



# REIT

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## NEWSLETTER

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VOLUME 3, ISSUE 4

DECEMBER 15, 2010

### MESSAGE FROM JERRY COOPER, CHAIRMAN

The holiday season is here and on behalf of Management, the Board of Directors and the wonderful staff that does the heavy lifting around here, I wish you and your families a healthy and happy holiday and a prosperous New Year.

While the politicians debate the economic strengths and weaknesses of the country, management can pleasantly report that the Board of Directors has authorized the payment of a \$.08 dividend on January 15, 2011 to stockholders of record as of December 31, 2010.

In its quest for attractive opportunities the Company has taken over operation of a garage on 55<sup>th</sup> Street and Second Ave. in Manhattan and given the name "Shelter Parking." We believe this industry and situation is ripe for development and represents a worthwhile investment. From its launching some six weeks ago, business has increased incrementally and management believes that its confidence in this undertaking is well-placed.

As reported Shelter Electric has commenced working at the Schermerhorn Street, Brooklyn site and believes that our efforts will culminate in favorable results.

I am delighted to announce the convening of the fifth town hall meeting to be held at the Hilton Deerfield Beach Boca Raton, 100 Fairway Drive, Deerfield Beach on January 24, 2011 at 12 noon. Again, I must remind you that space is limited, so it is requested that only stockholders attend this meeting. If you decide to attend and wish to bring a guest, please limit it to one.

This great adventure which commenced with rickety buses running cross town and the lower east side of Manhattan and then spanned about eight decades to its reappearance as a REIT has been touched by men and women of all stripes and from various walks of life. Many of them had the vision and foresight to drive the engines of these companies compelling them to rise to success. Under applicable law the REIT was obliged to select four independent members to the Board of Directors. One of those independent directors is David Jang. For over four years he has served the Company and its stockholders with integrity, insight and diligence. Feeling that the growing needs of his role within the financial industry made it impossible for him to continue with the same dedication to the company and its stockholders he has tendered his resignation effective December 31, 2010. We accept it reluctantly. On behalf of the Company, its stockholders, management and employees we wish him all the best.

Sincerely,

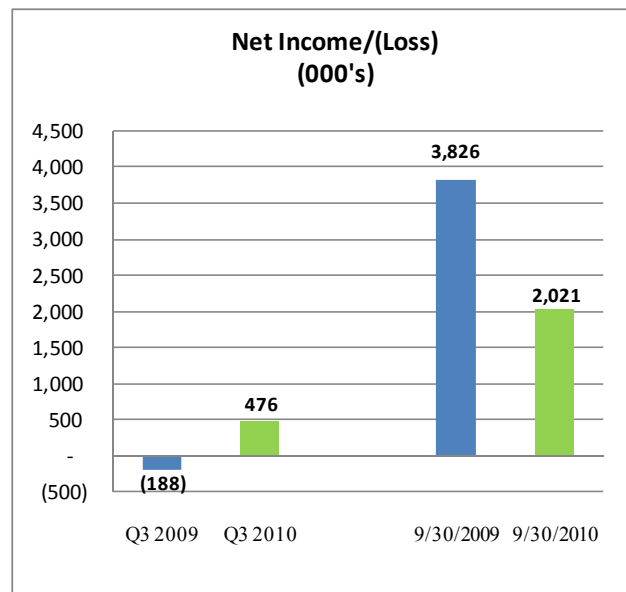
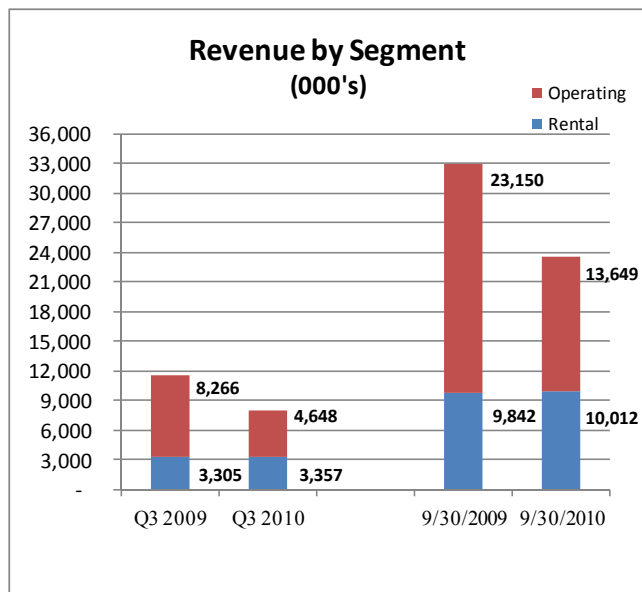
## 3RD QUARTER 2010 10Q

### Q3 Highlights

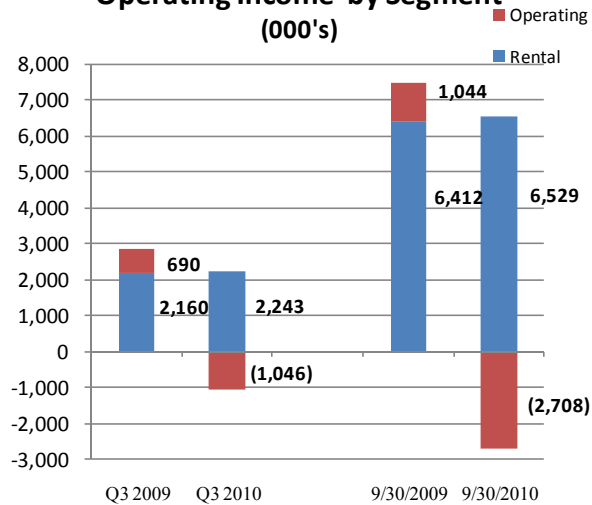
- Net income of \$.5 million, or \$0.04 per diluted share
- FFO income of \$1.0 million, or \$0.08 per share
- Declared quarterly dividend of \$0.08 per share paid on October 15, 2010

On November 12, 2010, the Company filed its Form 10Q for the three and nine months ended September 30, 2010. The following is a quantitative summary: For the three and nine months ended September 30, 2010 revenue was \$8.0 million and \$23.7 million, respectively compared to \$11.6 million and \$33.0 million for the three and nine months ended September 30, 2009, respectively. In addition, for the three and nine months ended September 30, 2010 net in-

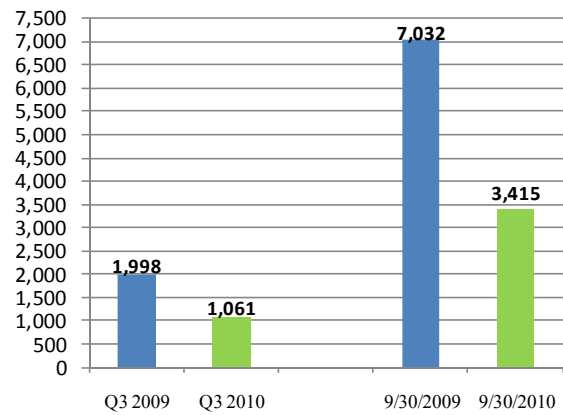
come was \$.5 million and \$2.0 million, respectively compared to a net loss of (\$0.2) million and net income of \$3.8 million for the three and nine months ended September 30, 2009, respectively. Excluding the litigation reserve of \$1.7 million for the three and nine months ended September 30, 2009, net income was \$1.5 million and \$5.5 million, respectively. The decrease in net income over the prior year's quarter was a result of a decrease in revenue from the termination of the CEMUSA contract in 2009 partially offset by an increase in electrical contracting revenue. In addition, there was a decrease in professional fees, decreased costs associated with the CEMUSA contract partially offset by a 15% increase in the average cost of our borrowing due to the refinancing of our debt.



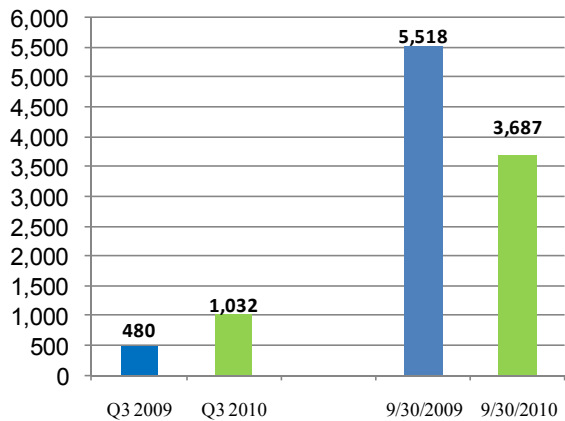
**Operating Income by Segment**  
(000's)



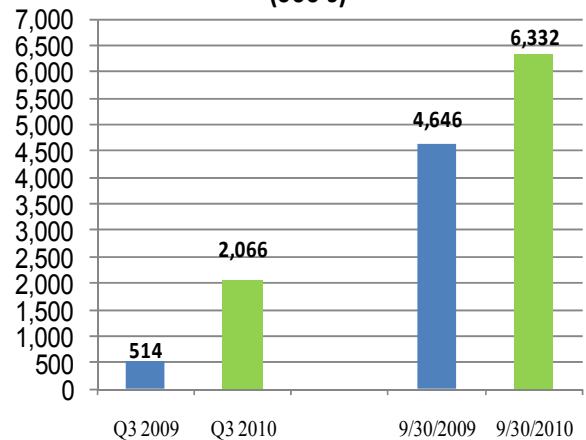
**Total Operating Income**  
(000's)



**Funds From Operations - FFO**  
(000's)



**Adjusted Funds From Operations - AFFO**  
(000's)



## SUPPLEMENTAL FINANCIAL INFORMATION

Given the magnitude and the one time nature of the litigation reserve, the Company has elected to report adjusted net income and earnings per share for the affected periods to help ensure the comparability of the reporting periods. Management considers these non-GAAP financial measures to be effective indicators, for both management and investors, of the Company's financial performance. The Company's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

### GTJ REIT, INC. AND SUBSIDIARIES

#### SUPPLEMENTAL SCHEDULE OF NON-GAAP FINANCIAL MEASURES (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income, GAAP basis	\$ 476	\$ (188)	\$ 2,021	\$ 3,826
Add:				
Litigation reserve	-	1,713	-	1,713
Net income, as adjusted	\$ 476	\$ 1,525	\$ 2,021	\$ 5,539
Basic & diluted earnings per common share, GAAP basis	\$ 0.04	\$ (0.01)	\$ 0.15	\$ 0.28
Basic & diluted earnings per common share, as adjusted	\$ 0.04	\$ 0.11	\$ 0.15	\$ 0.41
Basic & diluted weighted average shares outstanding	13,529,181	13,472,281	13,494,355	13,472,281

## DIVIDEND

On November 9, 2010, GTJ's Board of Directors declared a quarterly cash dividend of \$0.08 per share of common stock for the fourth quarter ended December 31, 2010. The dividend will be payable on or about January 15, 2011 to common stockholders of record as of the close of business on December 31, 2010.

## TAX MATTERS

*If any stockholder has had any transactions in GTJ REIT's stock in 2010 we advise those stockholders to consult with their tax, accounting and/or legal advisors to ensure compliance with all applicable rules, regulations and reporting requirements.*

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## TOWN HALL MEETING

We have scheduled our fifth town hall meeting for Monday January 24, 2011 at 12 noon at the Hilton Deerfield Beach, 100 Fairway Drive, Deerfield Beach.

Below is the scheduled itinerary for the day:

12:00 – 1:00	Lunch – Meet and Greet
1:00 – 1:30	Presentation & Discussion
1:30 – 2:00	Q&A

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## REAL ESTATE

The real estate market continues to experience fits and starts during this recessionary time. While short term and long term interest rates are at historical lows, this has not yet translated into a fluid market for buying and selling commercial real estate.

Banking institutions are still saddled with significant non-performing and sub-performing loans. Borrowers are unwilling to pay down their loans and sell their assets at a loss.

Anecdotally, assets we would consider purchasing or bidding on seem to be coming to market in greater numbers. Unfortunately, with enormous amounts of investment capital sitting on the sidelines, well-leased and well-located large scale assets are trading at thin returns without regard to price per square foot or other market fundamentals.

The market continues to pose challenges for us to find well located, well leased properties with appropriate risk-based returns. However, we will continue to investigate every opportunity.

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## OPERATING COMPANIES

As the operating companies continue to contend with the effect of the economic downturn, we seek opportunities for growth utilizing the operating base that currently exists while simultaneously investigating new ventures which have synergies with both our goals and present business profile. On October 1, our new business operation, Shelter Parking, began operating its first site by entering into a lease for the garage space at a Manhattan cooperative, The Brevard, located on Second Avenue between 53rd and 54th Streets. Our prior experience at Satellite Parking, which provided airport parking services at LaGuardia from 1993-2003, helped get our new venture off to a successful start. To provide us with direct daily managerial supervision and leadership, Paul Kaufman was hired as our director of parking services. Paul has over 40 years of experience in the industry with long term relationships with the major garage operators, building owners, management groups and staff. Shelter Parking is receiving accolades from the residents and daily customers all while adding new corporate accounts. We look forward to our continued growth at the Brevard and our expansion to new sites within New York City.

Our existing operating companies had a very busy third quarter with new starts for our electrical division and ex-

tensive vehicle rental and labor services provided by our traffic division. A new business relationship has developed with ImageCare Maintenance Services (IMS), a national corporation that provides complete electrical and outdoor sign maintenance services to major corporate clientele such as Chase, HSBC, Walgreens and Home Depot. We have seen strong growth in this relationship since our initial startup and look forward to increasing our services with IMS. Shelter Electric has commenced work on the Schermerhorn project, the 18 month \$5.9 million dollar electrical renovation project in downtown Brooklyn. We are continually reviewing and submitting bids on new projects ranging from street light installations and maintenance to commercial building renovations. Our outdoor advertising division continues to monitor the slow revival of this business sector and has been meeting with the major outdoor advertising companies to expand our services. Phoenix is an example of this growth opportunity where we have submitted proposals for expansion of our service base to include Tucson.

We are looking forward to an increase in bidding opportunities in 2011. New annual municipal operating and capital budgets will be in place that will provide new opportunities for our companies.



LaGuardia Depot



Shelter Clean of Arizona Office



Shelter Clean of California Conference Room



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## **SAFE HARBOR STATEMENT**

This document contains forward-looking statements made pursuant to the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties, including limited product demand, competition, and other risks and uncertainties detailed from time to time in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and its other reports filed with the SEC. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based. Past performance is no guaranty of future results.