair value of the assets and liabilities of REITPlus that exist on the date of the completion of the Acquisition. The actual amounts recorded following the completion of the Acquisition may be materially different from the information presented in these pro forma financial statements due to a number of factors, including timing of completion of the Acquisition and changes in the fair value of REITPlus s assets and liabilities.

The pro forma financial statements should be read in conjunction with the pro forma notes. The pro forma financial statements and pro forma notes were based on, and should be read in conjunction with the following financial statements which are included in this joint proxy statement/prospectus:

- AmREIT s historical audited consolidated financial statements for the fiscal year ended December 31, 2008 and the related notes included in AmREIT s Annual Report on Form 10-K for the year ended December 31, 2008;
- REITPlus s historical audited financial statements for the year ended December 31, 2008 and the related notes included in REITPlus s Annual Report for the year ended December 31, 2008;
- AmREIT s unaudited consolidated financial statements as of and for the six months ended June 30, 2009 and the related notes in AmREIT s Quarterly Report on Form 10-Q for the six months ended June 30, 2009; and
- REITPlus s unaudited consolidated financial statements as of and for the six months ended June 30, 2009 and the related notes to financial statements for the six months ended June 30, 2009.

AmREIT s and REITPlus s historical consolidated financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the Acquisition; (2) factually supportable; and (3) with respect to the pro forma statement of operations, expected to have a continuing impact on the combined results. The pro forma financial statements do not reflect any revenue enhancements or any cost savings from operating efficiencies or other synergies that could result from the Acquisition.

The pro forma adjustments are based upon available information and assumptions that we believe reasonably reflect the Acquisition. We present the unaudited pro forma financial statements for informational purposes only. The pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of AmREIT would have been had the Acquisition occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

A-2

REITPlus, Inc. Unaudited
Pro Forma Condensed Consolidated Balance Sheet
June 30, 2009

	AmREIT	Pro Forma Adjustments Deemed AmREIT Recapitalization[1]	Acquisition[2]	Pro Forma Consolidated
ASSETS				
Real estate investments at cost:				
Land	$131,328	$	$	$ 131,328
Buildings	142,241			142,241
Tenant improvements	9,712			9,712
	283,281			283,281
Less accumulated depreciation and amortization	(22,558)			(22,558)
	260,723			260,723
Net investment in direct financing leases held for investment	21,193			21,193
Acquired lease intangibles, net	8,313			8,313
Investment in merchant development funds and other affiliates	4,140		5,479	9,619
Net real estate investments	294,369		5,479	299,848
			1,061	
Cash and cash equivalents	1,021		(900)	1,182
Tenant receivables, net	3,554			3,554
Accounts receivable, net	1,702			1,702
Accounts receivable - related party	1,519		(107)	1,412
Notes receivable	4,062			4,062
Notes receivable - related party	5,150			5,150
Deferred costs, net	2,449			2,449
Other assets	7,455		11	7,466
TOTAL ASSETS	$321,281	$	$5,544	$ 326,825
LIABILITIES AND SHAREHOLDERS EQUITY				
Liabilities:				
Notes payable	$183,090	$	$	183,090
Accounts payable and other liabilities	8,080		8	8,088
			112	
Accounts payable - related party			(107)	5
Acquired below market lease intangibles, net	1,918			1,918
Security deposits	681			681
TOTAL LIABILITIES	193,769		13	193,782
Equity:				
Preferred shares, $.01 par value, 10,000,000 shares authorized, none issued				
Class A common shares, $.01 par value, 50,000,000 shares authorized, 6,634,489	66	157	(223)	
Class C common shares, $.01 par value, 4,400,000 shares authorized, 4,139,802	41	(41)		
Class D common shares, $.01 par value, 17,000,000 shares authorized, 10,966,255	110	(110)		
REITPlus preferred stock, $0.01 par value, 50,000,000 shares authorized, none issued				
REITPlus common stock, $0.01 par value, 1,000,000,000 shares authorized, 752,307 issued and outstanding			230	230
Capital in excess of par value	184,861	478	6,074	191,413
Accumulated distributions in excess of earnings	(48,829)	(10,171)	(550)	(59,550)
Accumulated other comprehensive income	(317)			(317)
Non-controlling interest	1,267			1,267
Cost of treasury shares, 1,315,564 Class A common shares	(9,687)	9,687		
SHAREHOLDERS EQUITY	127,512		5,531	133,043
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$321,281	$	$5,544	$ 326,825

See Notes to Consolidated Financial Statements

(1) Under the AmREIT Declaration of Trust, any merger of AmREIT that results in Class A Stock being converted into another security or other form of consideration must also result in Class C Stock and Class D Stock being converted or convertible into such securities or consideration as if the Class C Stock and Class D Stock had first been converted into Class A Stock at the conversion prices and fair market value per share of Class A Stock as set forth in the Declaration of Trust. In conjunction with the recapitalization, all AmREIT Common Stock will be converted into a single class of REITPlus Common Stock at exchange ratios reflecting the foregoing conversion principles. Inasmuch as AmREIT will be the accounting acquirer under SFAS 141(R), the foregoing conversion/exchange is treated as a deemed recapitalization of AmREIT immediately prior to the Acquisition, resulting in a single class of common stock that will be the equity capital of the surviving corporation. The Class C Stock and Class D Stock are each convertible into Class A Stock at their respective premiums as set forth in the Declaration of Trust. This premium, estimated to be approximately $10.2 million, will be recorded as an additional dividend upon consummation of the recapitalization. The premium has been reflected in this pro forma balance sheet as an additional dividend effective on the date of the transaction. The following table reflects the value of the Class C and D Stock to be converted into Class A Stock as well as the number of Class A Stock to be issued to the Class C and Class D shareholders in the AmREIT recapitalization:

	Class C		Class D		Total
	Purchased	DRIP	Purchased	DRIP	
Shares outstanding	3,369,439	770,363	9,374,938	1,591,317	
Amount invested per share	$ 10.00	$ 10.00	$ 10.00	$ 10.00	
Total invested	$ 33,694,390	$ 7,703,630	$ 93,749,380	$ 15,913,170	
Premium percentage on total invested (a)	10.00%	10.00%	5.50%	5.50%	
Premium	3,369,439	770,363	5,156,216	875,224	
Total value to be exchanged in recapitalization	$ 37,063,829	$ 8,473,993	$ 98,905,596	$ 16,788,394	$ 161,231,812
Value of Class A Shares (b)					$ 9.50
Class A Stock to be issued in exchange for Class C and D Stock					16,971,770
Class A Stock currently outstanding					5,318,925
Class A Stock outstanding post-recapitalization					22,290,695

(a) The conversion price of Class C Stock as set forth in the Declaration of Trust is equal to $11.00 per share (i.e. a 10% premium on the $10.00 issuance price), which is referred to as the Class C Conversion Price. The conversion price of Class D Stock as set forth in the Declaration of Trust is equal to the original $10.00 issuance price of the Class D Stock, increased by a premium of 1.1% per year outstanding (with a maximum increase of 7.7%), such increased price being referred to as the Class D Conversion Price. The conversion ratio of Class C Stock or Class D Stock, as the case may be, into Class A Stock is determined under the Declaration of Trust by dividing the applicable conversion price by the fair market value of the Class A Stock.

(b) AmREIT management conducted a bottom-up valuation of the real estate assets of both AmREIT and REITPlus. Management based its valuation of the real estate assets with appraisals from two nationally-recognized real estate appraisal firms. After valuing the real estate assets of both companies to the merger, management estimated the value of the common shares of the constituent companies as going-concerns utilizing generally accepted valuation methodologies. Such methodologies included analyzing the net value of the assets of the respective companies, determining equity value based on the discounted cash flows of the companies, and evaluating the companies in comparison to peer companies in the REIT industry. On the basis of its analyses, management estimated the value of AmREIT s Class A Stock to be between $9.00 and $12.00 per share after assigning to AmREIT s Class C Stock and Class D Stock the $11.00 and $10.55 per share values, respectively, mandated by the conversion prices for those classes of shares as set forth in the AmREIT Declaration of Trust. Management recommended, and the AmREIT Board approved, a valuation of the AmREIT Class A Stock at $9.50 per share, near the bottom of the valuation range estimated by management, based on the facts that the Class A Stock lacked an established trading market and AmREIT s business was currently subject to economic and market conditions that countered a higher valuation. Management believed that such valuation was an approximately 20% discount from the estimated net asset value per share of Class A Stock, which management believed to be appropriate when compared to the discounts to net asset value of the shares of other REITs that management deemed comparable to AmREIT. Management recognizes that shares of Class A Stock have traded on The Pink Sheets since the Company s delisting from the NYSE Alternext in December 2008. Those trades have been at values significantly less than management s estimate of fair value. Management believes that The Pink Sheets are not a reliable measure of value for AmREIT shares because they are not an active market for AmREIT shares, they do not contemplate the fair value of AmREIT s assets, including its properties, as there is no published fair value information or analyst reports and they do not contemplate a unified capital structure with a single dividend rate. At the time management determined the estimated value of the Class A Stock, management did not have the benefit of KeyBanc s analysis discussed above under the heading Proposal Number 1: The Merger Opinion of AmREIT s Opinion Provider. KeyBanc delivered its opinion to the AmREIT Board on May 20, 2009, at the time the Board was considering approval of the

merger agreement and recommendation of the merger to AmREIT s shareholders. KeyBanc s opinion was that the exchange ratios provided in the merger agreement were fair, from a financial point of view, to the AmREIT shareholders. In reaching its opinion, KeyBanc utilized a comparable company analysis that estimated the value per share of Class A Stock to be between $7.25 and $9.75, a discounted cash flow analysis that estimated the value per share of Class A Stock to be between $7.47 and $10.73 and a net asset value analysis that estimated the net

asset value per share of Class A Stock to be between $10.83 and $11.87 per share. In opining as to the fairness of the various exchange ratios, KeyBanc did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support its opinion and ultimately reached its opinion based on the results of all analyses taken as a whole. Neither management nor KeyBanc placed particular reliance or weight on any individual analyses.

(2) By applying the acquisition method under SFAS 141(R), we plan to account for the transaction as an asset acquisition in which AmREIT will be considered to have acquired REITPlus s net assets in exchange for shares of AmREIT Common Stock. In an asset acquisition effected through an exchange of equity interests, the entity that issues the equity interests is generally considered the acquirer. However, there are other factors in SFAS 141(R) that must be considered. We considered these factors and determined that AmREIT, although not legally issuing the equity interests, will be considered the accounting acquirer of REITPlus s net assets for accounting purposes. Therefore, the pro forma condensed consolidated balance sheet reflects AmREIT s deemed issuance of shares in consideration for the net assets of REITPlus. Because the consideration to be given is not in the form of cash, generally accepted accounting principles regarding asset acquisitions require that we measure REITPlus s net assets based on either the cost to AmREIT (the consideration given) or the fair value of the net assets acquired (the consideration received), whichever is more reliably measurable. The purchase price for REITPlus will be determined based on the fair value of the consideration given by AmREIT in exchange for the REITPlus net assets received in the acquisition. For purposes of accounting for the deemed asset acquisition, we have determined that the fair value of AmREIT Common Stock is equal to $9.50 per share. AmREIT s management and the Board of Trustees of AmREIT and the Board of Directors of REITPlus believe that the aggregate fair value of AmREIT Common Stock deemed to be delivered to REITPlus shareholders in exchange for the net assets of REITPlus, which is approximately $7.1 million of AmREIT Common Stock deemed given in the transaction (determined by multiplying 752,307 shares of REITPlus Common Stock outstanding by $9.50 per share of AmREIT Common Stock), reflects the fair value of the net assets of REITPlus deemed acquired by AmREIT in the merger. Additionally, we plan to initially capitalize acquisition costs of approximately $550,000 as part of the assets acquired pursuant to generally accepted accounting principles applied to asset acquisitions, resulting in a total cost to AmREIT of approximately $7.6 million. However, we expect to subsequently expense such acquisition costs as an other than temporary impairment given that the carrying amount of REITPlus s net assets acquired will be in excess of their fair value to the extent of these costs.

We have obtained an appraisal of Shadow Creek Ranch, REITPlus s sole real estate investment where it holds a 10% interest. The combination of the appraised value of REITPlus s interest in Shadow Creek Ranch and REITPlus s other net assets equals approximately $6 million. We believe that the $7.1 million cost ($7.6 million total consideration, net of the $550,000 transaction costs to be expensed) to AmREIT is a more clearly evident and reliable measure than the value of REITPlus s net assets, including the appraised value of its interest in Shadow Creek Ranch. We believe that the $1.1 million difference in these values is attributable to the use of an as is appraised value of Shadow Creek Ranch versus the use of a stabilized value of Shadow Creek Ranch using a 10-year discounted cash flow analysis. As such, we believe this is a temporary impairment. The following is a preliminary estimate of assets to be acquired and the liabilities to be assumed by AmREIT in the acquisition:

Assets		
Cash	$	1,060,594
Remaining interest in Shadow Creek Ranch		5,479,601(a)
Investment in AmREIT (89,641 Class A shares)		715,335(b)
Prepaid expenses		10,871
Total assets acquired	$	7,266,401
Liabilities		
Accounts payable & accrued liabilities	$	8,308
Accounts payable - related party		112,127
Total liabilities assumed	$	120,435
Net assets acquired	$	7,145,966

(a) AmREIT currently owns a 16% interest in REITPlus Operating Partnership, which holds the investment in Shadow Creek Ranch and AmREIT. The $5.5 million represents AmREIT s cost in acquiring the remaining 84% interest in Shadow Creek Ranch owned by the REITPlus Operating Partnership, after expensing the estimated $550 thousand in acquisition costs as an other than temporary impairment.

(b) The value of the investment in AmREIT was determined using the $9.50 fair value of an AmREIT Class A share and represents the remaining 84% interest in the AmREIT shares owned by the REITPlus Operating Partnership. See Note (1)(b) on page A-4 for

a discussion of the valuation methodology employed by management and KeyBanc in determining the value of the Class A Shares.

AmREIT estimates that its expenses for this transaction will be approximately $900 thousand, but will ultimately depend on various factors, including the success of the transaction. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. Costs incurred in connection with the issuance of our equity securities (estimated to be approximately $300-$400 thousand) will be recorded as a reduction of shareholders equity. The remaining costs incurred which are associated with the Acquisition (estimated to be approximately $500-$600 thousand) will be initially capitalized as part of the assets acquired pursuant to generally accepted accounting principles applied to asset acquisitions. However, we expect to subsequently expense such acquisition costs as an impairment given that the carrying amount of REITPlus s net assets acquired will be in excess of their fair value to the extent of these costs. These estimated costs are reflected in the pro forma balance sheet as of June 30, 2009 as a reduction to cash of $900 thousand, a reduction to Capital in excess of par value of $350 thousand (issuance costs) and a reduction to Accumulated distributions in excess of earnings of $550 thousand (acquisition costs to be impaired).

(3) Pursuant to the terms and conditions of the Merger Agreement, each share of AmREIT Class A Stock will be exchanged for 1.00 share of REITPlus Common Stock.

A reconciliation of REITPlus s shares outstanding before and after the recapitalization and Acquisition is as follows:

		Shares
REITPlus shares before the recapitalization and Acquisition		752,307
AmREIT shares to be exchanged for REITPlus shares:		
AmREIT shares outstanding post-recapitalization (See Note 1 above)	22,290,695	
Exchange rate	1:1	22,290,695
Less: Cancellation of AmREIT shares owned by REITPlus pre-Acquisition		(89,641)
REITPlus shares after the recapitalization and Acquisition		22,953,361

REITPlus, Inc. Unaudited
Pro Forma Condensed Consolidated Statement of Operations
For the six months ended June 30, 2009

	AmREIT	**Acquisition**	**Pro Forma Adjustments**		**Pro Forma Consolidated**
Revenues:					
Rental income from operating leases	$14,890	$	$		$14,890
Earned income from direct financing leases	1,111				1,111
Lease termination fee income	1,065				1,065
Real estate fee income	154				154
Real estate fee income - related party	1,244		(22	) (a)	1,222
Construction management fee income - related party	244				244
Asset management fee income - related party	767		(27	) (a)	740
Total revenues	19,475		(49	)	19,426
Expenses:					
General and administrative	3,476	136	83	(a)	3,695
General and administrative - related party		83	(83	) (a)	
Asset management fee expense - related party		27	(27	) (a)	
Property expense	4,041				4,041
Legal and professional	1,102	55			1,157
Depreciation and amortization	3,770			(d)	3,770
Total expenses	12,389	301	(27	)	12,663
Operating income (loss)	7,086	(301)	(22	)	6,763
Other income (expense):					
Interest and dividend income		22			22
Interest and other income - related party	340				340

Loss from merchant development funds and other affiliates	(268)	(157)	(27)	(b)	(452)
Income tax benefit for taxable REIT subsidiary	164		7		171
Interest expense	(5,219)				(5,219)
Income (loss) from continuing operations	2,103	(436)	(42)		1,625
Loss from discontinued operations, net of taxes	(16)				(16)
Gain on sales of real estate acquired for resale, net of taxes	1,897				1,897
Income from discontinued operations	1,881				1,881
Net income (loss) before noncontrolling interest	3,984	(436)	(42)		3,506
Net income (loss) attributable to noncontrolling interest	(102)	25			(77)
Net income (loss)	3,882	(411)	(42)		3,429
Distributions paid to class C and D shareholders	(5,014)		5,014	(c)	
Net income (loss) available to class A shareholders	$(1,132)	$(411)	$4,972		$3,429
Net income (loss) per class A common share - basic and diluted					
Income (loss) before discontinued operations	$(0.57)				$0.07
Income from discontinued operations	$0.36				$0.08
Net income (loss)	$(0.21)				$0.15
Weighted average class A common shares used to compute net income (loss) per share, basic and diluted	5,296				22,953

See Notes to Consolidated Financial Statements.

(a) Prior to the Acquisition, REITPlus was externally advised by AmREIT. AmREIT and its affiliates received compensation for providing various services to REITPlus and to its investment portfolio. The following adjustments reflect the reduction in AmREIT s compensation as a result of REITPlus being internally advised by AmREIT after the Acquisition:

Real estate fee income related party - after the Acquisition, AmREIT will own 10% of Shadow Creek Ranch. Pursuant to generally accepted accounting principles, we will defer recognition of these fees to the extent of our ownership interest in the property. We will therefore be required to defer 10% of the acquisition, property management, leasing and financing coordination fees generated by the property.

Asset management fees related party after the Acquisition, AmREIT will no longer receive the asset management fees earned in connection with its oversight and investment management of REITPlus s investment portfolio.

General & Administrative related party after the Acquisition, AmREIT will no longer receive the administrative expense reimbursements to cover the cost of its personnel providing investor services and financial reporting services to REITPlus.

(b) Prior to the Acquisition, AmREIT recorded its investment in REITPlus under the equity method of accounting. After the Acquisition, AmREIT will have a controlling financial interest in REITPlus and will therefore consolidate REITPlus s results of operations into its financial statements. This adjustment reflects the removal of AmREIT s interest in REITPlus s losses that was recorded under the equity method of accounting prior to the Acquisition.

(c) Pursuant to the terms of the Merger Agreement, the AmREIT Class C and Class D Stock will convert into Class A Stock immediately prior to the exchange of those Class A shares for shares of REITPlus Common Stock. Effective with the conversion of the Class C and D Stock into Class A Stock, there will be no further Class C or D distributions paid. The Class C and D Stock conversion will result in a net reduction in total annual distributions of approximately $1.6 million, net of an approximate $200 thousand increase in REITPlus distributions, compared to total annual distributions pre-recapitalization. See page 22 for a discussion of Dividend Policy as well as a comparison of pre- and post-recapitalization dividends by class of stock. Additionally, the Class C and Class D Stock provides for a premium to be paid upon conversion of those shares into Class A Stock. This premium, estimated to be approximately $10.2 million, will be recorded as an additional dividend upon consummation of the recapitalization and Acquisition. However, the premium has not been reflected in this pro forma statement of operations as it is directly attributable to this transaction and will be included in AmREIT s post-Acquisition historical results of operations.

(d) The costs associated with the acquisition of REITPlus s net assets will be initially capitalized as part of the assets acquired pursuant to generally accepted accounting principles applied to asset acquisitions. However, we expect to subsequently expense these costs as an impairment given that the carrying amount of REITPlus s net assets acquired will be in excess of their fair value to the extent of these costs. Such impairment charge has not been reflected in this pro forma statement of operations as it is directly attributable to this transaction and will be included in AmREIT s post-Acquisition historical result of operations.

REITPlus, Inc. Unaudited

Pro Forma Condensed Consolidated Statement of Operations
For the year ended December 31, 2008

	AmREIT	Acquisition	Pro Forma Adjustments	Pro Forma Consolidated
Revenues				
Rental income from operating leases	$ 31,805	$	$	$ 31,805
Earned income from direct financing leases	2,009			2,009
Real estate fee income	438			438
Real estate fee income (loss) - related party	3,877		(262)(a)	3,615
Construction management fee income	46			46
Construction management fee income - related party	405			405
Asset management fee income - related party	1,501			1,501
Total Revenues	40,081		(262)	39,819
Expenses:				
General and administrative	7,771	258	106(a)	8,135
General and administrative - related party		106	(106)(a)	
Property expense	8,905			8,905
Legal and professional	1,618	283		1,901
Real estate commissions	139			139
Depreciation and amortization	9,006			9,006
Impairment charge	863		(d)	863
Total Expenses	28,302	647		28,949
Operating income (loss)	11,779	(647)	(262)	10,870
Other income (expense)				
Interest Income		16		16
Interest and other income - related party	1,162			1,162
Income (loss) from merchant development funds and other affiliates	(894)	(180)	16(b)	(1,058)
Income tax benefit for taxable REIT subsidiary	696	6	89	791
Interest expense	(10,474)			(10,474)