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VIA E-MAIL

Ms. Michele M. Anderson, Chief
Mr. David L. Orlic, Special Counsel
Office of Mergers and Acquisitions
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

**Re: Dividend Capital Total Realty Trust Inc.
Request for No-Action Relief Under Rule 13e-4**

Dear Ms. Anderson and Mr. Orlic:

DLA Piper LLP (US) is counsel to Dividend Capital Total Realty Trust Inc. (the "Company") in connection with its Registration Statement on Form S-11 under the Securities Act of 1933, as amended (the "Securities Act") (Registration Number 333-175989), filed with the Securities and Exchange Commission (the "Commission") on August 3, 2011, as amended (the "Registration Statement"), to register the offer and sale of up to \$3,000,000,000 of its shares of common stock (or "shares"), in a public offering (the "Offering"), of which \$2,250,000,000 of shares are expected to be offered to the public in a primary offering and \$750,000,000 of shares are expected to be offered to stockholders of the Company pursuant to an amended and restated distribution reinvestment plan (subject to the Company's right to reallocate such amounts). The Registration Statement has not yet been declared effective by the Commission. In the Offering, the Company will offer to the public three classes of shares: Class A shares, Class W and Class I shares. The share classes have different selling commissions and ongoing fees and expenses. No selling commissions or distribution fees will be paid with respect to Class W or Class I shares. The Company will offer to sell any combination of Class A, Class W and Class I shares with a dollar value up to the maximum offering amount.

The Company is a Maryland corporation formed on April 11, 2005 to invest in a diverse portfolio of real property and real estate-related investments. The Company commenced a "best efforts" initial public offering on January 27, 2006 for up to \$2,000,000,000 in shares of its common stock. Following the termination of its initial public offering on January 21, 2008, the Company commenced a follow-on "best efforts" public offering of up to \$2,000,000,000 in shares of its common stock. The follow-on public offering terminated on September 30, 2009. On October 23, 2009, the Company filed a registration statement for the sale of up to \$237,500,000 in shares of its common stock pursuant to its distribution reinvestment plan. This distribution reinvestment plan offering is ongoing. As of March 31, 2012, the Company had 182,225,177 shares of its common stock outstanding held by a total of 32,350 stockholders. Although all of these shares are unclassified, we refer to these shares herein as "Class E" shares in order to more easily distinguish them from the Class A, Class W and Class I shares to be offered in the Offering.

The Company invests in a diverse portfolio of real properties and real estate-related debt and

securities. The Company primarily invests in real property, consisting of office, industrial, and retail, primarily located in the United States. The Company also may invest in multifamily, hospitality and other properties, primarily located in the United States. Additionally, the Company has invested in real estate-related debt investments. As of March 31, 2012, the Company owned a total of 96 operating real properties located in 30 geographic markets throughout the United States at a total gross investment amount of approximately \$2.9 billion (before accumulated depreciation and amortization of approximately \$393.8 million) comprising approximately 19.7 million net rentable square feet. As of March 31, 2012, the Company had debt related investments with a total net investment amount of approximately \$88.1 million.

The Company is externally managed by its advisor, Dividend Capital Total Advisors LLC (the "Advisor"). The dealer manager for the primary offering is Dividend Capital Securities LLC (the "Dealer Manager"), related party to the Advisor. The Dealer Manager is not required to sell any specific number or dollar amount of the shares, but will use its best efforts to sell the shares offered in the primary offering.

The Company has operated in such a manner to qualify as a real estate investment trust ("REIT") for federal income tax purposes, commencing with the taxable year ended December 31, 2006, when it first elected REIT status. The Company is not a mutual fund and does not intend to register as an investment company under the Investment Company Act of 1940, as amended.

Upon commencement of the Offering, the Company will consider itself to be a perpetual-life investment vehicle. The Company has no finite date for liquidation and no current intention to list its Class A, Class W or Class I shares of common stock for trading on a national securities exchange or other over the counter trading market. Although the Company has registered a fixed amount of its shares pursuant to the Registration Statement, it intends to effectively conduct a continuous offering of an unlimited amount of Class A, Class W and Class I shares of common stock over an unlimited time period by filing a new registration statement prior to the end of the three-year period described in Rule 415 under the Securities Act. This perpetual-life structure is aligned with the Company's overall objective of investing in real estate and real estate related assets with a long-term view towards making regular cash distributions and generating capital appreciation consistent with a broadly diversified investment focus.

The Offering provides for the sale, on a daily basis, of new Class A, Class W and Class I shares at a price equal to the Company's net asset value ("NAV") for such class divided by the number of shares of that class outstanding as of the end of business on such day ("NAV per share"), plus, for Class A shares sold in the primary offering only, applicable selling commissions. NAV for each class of shares will be calculated at the close of each business day in accordance with valuation guidelines approved by the Company's board of directors. A fundamental feature of the Offering is the Company's proposed Class A, Class W and Class I share redemption plan (the "New Redemption Plan"), which will serve as the primary source of liquidity for Class A, Class W and Class I stockholders and is not contingent on the sale of a certain number of shares in a given period.¹

The opportunity to purchase and redeem shares on a daily basis at a price that may vary each trading day based on NAV distinguishes the Offering from the non-listed REIT offerings currently available to public investors, except for the initial public offerings (the "Other NAV Offerings") of Clarion Partners Property Trust Inc. ("Clarion Partners"), American Realty Capital Daily Net Asset Value Trust, Inc. ("ARC I"), Cole Real Estate Income Strategy (Daily NAV), Inc. ("Cole") and American Realty Capital Global Daily Net Asset Value Trust, Inc. ("ARC II").²

¹ The New Redemption Plan meets the conditions for exemption from Rule 102(a) of Regulation M, as articulated in the Commission's letter to Alston & Bird LLP dated October 22, 2007 granting class relief for non-listed real estate investment trust share redemption programs (Regulation M Rule 102 – TP File No. 08-06).

² See Registration Statement on Form S-11 of Clarion Partners (Registration Number 333-164777), originally filed on February 8, 2010, as amended, and the related SEC No-Action Letters (May 17, 2011 and February 24, 2012); Registration Statement on Form S-11 of ARC I (Registration Number 333-169821), originally filed on October 8,

Like the Other NAV Offerings, the Offering has been structured to be more attractive to certain investors than traditional non-listed REIT offerings by (1) offering greater potential liquidity; (2) avoiding the risk of the issuer having to pursue an exit strategy at an inopportune time; and (3) reducing upfront fees. The Offering's structure is designed to benefit investors by: (A) providing investors the flexibility to increase or decrease their investments in the Company as their individual situations change; (B) minimizing the risk that their long-term investment goals will conflict with short-term liquidity needs; and (C) allowing them to seek returns of their capital and monetize any investment gain at a time of their choice, rather than being forced to wait for a terminal liquidity event outside their control.

Unlike the Other NAV Offerings, which commenced with newly formed issuers without any investments, the Offering will be conducted by an issuer with a significant portfolio of assets and an existing stockholder base. Accordingly, investors in the Offering will be able to invest with more transparency than investors in a newly formed non-traded REIT with respect to: (1) whether the Company will raise enough capital to justify the costs of being a public company and (2) the number, size and types of assets in which the Company will invest. The existing Class E stockholders in the Company are expected to benefit from the Offering and New Redemption Plan because the new capital should permit the Company to invest in additional real properties and real estate-related debt and securities, potentially pay down existing debt financings, use such capital for general corporate purposes, and improve the liquidity of Class E shares pursuant to a separate share redemption plan for Class E stockholders (the "Class E Redemption Plan") and/or through other means such as future issuer tender offers for Class E shares.

By this letter, the Company is only seeking no-action relief with respect to the New Redemption Plan. Unless the context otherwise requires, when we refer to redemptions in this letter we are referring to redemptions under the New Redemption Plan, and when we refer to stockholders in this letter we are referring to Class A, Class W and Class I stockholders.

NO-ACTION REQUEST UNDER RULE 13e-4

In connection with the launch of the Offering, the Company will adopt the New Redemption Plan in an effort to provide Class A, Class W and Class I stockholders with liquidity with respect to their investments in the Company's shares. The Company believes that many features of its New Redemption Plan are substantially similar to redemption plans of other companies with respect to which the staff of the Division of Corporation Finance of the Commission (the "Staff") has granted no-action relief relative to the issuer tender offer rules found in Rule 13e-4 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In particular, the New Redemption Plan is very similar to the redemption plan of Clarion Partners (the "Clarion NAV Redemption Plan") for which no-action relief was recently granted by the Staff in two separate letters (the "Clarion Plan No-Action Letters").³

Other than insignificant differences, two features of the New Redemption Plan are different from the Clarion NAV Redemption Plan: (1) the redemption limitation for each share class during any given calendar quarter is based on the NAV of such class of shares as of the last day of the previous calendar quarter⁴ and (2) as described further below, the Company's board of directors may choose whether the

2010, as amended, and the related SEC No-Action Letter (July 21, 2011); Registration Statement on Form S-11 of Cole (Registration Number 333-169535), originally filed on September 22, 2010, as amended, and the related SEC No-Action Letter (December 6, 2011); and Registration Statement on Form S-11 of ARC II (Registration Number 333-177563), originally filed on October 27, 2011, as amended, and the related SEC No-Action Letter (April 18, 2012).

³ See *Id.*

⁴ The New Redemption Plan's limitation is applied quarterly rather than annually. The 5% limitation is determined for each quarter based upon the NAV of each class of shares as of the last day of the previous calendar quarter. Because the Company anticipates that the NAV will change over time, each quarter's limitation is expected to be different from the limitation in other quarters.

restriction in item (1) applies to “net redemptions” or “gross redemptions.”

In the Clarion NAV Redemption Plan, the limitation described in item (1) above is a strict aggregate limit, across all share classes and the feature in item (2) above does not exist because the Clarion NAV Redemption Plan always bases its restrictions on net redemptions in a quarter. These distinct features of the New Redemption Plan are also not present in the redemption plans of ARC I, Cole or ARC II, for each of which no-action relief was recently granted by the Staff.⁵

However, as discussed below, we respectfully submit that these features should not be an obstacle to granting no-action relief to the Company for operation of the New Redemption Plan because we do not believe that redemptions pursuant to the New Redemption Plan implicate the concerns that the issuer tender offer rules were adopted to address. Specifically, the New Redemption Plan, which offers stockholders no premium, has no set termination date and provides stockholders with adequate substantive disclosure upon which to base a decision to redeem, will not have the effect of pressuring uninformed stockholders to redeem their shares.

The Company requests that the Staff issue the Company a letter stating that it will not recommend that the Commission take enforcement action under Rule 13e-4 with respect to redemptions of Class A, Class W and Class I shares made under the New Redemption Plan.

THE NEW REDEMPTION PLAN

Purpose of the New Redemption Plan

In connection with the Offering, the Company will adopt the New Redemption Plan in an effort to provide its Class A, Class W and Class I stockholders with liquidity with respect to their investment in the Company’s common stock, subject to specified limitations. Through the New Redemption Plan, Class A, Class W and Class I stockholders will be able to seek to liquidate all or a portion of their investment. The Company expects that the Offering will commence in July of 2012 and that redemptions under the New Redemption Plan will first be made available to stockholders commencing October 1, 2012.

The New Redemption Plan will be an important feature of the investment in the Company’s common stock, serving as its Class A, Class W and Class I stockholders’ sole meaningful source of liquidity. Without an effective redemption plan, stockholders in the Company would generally be required to hold their shares for an indefinite time period because (1) there will be no established trading market for the Class A, Class W and Class I shares, (2) the Company does not anticipate that a secondary trading market will develop, and (3) unlike traditional non-listed REITs, the Company will not be required to consummate a transaction providing liquidity to its stockholders by a future date (such as listing its common stock on a securities exchange, merger with a publicly traded company or liquidation).

The Company is aware that a limited secondary market has in some cases developed for traditional non-listed REITs. However, these markets are very small and inefficient. Additionally, third parties have also made tender offers to stockholders in non-listed REITs. These limited secondary markets and tender offers to date have generally resulted in purchase prices that are typically at a substantial discount to the offering price for the shares and the prices offered in redemption plans made available by the issuers. The Company believes that the tender offers further evidence that sufficient liquidity options may not always exist for stockholders in non-listed REITs with traditional redemption plans and that stockholders who need immediate liquidity in these types of non-listed REITs often suffer financially as a result.

⁵ See ARC I SEC No-Action Letter (July 21, 2011), Cole SEC No-Action Letter (December 6, 2011) and ARC II SEC No-Action Letter (April 18, 2012).

The Company also notes that the lack of liquidity is often cited in the investment community as a primary disadvantage of investing in non-listed REITs, as most non-listed REITs are closed-end entities (with set dates for a terminal liquidity event) and offer redemption plans that are subject to substantial limitations on redemptions. The Company believes that many investment professionals and investors do not consider traditional non-listed REIT redemption plans to provide stockholders with a viable liquidity option. Because the Company intends to engage in a new continuous offering of its Class A, Class W and Class I shares of an unlimited duration, a redemption plan that provides a source of liquidity is especially important to the Company; absent this feature, potential new investors would be reluctant to acquire shares in the Company.

The Offering and the New Redemption Plan are designed to provide investors with an investment vehicle that the Company believes is a more attractive alternative for certain investors than traditional non-listed REITs. Unlike traditional non-listed REIT offerings, the price of the Company's shares will be based on their daily NAV, rather than a fixed dollar amount. The New Redemption Plan will provide the Company's Class A, Class W and Class I stockholders with greater liquidity than traditional non-listed REITs by allowing stockholders to redeem all or a portion of their shares on a daily basis, with less restrictive limitations on the aggregate number of shares that may be redeemed in any particular period and no limitation on the sources of cash used by the Company to fund redemptions (as compared to the typical non-listed REIT redemption plan in which the sources of cash may be limited to proceeds from the sale of additional shares through the distribution reinvestment plan).

The Daily NAV Calculation

In the Offering, the purchase price for Class A, Class W and Class I shares will vary from day to day, and on any given day will be equal to the Company's NAV per share for such class, plus, for Class A shares sold in the primary offering only, applicable selling commissions of up to 3.0% of the NAV per share. The Company will amend its current distribution reinvestment plan offering of Class E shares (the "Class E DRIP Offering") registered on Form S-3 (Registration Number 333-162636) filed on October 23, 2009, so that the purchase price for Class E shares will also vary from day to day, and on any given day will be equal to the Company's NAV per share for such class (with purchases made only on distribution payment dates).

The Company's NAV per share for each class (including Class E) will be calculated by a third-party firm (the "NAV Accountant") after the end of each business day that the New York Stock Exchange is open for unrestricted trading in accordance with a comprehensive set of valuation procedures approved by the Company's board of directors. At the end of each such trading day, before taking into consideration accrued dividends or class-specific expense accruals, any change (whether an increase or decrease) in the aggregate NAV of the Company's Class E shares, Class A shares, Class W shares and Class I shares, along with the units in the Company's operating partnership held by third parties (the "Aggregate Fund NAV") will be allocated among each class of fund interest (i.e., the Class E shares, Class A shares, Class W shares and Class I shares, along with the operating partnership units held by third parties) based on each class's relative percentage of the previous Aggregate Fund NAV. Changes in the daily Aggregate Fund NAV will reflect factors including, but not limited to, unrealized/realized gains (losses) on the value of the Company's real property portfolio and real estate-related assets, and accruals for income and liabilities. The Company's most significant source of net income is property income. The Company will accrue estimated income and expenses on a daily basis based on annual budgets as adjusted from time to time to reflect changes in the business throughout the year. For the first month following a property acquisition, the Company will calculate and accrue portfolio income with respect to such property based on the performance of the property before the acquisition and the contractual arrangements in place at the time of the acquisition, as identified and reviewed through the Company's due diligence and underwriting process in connection with the acquisition. On a periodic basis, the accruals will be adjusted based on information derived from actual operating results. Following the calculation and allocation of changes in the Aggregate Fund NAV as described above, NAV for each class will be adjusted for accrued dividends, the distribution fee and the dealer manager fee, to determine

the current day's NAV. NAV per share for each class will be calculated by dividing such class's NAV at the end of each trading day by the number of shares outstanding for that class on such day.

Because each day's purchase and redemption price for each of the Class A, Class W and I classes of shares will be based on the NAV per share for the applicable share class, the purchase price and the redemption price will be the same, except that (1) the purchase price for Class A shares may include selling commissions that may be charged on purchases of Class A shares and (2) subject to limited exceptions, the redemption price of shares held less than one year will be subject to a short-term trading discount equal to 2% of the gross proceeds payable with respect to the redemption. The short-term trading discount, which will inure to the benefit of the Company and, therefore, its stockholders as a whole, is analogous to the redemption fees permitted for registered open-end investment companies under Rule 22c-2 promulgated by the Commission under the Investment Company Act of 1940, as amended, to allow funds to recoup some of the direct and indirect costs incurred as a result of short-term trading strategies, such as market timing.⁶

At the end of each business day, the Company will post the NAV per share for each class of shares for that business day on the Company's public website and make publicly available the NAV per share for each class of shares on the Company's toll-free, automated information line. Subject to the terms of the New Redemption Plan, the Company will be obligated to redeem Class A, Class W and Class I shares at its published NAV per share for each class of shares. The Company's website will contain the Offering prospectus, including all amendments and supplements thereto. The Company will also disclose its NAV per share for each class of shares in prospectus supplements it files with the Commission with such frequency as is required by the Securities Act and will file post-effective amendments to its Registration Statement as required by the Securities Act. Such prospectus supplements will provide the historical NAV per share for each class of shares since it was last reported in a prospectus supplement.

Under the New Redemption Plan, and subject to specified limitations, Class A, Class W and Class I stockholders may request that the Company redeem all or any portion of their shares on any business day. The redemption price will be equal to the NAV per share of the class of shares being redeemed calculated at the end of the business day that the Company's transfer agent or a fund intermediary receives the redemption request in good order, unless such request is received in good order after the close of business, in which case the redemption price will be equal to the NAV per share

⁶ The Commission, in Commission Release No. IC-26782 (May 23, 2005), stated:

[The] redemption right makes funds attractive to fund investors, most of whom are long-term investors, because it provides ready access to their money if they should need it. The redemption right also makes funds attractive to a small group of investors who use funds to implement short-term trading strategies, such as market timing. *Id.* at 4. Excessive trading in mutual funds occurs at the expense of long-term investors, diluting the value of their shares. It may disrupt the management of a fund's portfolio and raise the fund's transaction costs because the fund manager must either hold extra cash or sell investments at inopportune times to meet redemptions. *Id.* at 4-5. We continue to believe, and the weight of evidence submitted by commenters suggests, that redemption fees, together with effective valuation procedures, can be an effective means to protect funds and fund shareholders by requiring that short-term traders compensate funds for the costs that may result from frequent trading. *Id.* at 8. [T]he rule we are today adopting authorizes fund directors to impose a redemption fee of up to two percent of the amount redeemed when they determine that a fee is in their fund's best interest. *Id.* at 9-10. The proceeds of the redemption fee, in all cases, must be paid to the fund itself. The redemption fee is designed to reconcile conflicts between shareholders who would use the fund as a short-term trading vehicle, and those making long-term investments who would otherwise bear the costs imposed on the fund by short-term traders. Directors may impose the fee to offset the cost of short-term trading in fund shares, and/or to discourage market timing and other types of short-term trading strategies. *Id.* at 11-12. The two percent limit is designed to strike a balance between two competing goals of the Commission – preserving the redeemability of mutual fund shares while reducing or eliminating the ability of shareholders who rapidly trade their shares to profit at the expense of their fellow shareholders. *Id.* at 12.

calculated on the next business day.

Valuation of the Company's Assets and Liabilities

The Company's board of directors, including a majority of its independent directors, will adopt valuation procedures that contain a comprehensive set of methodologies that will be used by the Company's Independent Valuation Firm (defined below) and other parties involved with the valuations when valuing the Company's assets and its liabilities in connection with the calculation of NAV. These valuation procedures will be described in detail in the prospectus for the Offering. Although the Company believes its NAV calculation methodologies are consistent with standard industry principles, there is no established practice among public REITs, whether listed or not, for calculating NAV in order to establish a purchase and redemption price. As a result, other public REITs may use different methodologies or assumptions to determine NAV.

The overarching principle behind the Company's valuation procedures is to produce a valuation that represents a fair and accurate estimate of the value of the Company's assets or the price that would be received for the assets in an arm's-length transaction between market participants, less the Company's liabilities. The Company has engaged an independent valuation firm (the "Independent Valuation Firm") to serve as the independent valuation firm with respect to the daily valuation of its real property portfolio (the NAV Accountant and the Independent Valuation Firm are separate firms). The real property portfolio valuation, which is the largest component of the Company's NAV calculation, will be provided to the Company by the Independent Valuation Firm on a daily basis. The foundation for this valuation will be periodic appraisals, as discussed further below. However, on a daily basis, the Independent Valuation Firm will adjust a real property's valuation, as necessary, based on known events that have a material impact on the most recent value (adjustments for non-material events may also be made). Using information derived from a property's most recent appraisal, the Independent Valuation Firm will determine the appropriate adjustment to be made to the estimated value of the property based on the material event and changes to underlying property fundamentals. The Independent Valuation Firm will collect all reasonably available material information that it deems relevant in valuing the Company's real estate portfolio. The Independent Valuation Firm will rely in part on property-level information provided by the Advisor, including (i) historical and projected operating revenues and expenses of the property; (ii) lease agreements on the property; and (iii) information regarding recent or planned capital expenditures. Upon becoming aware of the occurrence of a material event impacting property-level information, the Advisor will promptly notify the Independent Valuation Firm.

Periodic real property appraisals will serve as the foundation of the Independent Valuation Firm's daily real property portfolio valuation. The Company's consolidated real properties will be appraised approximately once every 12 calendar months, and in no event will more than 12 full calendar months pass between appraisals of the Company's consolidated real properties. In order to provide a smooth and orderly appraisal process, the Company will seek to have approximately 1/12th of the portfolio appraised each month, although the Company may have more or less appraised in a month. Appraisals will be performed in accordance with the Code of Ethics and the Uniform Standards of Professional Appraisal Practices, or USPAP, the real estate appraisal industry standards created by The Appraisal Foundation. Each appraisal must be reviewed, approved and signed by an individual with the professional designation of MAI (Member of the Appraisal Institute). The Independent Valuation Firm will be involved with the appraisal process, but the Company currently expects to engage other independent valuation firms to provide appraisals for the Company's properties. The Independent Valuation Firm will confirm the reasonableness of the appraisal before reflecting any valuation change in its daily valuation of the Company's real property portfolio.

In general, the value of the Company's real estate-related assets will be determined in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and adjusted upon the occurrence of a material event, or in the case of liquid securities, daily, as applicable, thereafter. Pursuant to the Company's valuation procedures, the board of directors will approve the pricing sources of the Company's

real estate-related assets (which sources may include the Advisor). Individual investments in mortgages, mortgage participations and mezzanine loans will generally be included in the Company's determination of NAV at an amount determined in accordance with GAAP and adjusted as necessary to reflect impairments. Investments in privately placed debt instruments and securities of real estate-related operating businesses (other than joint ventures), such as real estate development or management companies, will be valued at cost and thereafter will be revalued as determined in good faith by the pricing source. Publicly traded debt and equity real estate-related securities (such as REIT bonds) that are not restricted as to salability or transferability will be valued daily on the basis of publicly available information. The value of publicly traded debt and equity real estate-related securities that are restricted as to salability or transferability may be adjusted by the pricing source for a liquidity discount. Liquid non-real estate-related assets such as credit rated government and corporate debt securities, publicly traded equity securities and cash and cash equivalents, will be valued daily on the basis of publicly available information.

The Company's real estate-related liabilities consist of financing for its portfolio of assets. These liabilities will generally be included in the Company's determination of NAV in accordance with GAAP, however if the loan amount exceeds the value of the underlying real property and the loan is otherwise a non-recourse loan, the Company will assume a value of zero for purposes of the real property and the loan in the determination of its NAV.

The Company's board of directors will review the valuation procedures at least annually and may adopt changes if it (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV. The Company will publicly announce material changes to its valuation procedures or the identity or role of the Independent Valuation Firm.

Although the methodologies contained in the valuation procedures will be designed to operate reliably within a wide variety of circumstances, it is possible that in certain unanticipated situations or after the occurrence of certain extraordinary events (such as a terrorist attack or an act of nature), the Company's ability to implement and coordinate its NAV procedures may be impaired or delayed, including in circumstances where there is a delay in accessing or receiving information from vendors or other reporting agents. The Company's board of directors may suspend the Offering and the New Redemption Plan if it determines that the calculation of NAV may be materially incorrect or there is a condition that restricts the valuation of a material portion of the Company's assets.

Timing and Settlement

All Class A, Class W and Class I share purchase and redemption requests received in good order by the Company's transfer agent or a fund intermediary during a given day will be settled at the price determined after the close of business on that day. The redemption price per share received by a redeeming stockholder will be equal to the NAV per share of the class of shares being redeemed as of the end of business on the day the redemption request is received in good order (which will generally be the day the redemption request is received in good order or the next business day if the redemption request is received in good order on a day that is not a business day or after the close of business on a business day). The Company normally will pay redemption proceeds, less any applicable short-term trading discounts and any applicable tax or other withholding required by law, no later than the third business day following a redemption request. However, when a stockholder requests to redeem shares for which the purchase money for those shares being redeemed has not yet been collected, the request will be executed at the next determined NAV, but the Company's transfer agent will not release the proceeds until the purchase payment clears. The Company will utilize a mutual fund-style technology platform for processing redemption requests and anticipates that redemptions will be paid on the first business day following the satisfaction of a redemption request. Although a stockholder will not know at the time he or she requests the redemption of shares the exact price at which such redemption request

will be processed, the stockholder may cancel the redemption request before it has been processed by notifying a customer service representative available on the Company's toll-free information line. Redemption requests received in good order before 4:00 p.m. (Eastern time) on a business day must be cancelled before 4:00 p.m. on the same day. Redemption requests received in good order after 4:00 p.m. on a business day, or at any time on a day that is not a business day, must be cancelled before 4:00 p.m. on the next business day. If the redemption request is not cancelled before the applicable time described above, the stockholder will be contractually bound to redemption of the shares and will not be permitted to cancel the request prior to the payment of redemption proceeds.

In contrast to the market prices of exchange-traded securities, which often fluctuate as a result of, among other things, supply and demand in the trading market, the purchase and redemption prices of the Company's Class A, Class W and Class I shares will reflect NAV and will not change based on the level of demand for new shares or the volume of requests for redemption of outstanding shares. NAV per share of each class of shares will be calculated at the end of each business day using the valuation procedures described earlier and none of the Company, the Advisor, the Dealer Manager or any financial intermediary will be able to change the manner in which NAV is determined, other than through first modifying the valuation procedures as described above, nor will they have any discretion to set a "clearing" price. Because a substantial portion of the Company's portfolio is in investments in stabilized commercial real estate, it is not anticipated that the NAV per share will fluctuate materially from one day to the next, so the previous day's NAV per share will likely be a good indicator of the redemption price.

The New Redemption Plan is designed to generally follow settlement practices that have been developed over time in the mutual fund industry to the extent such practices are applicable. As with mutual funds, NAV will be determined at the end of each business day and will apply to all requests for redemption that have accumulated during the day. This pricing mechanism is commonly referred to as "forward-pricing." Under a forward-pricing mechanism, a stockholder will not know before the end of the day on which he or she makes a redemption request the precise price at which his or her request will be settled.

Forward-pricing is not a matter of convenience or a mere "operational" model that the Company has developed for its own business purposes. Rather, it is a pricing model that has widespread use in mutual funds for the protection of investors. It evolved out of the fact that a mutual fund's shares (excluding exchange traded funds or ETFs) are only priced once per day after the close of business, creating the potential to expose the fund and its stockholders to market timing by opportunistic, short-term investors. For example, if the price at which shares are sold on any given day was based on NAV as of the close of business on the previous day, current investors would have an opportunity to exit the fund, and new or existing investors would have an opportunity to enter or increase their holdings in the fund, at the previous day's price based on knowledge of events that have taken place since then, which may cause the current day's value of the fund's shares to be higher or lower than the previous day's price. Under a forward-pricing model, these opportunities to engage in market timing are eliminated. Market timing harms legitimate, long-term investors because market timers capture an unfair share of gains or avoid their fair share of losses. The Company has adopted a forward-pricing model as a necessary mechanism to prevent speculative trading detrimental to legitimate, long-term investors.

Funding and Limitations of the New Redemption Plan

Redemption plans of traditional non-listed REITs that have received no-action relief from the Staff generally contain all of the following restrictions: shares may not be redeemed within one year of the purchase; the redemption price is usually subject to a discount depending on the length of time the shares have been held; the number of shares redeemed for all stockholders during a 12-month period is limited to a small percentage of the outstanding shares at the beginning of the 12-month period (usually 5%); and funds available to fund redemptions are limited to proceeds from the distribution reinvestment plan. Thus, for traditional non-listed REITs, substantial liquidity may not be provided unless and until the company effects a liquidity transaction, such as listing on a national securities exchange, merger with a

publicly traded company or liquidation. The Company's Class E Redemption Plan follows the model of the traditional non-listed REIT share redemption plan (although the Company may, in the future, seek no-action relief relative to the issuer tender offer rules found in Rule 13e-4 under the Exchange Act for an expanded Class E Redemption Plan, or the issuer may conduct issuer tender offers to provide additional liquidity for its Class E stockholders).

In contrast, the Company's New Redemption Plan will provide Class A, Class W and Class I stockholders with a much greater opportunity for liquidity during the entire term of their investment. Under the New Redemption Plan, either net redemptions or gross redemptions (depending on which option the Company's board of directors has chosen) of each of the Class A, Class W and Class I share classes during any given calendar quarter are limited to the amount of shares of such class with an aggregate value (based on the redemption price per share on the day the redemption is effected) of up to 5% of the NAV of such class of shares as of the last day of the previous calendar quarter (the "Quarterly Cap"). The Company currently expects the New Redemption Plan to provide that the Quarterly Cap will initially be applied to "net redemptions," meaning, for any class and any quarter, the excess of the Company's share redemptions (capital outflows) of such class over the share purchases net of sales commissions (capital inflows) of such class in the Offering. When the Quarterly Cap is applied to net redemptions, the Quarterly Cap is relevant during a calendar quarter only to the extent the aggregate value of share redemptions of such class during the quarter exceeds the aggregate value of share purchases (net of sales commissions) of such class in the same quarter. Thus, on any business day during a calendar quarter, the maximum amount available for redemptions of each of the Company's Class A, Class W and Class I share classes will be equal to (1) 5% of the NAV of such class of shares, calculated as of the last day of the previous calendar quarter, plus (2) proceeds from sales of new shares of that class in the Offering (including purchases pursuant to the Company's distribution reinvestment plan but net of sales commissions) since the beginning of the current calendar quarter, less (3) proceeds paid to redeem shares of such class since the beginning of the current calendar quarter. The Quarterly Cap will be monitored each business day by the Company based on reports from its transfer agent, which will provide daily updated information on the proceeds from sales of new shares and the amounts paid by the Company to redeem shares. If the Quarterly Cap is reached during a given day for any class of shares, redemptions of that share class will be satisfied *pro rata* on that day and the Company will cease satisfying redemption requests of such class for the remainder of the quarter, regardless of additional share purchases of such class by investors for the remainder of such quarter.

However, for any calendar quarter, the Company's board of directors may choose whether the Quarterly Cap will be applied to "gross redemptions," meaning, for any class and any quarter, amounts paid to redeem shares of such class since the beginning of such calendar quarter, or "net redemptions." If redemptions are measured on a gross basis rather than a net basis, the Quarterly Cap could limit redemptions of a class in a quarter despite the Company receiving a net capital inflow with respect to such class for the quarter. In order for the board of directors to change the application of the Quarterly Cap from net redemptions to gross redemptions or vice versa, the Company must provide notice to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, at least 10 days before the first business day of the quarter for which the new test will apply.

Apart from these limitations, only the modification, suspension or termination of the New Redemption Plan by the Company's board of directors would cause the Company to redeem fewer than all shares requested to be redeemed in a quarter.

The Company will maintain a number of sources of liquidity including (i) cash equivalents (e.g. money market funds), other short-term investments, U.S. government securities, agency securities, liquid real estate-related securities and (ii) one or more borrowing facilities. In order to maintain a reasonable level of liquidity, the Company intends to generally maintain under normal circumstances the following aggregate allocation to the above sources of liquidity (collectively, referred to as "liquid assets"): (1) 10% of the aggregate NAV of the outstanding Class A, Class W and Class I shares up to \$1 billion of collective

Class A, Class W and Class I share NAV and (2) 5% of the aggregate NAV of the outstanding Class A, Class W and Class I shares in excess of \$1 billion of collective Class A, Class W and Class I share NAV. In addition, the Company may also fund redemptions from any available source of funds, including operating cash flows, borrowings, proceeds from this offering and/or sales of assets. The Company believes it is appropriate to exclude the NAV of the outstanding Class E shares from the calculations above because it presently intends to provide these stockholders with liquidity each quarter in an amount based on quarterly capital inflows from (a) proceeds from the sale of Class E shares under the Company's distribution reinvestment plan and (b) a portion of the proceeds (net of sales commissions and Class A, Class W and Class I share redemptions) received by the Company from the sale of Class A, Class W and Class I shares in the Offering (both the primary offering portion and under the distribution reinvestment plan). In addition, while the Company seeks to provide additional liquidity for the holders of Class E shares, these stockholders purchased their shares with an expectation of less liquidity than will be provided by the New Redemption Plan. The liquidity allocation described above will enable the Company to grow its allocation to liquid assets as Class A, Class W and Class I shares are sold and directly in proportion to the NAV of such classes. The Company will disclose as promptly as practicable in a prospectus supplement or special or periodic report filed with the Commission any change regarding its intended allocation to liquid assets.

The Company will disclose throughout its prospectus for the Offering that the Company may not always have sufficient liquid resources to satisfy all Class A, Class I and Class W redemption requests. Subject to the New Redemption Plan limitations, the Company intends to fund redemptions from any available cash sources at its disposal, including, but not limited to, cash on hand, cash available from borrowings, cash from the sale of shares of its common stock, and cash from liquidations of investments, to the extent that such funds are not otherwise dedicated to a particular use, such as working capital, cash distributions to stockholders, purchases of real property, debt related or other investments, or redemption of Class E shares or operating partnership units.

During any quarter in which the Company has reached that quarter's redemption Quarterly Cap with respect to any class of common stock, the Company will promptly publicly disclose such fact through a filing with the Commission and a posting on the Company's website in order to notify stockholders of such class that the Quarterly Cap has been reached and when redemptions will resume. Unless the board of directors determines to modify, suspend or terminate the New Redemption Plan, the New Redemption Plan with respect to such class of shares will automatically and without stockholder notification resume normal operation on the first day of the calendar quarter following the quarter in which the Quarterly Cap was reached.

Redemptions under the New Redemption Plan are on a first-come, first-serve basis during each calendar quarter because stockholder redemptions will be paid promptly. If the full amount of shares of any class of common stock requested to be redeemed as of any given date cannot be redeemed due to the Quarterly Cap for such class or lack of readily available funds, available funds will be allocated *pro rata* taking into consideration the total number of shares requested to be redeemed and the NAV of the classes of common stock on that date, subject to the Quarterly Cap. With respect to any *pro rata* treatment, redemption requests following the death or qualifying disability of a stockholder will be considered first, as a group, with any remaining available funds allocated *pro rata* among all other redemption requests. Unlike the redemption plan of Clarion Partners, which provides for absolute *pro rata* redemptions for stockholders requesting redemption on the date the quarterly limitation is reached, the Company has established the foregoing order of priority because stockholders may be subject to different personal circumstances. But within each group of similarly situated stockholders, redemptions will be *pro rata*. ARC I and ARC II have similarly established an order of priority in their redemption plans, although they are slightly different from that of the Company's New Redemption Plan.

All unsatisfied redemption requests (including the unsatisfied portion of any request not satisfied in full) due to any of the limitations of the New Redemption Plan must be resubmitted after the start of the next quarter or upon the recommencement of the New Redemption Plan, as applicable. At the start of

the next quarter, or when normal operation of the program otherwise recommences, available funds will be allocated *pro rata* based on the total number of shares of such class subject to pending redemption requests, subject to the Quarterly Cap (with priority given to redemption requests following the death or qualifying disability of a stockholder, as described in the paragraph above).

The board of directors' primary objective regarding the New Redemption Plan is to maintain the uninterrupted redemption of Class A, Class W and Class I shares in order to provide stockholders with liquidity in respect of their investment in the Company. Nonetheless, the board must exercise its oversight responsibilities in light of its fiduciary duties to all stockholders and must have the ability to modify, suspend or terminate the New Redemption Plan to ensure its effective operation and the best interests of the Company and its stockholders. Those fiduciary duties require that, as with any decision made by the board, any decision to modify, suspend or terminate the New Redemption Plan be made in good faith, with a reasonable belief that the action is in the best interests of the Company and its stockholders, and with the care of an ordinarily prudent person in a like position under similar circumstances. The Company believes that the board's responsibility to monitor and ability to suspend the redemption of shares is necessary to ensure the integrity and continuous operation of the New Redemption Plan. Material modifications, including any reduction to the quarterly limitation on redemptions, and suspensions or termination will be disclosed to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, and, as required by the Securities Act, in post-effective amendments to its Registration Statement.

Events that may cause the Company's board of directors, in the exercise of its business judgment and fiduciary duties, to decide to modify, suspend or terminate the New Redemption Plan include: (1) unavailability of sufficient liquidity to fund redemptions or a prolonged and material imbalance between proceeds from sales of new shares and the capital required to redeem outstanding shares; (2) material adverse developments in the financial markets, such as changes or developments involving prospective changes in national or international political, financial or economic conditions; (3) material disruptions in the markets for the types of commercial real estate properties and other real estate related assets that the Company holds, such as extreme price volatility, disruption in the title recording or securities settlement processes, suspension of trading, banking moratorium or moratorium on exercising legal rights or remedies; (4) material regulatory changes or changes in law that impact the Company's operations; (5) if the board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed; (6) if a condition exists that restricts the valuation of a material portion of the Company's assets (such as a terrorist attack or an act of nature); (7) the Company entering into a definitive agreement to merge with another entity or sell all or substantially all of its assets or filing an application to list its shares on a national securities exchange; (8) fundamental changes in the business affairs or business prospects of the Company, such as termination of agreements with the Advisor or significant operational issues; or (9) a potential contingent liability or other need for cash for which reserves are necessary.

The Company believes that, in the face of such unforeseen circumstances as may arise over the indefinite life of the Company, a degree of flexibility in the administration of the New Redemption Plan is necessary and warranted to ensure that the board can discharge its fiduciary duties to promote the long-term efficacy of the New Redemption Plan, while also ensuring the equitable treatment of both redeeming and non-redeeming stockholders. Notwithstanding the foregoing, the board of directors has no current intention to modify, suspend or terminate the New Redemption Plan and currently expects that the New Redemption Plan will continue indefinitely. In addition, the Company will seek confirmation of the no-action relief requested hereby if the board proposes to (1) modify the New Redemption Plan from daily (during normal operation) to less frequent redemptions, (2) reduce the redemption price to an amount that reflects a discount to NAV per share (other than the short-term trading discount described above), or (3) modify other aspects of the New Redemption Plan upon which the Company's request for no-action relief is predicated other than immaterial modifications for the proper administration and operation of the New Redemption Plan that are consistent with the factual and legal representations contained in this letter.

The New Redemption Plan, including redemption upon the death or disability of a stockholder, is not intended to provide liquidity to any stockholder (and any subsequent transferee of such stockholder) who acquired, directly or indirectly, his or her shares by purchase or other taxable transaction from another stockholder, unless shares acquired in such transactions are approved for redemption by the Company's management in its sole discretion. In connection with a request for redemption, the requesting stockholder or his or her estate, heir or beneficiary will be required to certify to the Company that the stockholder either (1) acquired the shares to be repurchased directly from the Company and no direct or indirect transfer of the shares has occurred since the stockholder acquired the shares from the Company, or (2) acquired the shares from the original stockholder, directly or indirectly, by way of one or more transactions that were not for cash (or other consideration) in connection with a non-taxable transaction, including transactions for the benefit of a member of the original stockholder's immediate or extended family (including the original stockholder's spouse, parents, siblings, children or grandchildren and including relatives by marriage) through a transfer to a custodian, trustee or other fiduciary for the account of the original stockholder or members of the original stockholder's immediate or extended family in connection with an estate planning transaction, including by bequest or inheritance upon death or operation of law.

The Company believes the limitation in the paragraph above is fair and reasonable to its stockholders. The Company intends to conduct a continuous offering of an unlimited amount of Class A, Class W and Class I shares of common stock over an unlimited time period, with NAV-based pricing. Thus, purchasers of Class A, Class W and Class I shares in secondary market transactions and/or tender offers will benefit from purchasing through such channels only when a discount may be obtained from NAV. Class A, Class W and Class I stockholders are likely to sell shares at a discount to NAV only if the Company is unable to provide sufficient liquidity through the New Redemption Plan (e.g., if it has been suspended in a time of strain). With respect to non-traded REITs, stockholders acquiring their shares other than through the issuer generally acquire them in limited secondary markets and tender offers at purchase prices that are below (and in some cases substantially below) the value of the shares, by taking advantage of the limited liquidity of the shares. The Company does not believe that Class A, Class W and Class I stockholders that purchase shares outside of the Offering at a discount to NAV should be entitled to redeem their shares at NAV, as this would be to the detriment of all other stockholders. Such purchasers may look to sell their Class A, Class W and Class I shares through similar channels through which the shares were acquired, likely with similar discount pricing.

Disclosure

The Company does not intend to publicize separately the existence of the New Redemption Plan or engage in any activity to encourage Class A, Class W and Class I stockholders to submit requests to redeem their shares other than required disclosures under federal securities laws, disclosure in offering materials used in connection with the Offering and the Class E DRIP Offering, communications to Class E stockholders regarding the Offering and the New Redemption Plan, procedural/redemption price disclosure in stockholder communications and the daily providing of NAV per share on the Company's website and toll-free information line. Neither the Company nor any of its affiliates will make any recommendation to holders of shares of the Company's common stock as to whether to participate in the New Redemption Plan. The prospectus for the Offering will contain a comprehensive description of all terms, conditions and features of the New Redemption Plan and will be updated to reflect any material modifications made during the Offering; thus, with the exception of price, any Class A, Class W or Class I investor will have all of the material information necessary to make a redemption decision at the time they purchase common stock.

LEGAL DISCUSSION

Reasons for No-Action Relief

Other than insignificant differences, two features of the New Redemption Plan are different from

the Clarion NAV Redemption Plan: (1) the redemption limitation for each share class during any given calendar quarter is based on the NAV of such class of shares as of the last day of the previous calendar quarter and (2) as described further below, the Company's board of directors may choose whether the restriction in item (1) above applies to "net redemptions" or "gross redemptions."

In the Clarion NAV Redemption Plan, the limitation described in item (1) above is a strict aggregate limit, across all share classes and the feature in item (2) above does not exist because the Clarion NAV Redemption Plan always bases its restrictions on net redemptions in a quarter. These distinct features of the New Redemption Plan are also not present in the redemption plans of ARC I or Cole, for each of which no-action relief was recently granted by the Staff.⁷

The difference described in item (1) above was designed by the Company to preserve a certain level of liquidity for each of the Class A, Class W and Class I share classes under the New Redemption Plan, without letting redemptions by holders of one class affect the redemptions by holders of another class.

With respect to the difference described in item (2) above, the flexibility with respect to whether the Quarterly Cap applies to net redemptions or gross redemptions is designed to allow the board of directors to provide more or less liquidity to Class A, Class W and Class I stockholders, based on such factors as the Company's capital resources, other potential uses of the Company's capital, the demand for redemptions and the interests of all stockholders. This flexibility will be built into the New Redemption Plan and fully disclosed to Class A, Class W and Class I stockholders. Furthermore, the Company will not switch from net redemptions to gross redemptions, or vice versa, unless it provides notice to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, at least 10 days before the first business day of the quarter for which the new test will apply. If and when the board of directors chooses to apply the Quarterly Cap to net redemptions as opposed to gross redemptions, the Company will be able to provide greater liquidity to its stockholders without requiring the Company to allocate a greater portion of its portfolio to cash, cash equivalents and other liquid assets that typically produce a lower return than the types of assets in which the Company invests, which include real properties and real estate-related debt and securities. Thus, stockholders may benefit from greater liquidity because of greater redemption capacity, particularly during periods in which the Company sells a substantial amount of shares in the Offering.

The Company believes that regardless of whether the Quarterly Cap applies to net redemptions or gross redemptions, the New Redemption Plan is fair to all Class A, Class W and Class I stockholders, large and small alike. First, absent a waiver, the Company's charter prohibits stockholders from owning more than 9.8% of the Company's common stock, which prevents any stockholder from owning too significant a portion of the Company's equity and potentially absorbing a disproportionately large portion of the availability under the New Redemption Plan. Second, shares are redeemed on a first-come, first-serve basis, and redemption requests received on a day the Quarterly Cap is reached will be redeemed *pro rata*. This ensures that all Class A, Class W and Class I stockholders have equal access to redemptions under the New Redemption Plan. The Company believes these features of the New Redemption Plan cause the plan to be fair to all Class A, Class W and Class I stockholders.

We respectfully submit that the features (1) and (2) described above should not be an obstacle to granting no-action relief to the Company for operation of the New Redemption Plan because we do not believe that redemptions pursuant to the New Redemption Plan implicate the concerns that the issuer tender offer rules were adopted to address. Specifically, the New Redemption Plan, which offers stockholders no premium, has no set termination date and provides stockholders with adequate substantive disclosure upon which to base a decision to redeem, will not have the effect of pressuring uninformed stockholders to redeem their shares.

⁷ See ARC SEC No-Action Letter (July 21, 2011) and Cole SEC No-Action Letter (December 6, 2011).

The Company has adopted its NAV-based pricing methodology with the objective of having its Class A, Class W and Class I shares sold and redeemed daily (during normal operation) at a price that reflects a fair and accurate estimate of the value of the Company's assets or the price that would be received for the assets in an arm's-length transaction between market participants, less the Company's liabilities. Absent extraordinary circumstances, the price at which the Company sells new shares and redeems outstanding shares will not be affected by the volume of sales and redemptions. Stockholders could request redemption of all or a portion of their shares on any business day. However, if a significant and/or protracted imbalance develops between sales and redemptions or if other circumstances arise in which the board of directors determines that action is necessary, then the board of directors maintains the discretion to take action to ensure viability of the investment for continuing stockholders.

Redemptions under the New Redemption Plan will not be solicited by the Company and will not be made with the purpose of trading in, and should not have the effect of manipulating or raising the offering price of, the Company's common stock. Although Class A, Class W and Class I stockholders of the Company will be made aware of the availability of the New Redemption Plan at the time they purchase their shares by means of prospectus disclosure and will be informed in writing of any changes to the New Redemption Plan, the Company will not affirmatively solicit participation by its Class A, Class W and Class I stockholders in the New Redemption Plan. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company.

The role of the Company in effectuating redemptions under the New Redemption Plan will be ministerial and will merely facilitate the stockholders' decision to exit from their investment in the Company. Shares redeemed by the Company will become authorized but unissued shares and will not be resold to the public unless their sale is first registered with the Commission under the Securities Act and under appropriate state securities laws or otherwise sold in compliance with such laws. The Company will terminate the New Redemption Plan in the event the Class A, Class W and Class I shares are listed on a national securities exchange or included for quotation on a national securities market, or in the event a secondary market for the Company's Class A, Class W and Class I shares develops. However, the Company does not intend to list its Class A, Class W and Class I shares for trading on any exchange or other trading market and does not expect that a secondary trading market will develop.

Rule 13e-4 – No-Action Request

Rule 13e-4

Pursuant to Rule 13e-4 under the Exchange Act, an issuer with equity securities registered under Section 12 of the Exchange Act or that is required to file periodic reports with the Commission pursuant to Section 15(d) is required, in connection with any tender offer for its own equity securities, to make certain disclosures and comply with other procedures with respect to such offers. The provisions of Rule 13e-4 are intended to prevent fraudulent, deceptive or manipulative acts in connection with issuer tender offers, principally the time pressure and inadequate disclosures present in coercive tender offers.

The New Redemption Plan is not an Issuer Tender Offer

We believe that the New Redemption Plan is not an "issuer tender offer" subject to Rule 13e-4. We reach this conclusion based on an analysis of the factors expressed in *Wellman v. Dickinson*, 475 F. Supp. 783 (S.D.N.Y. 1979), and applied in subsequent cases by the Commission and its Staff in determining what constitutes a tender offer. Because Class A, Class W and Class I stockholders will be aware of the New Redemption Plan at the time of purchase and access to the NAV per share of each class through the Company's website and toll-free information line, stockholders do not require additional information regarding the New Redemption Plan at the time they decide to make a redemption request. Because the New Redemption Plan is not a tender offer, the structural protections generally afforded to stockholders in a tender offer under the tender offer rules are unnecessary for the protection of investors.

We also believe that the New Redemption Plan does not raise the same tender offer concerns under Rule 13e-4 that are addressed in the no-action requests by other non-listed REITs for redemption plans that offer periodic redemptions for limited numbers of shares at an arbitrary fixed price. We believe the perpetual-life structure of the New Redemption Plan reduces the pressure on stockholders with respect to making a redemption request. There will not be a limited time period in which to request redemption. Stockholders may elect to redeem all or a portion of their shares throughout the continuous offering, which has no anticipated termination date, at the daily NAV per share. As discussed above, this structure is very similar to an open-end mutual fund to which the tender offer rules do not apply.

Although Class A, Class W and Class I stockholders will not know the precise redemption price (the NAV per share of the class of shares being redeemed) at the time they request redemption because of the forward-pricing model previously described, they will know the NAV per share of the class of shares being redeemed as of the previous day and all preceding days during the Offering as may be of interest to them. By reviewing this information, stockholders will be able to anticipate the approximate price applicable to their redemption based on their evaluation of the degree of recent historical pricing volatility. In addition and as described above under “The New Redemption Plan – Timing and Settlement,” a stockholder may cancel a redemption request before it has been processed by notifying a customer service representative available on the Company’s toll-free information line. The shares are not subject to the same market supply and demand pressures as securities listed on an exchange or traded over the counter where the price of a security fluctuates based on the supply and demand of a security. Without these market pressures and because the price is based on the Company’s NAV, the Company believes that material fluctuations in the NAV per share on a day-to-day basis are unlikely.

The Company further believes that material fluctuations in NAV are unlikely because the bulk of the Company’s investments are and will continue to be direct ownership of stabilized commercial real estate properties (which are generally not subject to volatile price fluctuations), consisting of a broadly diversified portfolio by geography, property sector and type and tenant base (which should reduce the effect of price variances in any one subset of assets). Thus, it is unlikely the redemption price of the Company’s shares will materially fluctuate from one day to the next and the redemption price for the prior business day is likely to serve as a good indicator of the redemption price the stockholder will actually receive.

Additionally, the fact that the Company and its stockholders will not know the exact redemption price at the time of a redemption request will be disclosed to Class A, Class W and Class I stockholders, along with all other terms of the New Redemption Plan, at the time they purchase shares and make their investment decision.

Analysis of the Wellman Factors

An analysis of the *Wellman* factors demonstrates that the New Redemption Plan should not be viewed as a tender offer.⁸ Set forth below is an application of these factors to the New Redemption Plan.

- (i) *Active and widespread solicitation of public stockholders for the shares of an issuer.* The Company will not engage in an active and widespread solicitation for the redemption of its shares. Disclosure of the terms of the New Redemption Plan will appear in the prospectuses for the Offering and the Class E DRIP Offering and in certain communications to stockholders (including Class E stockholders) describing the New Redemption Plan or any material changes in the New Redemption Plan. The Company

⁸ The absence of one particular factor does not necessarily mean the non-existence of an issuer tender offer because, depending upon the circumstances involved in the particular case, one or more of the factors may be found more compelling and determinative than the others. See *Wellman v. Dickinson*, 475 F. Supp. 783, 824 (S.D.N.Y. 1979).

does not intend to make any other significant public communications about the New Redemption Plan except as contained in or related to the Offering and Class E DRIP Offering prospectuses and supplements, offering materials used in connection with the Offering and Class E DRIP Offering, required communications in reports filed under the Exchange Act, the providing of the daily NAV per share of each class of shares on the Company's website and toll-free information line, and communications required by the plan itself. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company. The Company will not solicit or encourage stockholders to request redemption of their shares. The role of the Company in effectuating redemptions under the New Redemption Plan will be ministerial and will merely facilitate the stockholder's full or partial exit from its investment in the Company.

- (ii) *The offer to purchase is made at a premium over the prevailing market price.* No premium will be paid over the prevailing market price by the Company for the shares redeemed. The offering price of Class A, Class W and Class I shares in the Offering will be the daily NAV per share for each class of shares, plus, for Class A shares purchased in the primary portion of the Offering only, applicable selling commissions, and the redemption price will be the daily NAV per share of the class of shares being redeemed. Subject to limited exceptions, shares redeemed within 365 days of the date of purchase will be subject to a short-term trading discount equal to 2% of the aggregate NAV per share of the shares being redeemed. Further, there is no established regular trading market for the Company's Class A, Class W and Class I shares of common stock. The New Redemption Plan will be terminated in the event the Company's Class A, Class W and Class I shares are listed on a national securities exchange or included for quotation in a national securities market. Because there is no trading market and the offering price and redemption price are equal (with the exception that no selling commission is included in the calculation of the redemption price), this factor does not apply.
- (iii) *The solicitation is made for a substantial percentage of the issuer's stock.* As noted above, the Company will not be soliciting redemptions under the New Redemption Plan, so the Company cannot be viewed as making a solicitation for a substantial percentage of its shares. Numerous no-action letters have been issued to non-listed REITs with redemption plans similar to the New Redemption Plan, except that those plans generally limit redemptions to 5% of the outstanding shares, measured at the beginning of the prior 12-month period. Other than the "five per centum" threshold contained in Section 14(d)(1) of the Exchange Act, we are not aware of any authority that defines what constitutes a "substantial percentage" of an issuer's stock. However, we believe that concluding that the New Redemption Plan does not constitute an issuer tender offer subject to Rule 13e-4 does not hinge on the presence of a 5% limitation on the number of shares of the Company that can be redeemed over a 12-month period.

The Clarion NAV Redemption Plan described in the Clarion Plan No-Action Letters limits net redemptions in any calendar quarter to 5% of the combined NAV of both classes of shares as of the last day of the previous calendar quarter. The New Redemption Plan of the Company will have a similar limitation, with net redemptions or gross redemptions (depending on which option the Company's board of directors has chosen) of each of the Class A, Class W and Class I share classes during any given calendar quarter limited to the amount of shares of such class with an aggregate value (based on the redemption price per share on the day the redemption is effected) of up to 5% of the NAV of such class of shares as of the last day of the previous calendar quarter.

The Company intends to raise capital through a continuous public offering and to use the net proceeds to invest in real properties and real estate-related debt and securities, to

potentially pay down existing debt financings, to repurchase shares of common stock and for general corporate purposes. Redeeming shares decreases funds available for other purposes and reduces net assets, which creates a disincentive for the Company to redeem shares. The New Redemption Plan merely provides Class A, Class W and Class I stockholders with a means of liquidity in respect of their investment, as discussed previously in this letter. The New Redemption Plan does not exist for the same reasons for which issuers typically conduct tender offers.

- (iv) *The terms of the offer are firm, rather than negotiable.* The terms of the New Redemption Plan are firm with respect to the process by which Class A, Class W and Class I stockholders may request redemption. While the redemption price is not negotiable, it is not fixed at the same amount for the duration of the New Redemption Plan, but rather it is determined each day using an established methodology to arrive at NAV per share. In addition, while the board of directors will have flexibility to decide whether the Quarterly Cap applies to net redemptions or gross redemptions, this flexibility will be disclosed to stockholders and, in order to change the test, the Company will provide notice to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, at least 10 days before the first business day of the quarter for which the new test will apply.

The Company believes, however, that the possible existence of this factor does not compel the finding of a tender offer because the firmness of the terms of the New Redemption Plan will not increase pressure on Class A, Class W and Class I stockholders to redeem their shares. The pressure on stockholders that Rule 13e-4 attempts to eliminate is that which is caused by "a high premium with the threat that the offer will disappear as of a certain time."⁹ Where these factors exist, firmness in the terms of the offer may have the effect of exacerbating the pressure. However, as previously discussed, the New Redemption Plan will not offer stockholders a premium for their shares and the Company intends that the New Redemption Plan will exist indefinitely (subject to the authority of the board of directors in its reasonable discretion to modify, suspend or terminate the plan).

In fact, the uniform NAV-based price should have the effect of mitigating pressure because Class A, Class W and Class I stockholders will know that they can request to have their shares redeemed at the NAV per share at any time (subject potentially to a short-term trading discount). The Company will not have discretion in the determination of the redemption price, contrary to an issuer tender offer. In a typical tender offer, the offeror conceivably has both an incentive and the ability to set the offer price at a level that will maximize the chances of obtaining the desired volume of tenders, while minimizing the overall premium paid. Conversely, the Company, absent extenuating circumstances, will apply, day in and day out, the same comprehensive set of valuation procedures to ascertain the NAV per share. Therefore the daily redemption price under the New Redemption Plan will be based upon criteria that are beyond the day-to-day control of the Company.

- (v) *The offer is contingent on the tender of a fixed number of shares.* The New Redemption Plan is not contingent on a fixed number of shares being redeemed. Class A, Class W and Class I stockholders may choose to redeem none, all or a portion of their shares (subject to the Company's ability to redeem all of the shares held by that stockholder at the redemption price in effect on the date it determines that the stockholder has failed to meet the \$2,000 minimum balance, less any applicable short-term trading discounts

⁹ See *Brascan Ltd. v. Edper Equities Ltd.*, 477 F. Supp. 773, 792 (S.D.N.Y. 1979).

unless waived).

- (vi) *The offer is open only for a limited period of time.* The New Redemption Plan is open for an indefinite period. The risk of manipulation and pressure to sell typically associated with tender offers are not present in the New Redemption Plan. This feature of the New Redemption Plan makes it most unlike a tender offer.
- (vii) *The offeree is subjected to pressure to sell.* As noted above, the Company will not encourage, invite, solicit or in any way pressure stockholders to participate in the New Redemption Plan. The role of the Company in effectuating redemptions under the New Redemption Plan will be purely ministerial. Because the New Redemption Plan has no set termination date, stockholders will not feel rushed to make decisions regarding participation in the plan. Redemptions under the New Redemption Plan are on a first-come, first-serve basis during each calendar quarter because stockholder redemptions will be paid promptly. If the full amount of shares of any of the Class A, Class W and Class I classes of common stock requested to be redeemed as of any given date cannot be redeemed due to the Quarterly Cap for such class or lack of readily available funds, available funds will be allocated *pro rata*. Unless the board of directors determines to modify, suspend or terminate the New Redemption Plan, the New Redemption Plan with respect to such class of shares will automatically and without stockholder notification resume normal operation on the first day of the calendar quarter following the quarter in which the Quarterly Cap was reached. After the Quarterly Cap has been reached in a quarter with respect to any class of common stock, any unsatisfied portion of a redemption request must be resubmitted after the start of the next quarter.

The combination of (1) disclosure of the New Redemption Plan at the time of the original investment decision, (2) the daily regularity of redemptions, (3) the comprehensive valuation procedures for determining NAV, and (4) "forward-pricing" to minimize damage to long-term investors from market timing and opportunistic behavior by existing or new stockholders, collectively should act to decrease pressure on Class A, Class W and Class I stockholders. The Company acknowledges that some features of the New Redemption Plan may, to a limited extent, encourage a stockholder to redeem shares at a particular time given the perpetual-life structure of the plan. Stockholders may feel pressure to redeem shares if the daily NAV per share reaches a certain level at which stockholders may realize an attractive return above the amount of their initial investment. Or stockholders may feel pressure to redeem if they believe the Company may receive redemption requests in a calendar quarter in excess of the Quarterly Cap for that quarter. However, we do not believe that these pressures are the types of pressures placed on offerees in a tender offer as contemplated by this factor or which the tender offer rules were intended to address. As noted, the features of the New Redemption Plan will be first disclosed to Class A, Class W and Class I stockholders when they make their initial decision to invest in the Company. As such, other than at the time the New Redemption Plan is adopted, a certain amount of time is likely to pass between when Class A, Class W and Class I stockholders learn about the plan and when they may decide to participate in the plan. Additionally, the pressures inherent in the plan noted above exist regardless of whether the price for redemptions is established daily according to the NAV or monthly or quarterly by the board of directors as is the case in other redemption plans for which no-action relief has been granted by the Commission.

- (viii) *A public announcement of an acquisition program prior to the accumulation of stock by a purchaser, followed by a rapid accumulation of a large amount of securities.*¹⁰ The intent

¹⁰ The *Wellman* case did not include this eighth factor but acknowledged the Commission had listed an eighth factor

of the New Redemption Plan is to afford the Company's Class A, Class W and Class I stockholders with liquidity, not for the Company to re-acquire its own shares. It is possible that the Company, subject to the New Redemption Plan's limitations, may redeem a significant number of shares over a short time pursuant to the New Redemption Plan depending on stockholders' decisions to exit the investment. Any such shares redeemed by the Company, however, would not be deemed outstanding for purposes of receiving dividends or voting on matters submitted to stockholders.

The Company will describe the New Redemption Plan in the Offering and Class E DRIP Offering prospectuses and related offering materials, in communications to existing Class E stockholders, and when required in filings made pursuant to the Exchange Act. The Company will also make public communications describing any modification, suspension or termination of the New Redemption Plan, or if the application of the Quarterly Cap is switched from net redemptions to gross redemptions or vice versa. The Company will also file prospectus supplements as required by the Securities Act disclosing the NAV per share of each class of shares and provide each day the NAV per share of each class of shares on its website and toll-free information line. During any quarter in which the Company has reached that quarter's redemption Quarterly Cap with respect to any class of common stock, the Company will promptly publicly disclose such fact through a filing with the Commission and a posting on the Company's website in order to notify stockholders of such class that the Quarterly Cap has been reached and when redemptions will resume. The Company believes, however, that the New Redemption Plan is not characteristic of a publicly announced acquisition plan which is followed by a rapid accumulation of a large amount of shares. Though disclosure of the New Redemption Plan as described above constitutes a public announcement of its existence and precedes any redemption, the Company believes that any significant redemption of shares that might occur will not be driven by pressure exerted by the Company, as the New Redemption Plan imposes no deadline and offers no premium. Rather, any such accumulation would occur solely as a result of stockholders opting to exit from the investment at a particular NAV per share of their own volition, without pressure or prompting by the Company, which is not the type of untoward pressure the tender offer rules were designed to prohibit. Several courts have agreed that offers without a deadline or premium are not tender offers within the meaning of Rule 13e-4, as stockholders are not subjected to the pressure the rule was designed to mitigate.¹¹

Based on analysis of the eight factors discussed above, the Company believes that redemptions of Class A, Class W, Class I shares of the Company's common stock pursuant to the New Redemption Plan would not implicate the concerns that the issuer tender offer rules were intended to address.

The New Redemption Plan Withstands a "Totality of Circumstances" Analysis

We also note that some courts have rejected a rigid application of the *Wellman* test and have, instead, applied what the Company considers a reasonable "totality of circumstances" analysis.¹² This

in *Hoover v. Fuqua Industries, Inc.* See *Wellman*, 475 F. Supp. at 824.

¹¹ See *Panter v. Marshall Field & Co.*, 646 F.2d 271, 286 (7th Cir. 1981) (ruling that where no deadline and no premium existed, stockholders "were simply not subjected to the proscribed pressures the Williams Act was designed to alleviate"); *Brascan*, 477 F. Supp. at 792 (ruling that without high premium and threat that the offer will disappear, a solicitation for a large percentage does not represent the kind of pressure the Williams Act was designed to prevent); and *Kennecott Copper Corp. v. Curtiss-Wright Corp.*, 449 F. Supp. 951, 961 (S.D.N.Y. 1978) (ruling that where no deadline and no premium existed, no pressure was exerted on the stockholders), *aff'd in relevant part, rev'd in part*, 584 F.2d 1195, 1207 (2d Cir. 1978).

¹² See *Hanson Trust PLC v. SCM Corp.*, 774 F.2d 47 (2d Cir. 1985); see also *Pin v. Texaco Inc.*, 793 F.2d 1448, 1454 (5th Cir. 1986) (applying same analysis to issuer tender offer case).

analysis looks to all the circumstances surrounding the transaction to determine whether the chief objectives of the tender offer regulations and rules are being met, specifically, to remove the element of secrecy and undue pressure associated with such transaction, and to provide stockholders with adequate information to make an informed investment decision in connection therewith.¹³

We believe that the New Redemption Plan withstands such a “totality of circumstances” analysis. Class A, Class W and Class I stockholders will be provided full disclosure of the plan before they purchase shares and invest in the Company and will be informed that participation in the New Redemption Plan will be their only viable liquidity option if they want to sell their shares. In addition, the perpetual-life structure of the New Redemption Plan eliminates any undue pressure on stockholders that is typical in tender offers. The Company is of the opinion that the protections afforded stockholders by the tender offer rules are not needed for stockholders who participate in the New Redemption Plan. We do not believe that a “substantial risk of ill-considered sales” made “by ill-informed shareholders” will exist for redemptions under the New Redemption Plan if the Rule 13e-4 procedural protections are not implemented.¹⁴

Finally, courts have specifically mentioned full disclosure of the time in which to make investment decisions, withdrawal rights, and requirements for *pro rata* purchases of shares accepted in the event the offer is oversubscribed when referring to the substantive and procedural protections provided by Rule 13e-4.¹⁵ We note that these protections are already inherent in the New Redemption Plan even if Rule 13e-4 is inapplicable. Accordingly, we believe that under a “totality of circumstances” analysis, stockholders of the Company are not the “particular class of persons [that] need the protection of” the tender offer rules with respect to the New Redemption Plan.

Rule 13e-4 No Action Request

We respectfully request that the Staff confirm that it will not recommend that the Commission take enforcement action under Rule 13e-4 with respect to redemptions of Class A, Class W or Class I shares of the Company’s common stock made under the New Redemption Plan. The New Redemption Plan is substantially similar to the Clarion NAV Redemption Plan for which the Division of Corporate Finance granted no-action relief in the Clarion Plan No-Action Letters¹⁶ other than (1) the difference designed by the Company to preserve a certain level of liquidity for each of the Class A, Class W and Class I share classes under the New Redemption Plan, without letting redemptions by holders of one class affect the redemptions by holders of another class, and (2) the difference designed to allow the board of directors to provide more or less liquidity to Class A, Class W and Class I stockholders, based on such factors as the Company’s capital resources, other potential uses of the Company’s capital, the demand for redemptions and the interests of all stockholders. We do not believe these differences impact the analysis included in the Clarion Plan No-Action Letters. Factors we believe that address these objectives and support this request include:

- All material information relating to the New Redemption Plan will be fully and timely disclosed to all Class A, Class W and Class I stockholders. The terms of the New Redemption Plan will be fully disclosed in the Offering prospectus as well as any prospectus used for subsequent offerings of Class A, Class W and Class I shares, and the NAV per share for each class will always be available on the Company’s website and toll-free information line.
- The Company will not engage in an active and widespread solicitation for the redemption of its

¹³ See, e.g., *Wellman*, 475 F. Supp. at 821-23; *Pin*, 793 F. 2d at 1454; and *Hanson Trust*, 774 F.2d at 54-56.

¹⁴ See *Hanson Trust*, 774 F.2d at 58.

¹⁵ See *SEC v. Carter Hawley Hale Stores, Inc.*, 760 F.2d 945, 949 (9th Cir. 1985).

¹⁶ See Clarion Partners SEC No-Action Letters (May 17, 2011 and February 24, 2012).

Class A, Class W and Class I shares. The New Redemption Plan will be described in the prospectuses for the Offering and the Class E DRIP Offering, as well as in communications to Class E stockholders at the time the New Redemption Plan is adopted. The Company will not make any other significant public communications about the New Redemption Plan except as contained in or related to the Offering and Class E DRIP Offering prospectuses and supplements, offering materials used in connection with the Offering and Class E DRIP Offering, required communications in reports filed under the Exchange Act, the providing of the daily NAV per share of each class of shares on the Company's website and toll-free information line, and communications required by the plan itself. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company. The role of the Company in effectuating redemptions under the New Redemption Plan will be ministerial.

- During the Offering, Class A, Class W and Class I shares will be redeemed daily (during normal operation) under the New Redemption Plan at the daily NAV per share of the class of shares being redeemed, and the Company will file prospectus supplements with the Commission with such frequency as is required by the Securities Act disclosing the historical NAV per share of each class of shares and also provide each day the NAV per share of each class of shares on its website and toll-free information line.
- Class A, Class W and Class I share redemptions will be made on a daily basis (during normal operation). The redemption price normally will be paid in cash no later than three business days following a redemption request and be the same for all shares of the same class redeemed on a given day.
- Net redemptions or gross redemptions (depending on which option the Company's board of directors has chosen) of each of the Class A, Class W and Class I share classes under the New Redemption Plan are limited in any calendar quarter to the amount of shares of such class with an aggregate value (based on the redemption price per share on the day the redemption is effected) of up to 5% of the NAV of such class of shares as of the last day of the previous calendar quarter. In order for the board of directors to change the application of the Quarterly Cap from net redemptions to gross redemptions or vice versa, the Company will provide notice to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, at least 10 days before the first business day of the quarter for which the new test will apply. The Quarterly Cap will be monitored each business day by the Company based on reports from its transfer agent, which will provide daily updated information on the proceeds from sales of new shares and the amounts paid by the Company to redeem shares. During any quarter in which the Company has reached that quarter's redemption Quarterly Cap with respect to any class of common stock, the Company will promptly publicly disclose such fact through a filing with the Commission and a posting on the Company's website in order to notify stockholders of such class that the Quarterly Cap has been reached and when redemptions will resume.
- Redemptions under the New Redemption Plan are on a first-come, first-serve basis during each calendar quarter given that stockholder redemptions will be paid promptly; all redemption requests received on a day the Quarterly Cap with respect to a class is reached, however, will be redeemed *pro rata*.
- Class A, Class W and Class I stockholders may cancel any redemption request submitted before 4:00 p.m. (Eastern time) on a business day before 4:00 p.m. on the same day by notifying a customer service representative at the Company's toll-free information line.
- Material modifications, including any reduction to the quarterly limitation on redemptions, and

suspensions or termination will be disclosed to stockholders in a prospectus supplement or special or periodic report filed by the Company, as well as in a press release or on the Company's website, and, as required by the Securities Act, in post-effective amendments to its Registration Statement.

- There will be no established regular trading market for the Company's Class A, Class W and Class I shares of common stock. The New Redemption Plan will be terminated in the event the Company's Class A, Class W and Class I shares are listed on a national securities exchange or included for quotation in a national securities market, or in the event a secondary market for the Company's Class A, Class W and Class I shares develops.
- The New Redemption Plan is intended to remain indefinitely open for the life of the Company unless modified, suspended or terminated by the board of directors. The Company has no finite date set for liquidation and no intention to list its Class A, Class W and Class I shares for trading on an exchange or other trading market.
- The New Redemption Plan is open to all Class A, Class W and Class I stockholders that purchased their shares from the Company, although those who have held their shares for less than 365 days will be subject to a 2% short-term trading discount which is intended to offset the cost to the Company of short-term trading in shares and discourage market timing, so as to align the interests of all stockholders of the Company.

The Company believes the New Redemption Plan as proposed would not result in the potential for the abuses Rule 13e-4 was intended to prevent and should not be subject to Rule 13e-4. Rather, the Company believes it would be a disservice to stockholders if the New Redemption Plan were not implemented.

Rule 13e-3 - Does Not Apply

Rule 13e-3 should not apply to the New Redemption Plan. Rule 13e-3 governs, among other transactions described in paragraph (a)(3)(i) of the rule, purchases of an equity security by the issuer of such security or by an affiliate of such issuer which has either a reasonable likelihood or a purpose of producing, either directly or indirectly, a "going private" transaction as described in paragraph (a)(3)(ii) of the rule. The New Redemption Plan is not being undertaken for the purpose of causing the Company's Class A, Class W and Class I shares to become eligible for termination of registration under Rule 12g-4 or Rule 12h-6 or causing the Company's reporting obligations to become eligible for termination under Rule 12h-6 or suspension under Rule 12h-3 or Section 15(d) of the Exchange Act. Moreover, there is not a reasonable likelihood that any of the foregoing effects would result from the operation of the New Redemption Plan insofar as the New Redemption Plan has limitations for the amount of redemptions that may be made in each calendar quarter and the Company intends to operate as an perpetual-life vehicle with no finite date set for liquidation by conducting a continuous offering of an unlimited amount of its Class A, Class W and Class I shares that will be registered under the Securities Act in compliance with Rule 415 under the Securities Act over an unlimited time period. If the extent of redemptions under the New Redemption Plan, after considering offers and sale of new shares as part of such continuous offering, were such that any of the effects described in paragraph (a)(3)(ii)(A) of Rule 13e-3 becomes reasonably likely, then the board of directors will undertake to modify, suspend or terminate the New Redemption Plan.

If you have any questions or need any additional information, please do not hesitate to contact me at (919) 786-2002.

Very truly yours,

/s/ ROBERT H. BERGDOLT

Robert. H. Bergdolt

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