



DIVISION OF
CORPORATION FINANCE

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

September 1, 2017

**Response of the Office of Mergers and Acquisitions
Division of Corporation Finance**

Christopher R. Stambaugh, Esq.
DLA Piper LLP (US)
4141 Parklake Avenue, Suite 300
Raleigh, North Carolina 27612-2350

**Re: Black Creek Diversified Property Fund Inc.
Request for No-Action Relief Under Rule 13e-4**

Dear Mr. Stambaugh:

We are responding to your letter dated September 1, 2017, addressed to Ted Yu and Daniel F. Duchovny, as supplemented by telephone conversations with the staff, with regard to your request for no-action relief. To avoid having to recite or summarize the facts set forth in your letter, we attach the enclosed copy of your letter. Unless otherwise noted, capitalized terms in this response letter have the same meanings as in your letter dated September 1, 2017.

On the basis of the representations and the facts presented in your letter and your belief that the proposed transaction does not constitute an issuer tender offer subject to Exchange Act Rule 13e-4, the staff of the Division of Corporation Finance will not recommend enforcement action under Rule 13e-4 if the Company repurchases shares from its stockholders under the New Redemption Program in the manner described in your letter. In issuing this no-action letter, we considered the following facts, among others:

- all material information relating to the New Redemption Program will be fully and timely disclosed to all stockholders. The terms of the New Redemption Program will be fully disclosed in the prospectus as well as any prospectus used for subsequent offerings, and the Transaction Price and 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 shares. Disclosure of the terms of the New Redemption Program will appear in the prospectuses for the Offering and the Class E DRIP Offering and in certain communications to existing stockholders and their financial advisors describing the New Redemption Plan, and any communications to stockholders identifying future changes to the plan will be communicated through reports the Company files with the SEC, a press release or via the Company's website. The

Company will not make any other significant public communications about the New Redemption Program except as contained in or related to the Offering and Class E DRIP Offering prospectus 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 monthly Transaction Price and 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 request repurchase of all or a portion of their shares 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 repurchases under the New Redemption Program will be ministerial;

- the shares will be repurchased monthly under the New Redemption Program at the Transaction Price, which will generally be equal to the most recently disclosed monthly NAV per share for the applicable class of shares, 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 month the Transaction Price and the NAV per share for each class of shares on its website and toll-free information line;
- repurchases will be made on a monthly basis. The repurchase price normally will be paid in cash no later than three business days following the last calendar day of the applicable month and will be the same for all shares of the same class repurchased on a given month;
- repurchases under the New Redemption Program will be limited in any calendar month to shares whose aggregate value (based on the repurchase price per share for the month the repurchase is effected) is 2% of the combined NAV of all classes of shares as of the last calendar day of the previous quarter and will be limited in any calendar quarter to shares whose aggregate value (based on the repurchase price per share for the month the repurchase is effected) is 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter;
- in addition, for both the aggregate and class-specific allocations described above, (i) provided the program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month and (ii) provided the program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month. Provided, that, in no event will such carry-over capacity permit the redemption of shares with aggregate value (based on the redemption price per share for the month the redemption is effected) in excess of 5% of the combined NAV of all classes of shares as of the last

- calendar day of the previous calendar quarter (provided that for these purposes redemptions may be measured on a net basis as described in your letter);
- net repurchases or gross repurchases (depending on which option the board of directors has chosen) under the New Redemption Program will be limited as described in your letter. In order for the board of directors to change the application of the limitation from net repurchases to gross repurchases or vice versa, the Company will provide notice to stockholders in a prospectus supplement or current or periodic report filed by the Company, as well as in a press release or on the Company's website, at least 10 calendar days before the first business day of the quarter for which the new test will apply;
 - if the monthly or quarterly volume limitation is reached in any given month or the Company determines to repurchase fewer shares than have been requested to be repurchased in any particular month, repurchases under the New Redemption Program for such month will be made on a *pro rata* basis;
 - stockholders may withdraw any repurchase request before the last calendar day of any month by notifying the Company's transfer agent on the Company's toll-free information line before 4:00 p.m. Eastern time on the last business day of the month;
 - material modifications, including any reduction to the monthly or quarterly limitations on repurchases, and suspensions of the New Redemption Program will be promptly disclosed in a prospectus supplement (or post-effective amendment if required by the Securities Act), or current or periodic report filed by the Company, as well as on the Company's website;
 - there will be no established regular trading market for the Company's common stock and the New Redemption Program will be terminated if the Company's 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 shares develops;
 - the New Redemption Program is intended to remain open indefinitely for the life of the Company unless modified or suspended by the board of directors;
 - the Company is structured as a perpetual-life entity and has no intention of listing its shares for trading on an exchange or other trading market; and
 - the New Redemption Program is open to all stockholders.

The foregoing no-action position is based solely on the representations and the facts presented in your letter dated September 1, 2017 and does not represent a legal conclusion with respect to the applicability of the statutory or regulatory provisions of the federal securities laws.

Christopher R. Stambaugh, Esq.
DLA Piper LLP (US)
September 1, 2017
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The relief is strictly limited to the application of the rule listed above to this transaction. You should discontinue this transaction pending further consultations with the staff if any of the facts or representations set forth in your letter change.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in this transaction. The Division of Corporation Finance expresses no view with respect to any other questions that this transaction may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, this transaction.

Sincerely,

/s/ Ted Yu

Ted Yu
Chief, Office of Mergers & Acquisitions
Division of Corporation Finance



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September 1, 2017

VIA E-MAIL

Mr. Ted Yu, Chief
Mr. Daniel F. Duchovny, 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: Black Creek Diversified Property Fund Inc.
Request for No-Action Relief Under Rule 13e-4**

Dear Messrs. Yu and Duchovny:

DLA Piper LLP (US) is counsel to Black Creek Diversified Property Fund Inc. (f/k/a Dividend Capital Diversified Property Fund 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 333-197767), initially filed with the Securities and Exchange Commission (the "SEC") on July 31, 2014, as amended from time to time (the "Registration Statement"), to register the offer and sale of up to \$1,000,000,000 of its shares of common stock (or "shares"), in a public offering (the "Offering"), of which \$750,000,000 of shares are expected to be offered to the public in a primary offering and \$250,000,000 of shares are expected to be offered to stockholders of the Company pursuant to a distribution reinvestment plan (subject to the Company's right to reallocate such amounts). On September 1, 2017, the Company filed Post-Effective Amendment No. 10 to the Registration Statement (the "Post-Effective Amendment"). Pursuant to the Post-Effective Amendment, the Company intends to revise the Offering such that, from and after the effective date of the Post-Effective Amendment, it will offer to the public four classes of common stock: Class T shares, Class S shares, Class D shares and Class I shares as set forth herein. The Company will offer to sell any combination of Class T shares, Class S shares, Class D shares and Class I shares in the Offering with a dollar value up to the remaining unsold maximum offering amount. The Post-Effective Amendment has not yet been declared effective by the SEC.

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.

On July 12, 2012, the Company commenced a new follow-on "best efforts" public offering of up to \$3,000,000,000 in shares of three new classes of common stock: Class A shares, Class W shares and Class I shares (the "Initial NAV Offering"). In connection with the Initial NAV Offering, the Company began calculating and reporting a daily net asset value ("NAV") per share and began referring to its unclassified shares of common stock as "Class E" shares to more easily distinguish them from the Class A, Class W and Class I shares. The Initial NAV Offering provided for the sale, on a daily basis, of new

Class A, Class W and Class I shares at a price equal to the daily NAV per share, plus, for Class A shares sold in the primary offering only, applicable selling commissions. NAV for each class of shares was 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 Initial NAV Offering was a Class A, Class W and Class I share redemption program (the "Class AWI Redemption Program"). Contemporaneous with the launch of the Initial NAV Offering, the staff of the Division of Corporation Finance of the SEC (the "Staff") granted the Company's request for no-action relief with respect to the Class AWI Redemption Plan 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").¹ The Class AWI Redemption Program has served as the sole source of liquidity for Class A, Class W and Class I stockholders since that time, while the Company has provided liquidity for Class E stockholders through a separate share redemption program (the "Class E Redemption Program") and/or through issuer tender offers for Class E shares.

The Company terminated the Initial Public Offering on September 15, 2015 and commenced the Offering on September 16, 2015 on substantially the same terms. Just as was the case in the Initial NAV Offering, the Offering provided for the sale, on a daily basis, of new Class A, Class W and Class I shares at a price equal to the daily NAV per share, plus, for Class A shares sold in the primary offering only, applicable selling commissions.

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 June 30, 2017, the Company owned a total of 51 operating real properties located in 19 geographic markets throughout the United States at a total gross investment amount of approximately \$2.3 billion comprising approximately 8.3 million net rentable square feet. As of June 30, 2017, the Company had debt related investments with a total net investment amount of approximately \$14.9 million.

The Company is externally managed by its advisor, Black Creek Diversified Property Advisors LLC (the "Advisor"). The dealer manager for the primary offering is Black Creek Capital Markets, LLC (the "Dealer Manager"), a 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.

The Company considers itself to be a perpetual-life investment vehicle. The Company has no finite date for liquidation and no current intention to list its 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 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 to enable the Company to provide current income to stockholders in the form of consistent cash distributions, while preserving and protecting invested capital, realizing capital appreciation and providing portfolio diversification.

¹ See Dividend Capital Total Realty Trust Inc., SEC No-Action Letter, 2012 WL 2903983 (July 12, 2012) [hereinafter Dividend Capital 2012 No-Action Letter].

SHARE RESTRUCTURING AND POST-EFFECTIVE AMENDMENT

On September 1, 2017, the Company amended its charter and restructured its outstanding share classes. The stockholder-approved charter amendment modified the number and terms of the classes of shares of the Company's common stock that it had outstanding and is authorized to issue. More specifically, instead of having unclassified shares (which the Company has referred to as "Class E" shares since 2012), Class A shares, Class W shares and Class I shares, following the charter amendment the Company now has formally designated Class E shares, Class T shares, Class S shares, Class D shares and a new version of Class I shares:

- Each issued and outstanding unclassified (or "Class E") share was changed into one issued and outstanding share of the Company's new formally designated Class E shares.
- Each issued and outstanding Class A share was changed into one issued and outstanding Class T share.
- Each issued and outstanding Class W share was changed into one issued and outstanding Class D share.
- The Company changed the terms of its Class I shares, so that each issued and outstanding Class I share was effectively changed into one issued and outstanding share of the Company's new version of Class I shares.
- The Company created a new class of common stock called Class S shares.

As described above, pursuant to the Post-Effective Amendment, the Company intends to revise the Offering such that, from and after the effective date of the Post-Effective Amendment, it will offer to the public four classes of common stock: Class T shares, Class S shares, Class D shares and Class I shares as set forth herein. The differences in the share classes relate to differences in upfront selling commissions, upfront dealer manager fees and ongoing distribution fees charged in the Offering. Sales of Class T shares will be subject to upfront selling commissions, upfront dealer manager fees and ongoing distribution fees; sales of Class S shares will be subject to upfront selling commissions and ongoing distribution fees, but not upfront dealer manager fees; sales of Class D shares will not be subject to upfront selling commissions or dealer manager fees but will be subject to ongoing distribution fees; and sales of Class I shares will not be subject to upfront selling commissions, upfront dealer manager fees or ongoing distribution fees. The ongoing distribution fees listed above are allocated on a class-specific basis and may differ for certain classes, even when the NAV of each class is the same. The allocation of ongoing distribution fees on a class-specific basis may result in different amounts of distributions being paid with respect to certain classes of shares. In addition, as a result of the different ongoing fees allocable to certain share classes, such classes could have a different NAV per share. If the NAV of the classes are different, then changes to the Company's assets and liabilities that are allocable based on NAV may also be different for each class.

After the restructuring, the Class I shares ceased being subject to ongoing fee allocations and therefore became economically identical to the Class E shares; these share classes differ only in the times and offerings in which they were offered and sold. Upon certain triggering events, Class T, Class S and Class D shares will also convert into Class I shares, and therefore no longer be subject to class-specific allocations of ongoing distribution fees.

In connection with the Post-Effective Amendment, the Company will begin to calculate and disclose the NAV per share for each of its classes on a monthly basis, rather than a daily basis. As amended by the Post-Effective Amendment, the Offering will provide for the sale, on a monthly basis, of Class T shares, Class S shares, Class D shares and Class I shares at a transaction price (the "Transaction Price"), determined on a monthly basis, which will generally be equal to the most recently

disclosed monthly NAV per share for the applicable class of shares, calculated by dividing the NAV for such class by the number of shares of such class outstanding as of the close of the last calendar day of each month (after giving effect to any share sales or redemptions to be effected for such month), plus applicable upfront selling commissions and dealer manager fees.² The Company may use a Transaction Price other than the most recently disclosed monthly NAV in cases where the Company believes there has been a material change (positive or negative) to the Company's NAV per share relative to the most recently disclosed monthly NAV per share. The NAV for each class of shares will be calculated at the close of the last calendar day of each month in accordance with valuation guidelines approved by the Company's board of directors.

In addition, in connection with the Post-Effective Amendment, the Company will adopt a new, single share redemption program for all holders of all classes of its common stock, whether Class E, Class T, Class S, Class D or Class I (the "New Redemption Program"). The New Redemption Program is a fundamental feature of the Offering, as it will serve as the primary source of liquidity for stockholders.³ Redemptions under the New Redemption Program will not be contingent on the sale of a certain number of shares in a given period. Holders of the Company's shares of our common stock will be offered the opportunity to request that the Company redeem their shares on a monthly basis at a price that may vary each month based on the Transaction Price, subject to a 5% discount for shares redeemed within one year of purchase. The New Redemption Program is similar to the Class AWI Redemption Program as well as other repurchase/redemption plans of other perpetual-life, non-listed REITs with respect to which the Staff has recently granted no-action relief relative to the issuer tender offer rules found in Rule 13e-4.⁴ Like these other REITs, the Company has been structured to address well-known shortcomings associated with traditional non-listed REITs, principally (1) lack of liquidity; (2) the rigidities implicit in a closed-end, finite-life, fixed price investment; and (3) high fees. The Company'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 investors 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. Shares redeemed by the Company will become authorized but unissued shares and will not be resold to the public unless their sale has been registered with the SEC under the Securities Act and under appropriate state securities laws or otherwise sold in compliance with such laws.

NO-ACTION REQUEST UNDER RULE 13e-4

The Company will adopt the New Redemption Program in an effort to provide stockholders with liquidity with respect to their investments in the Company's shares. The Company believes that many features of its New Redemption Program are substantially similar to those of the Class AWI Redemption

² As discussed herein the Company will also amend its current distribution reinvestment plan offering of Class E shares registered on Form S-3 (Registration Number 333-162636) filed on October 23, 2009, so that the purchase price for Class E shares will be equal to the Transaction Price for such class.

³ The New Redemption Program meets the conditions for exemption from Rule 102(a) of Regulation M, as articulated in the SEC'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).

⁴ See Rich Uncles NNN REIT, Inc., SEC No-Action Letter, 2016 WL 7404652 (Dec. 21, 2016) [hereinafter Rich Uncles 2016 No-Action Letter]; Blackstone Real Estate Income Trust, Inc., SEC No-Action Letter, 2016 WL 4730018 (Sept. 12, 2016) [hereinafter Blackstone 2016 No-Action Letter]; RREEF Property Trust, Inc., SEC No-Action Letter, 2013 WL 65987 (Jan. 4, 2013) [hereinafter RREEF 2013 No-Action Letter]; Jones Lang LaSalle Income Property Trust, Inc., SEC No-Action Letter, 2012 WL 5450035 (Oct. 11, 2012) [hereinafter Jones Lang 2012 No-Action Letter]; Dividend Capital 2012 No-Action Letter, *supra* note 1; Cole Real Estate Income Strategy (Daily NAV), Inc. SEC No-Action Letter, 2011 WL 6071983 (Dec. 6, 2011) [hereinafter Cole 2011 No-Action Letter]; American Realty Capital Daily Net Asset Value Trust, Inc. SEC No-Action Letter, 2011 WL 2938525 (July 21, 2011) [hereinafter American Realty 2011 No-Action Letter]; Clarion Partners Property Trust Inc. SEC No-Action Letter, 2012 WL 1999926 (Feb. 24, 2012) [hereinafter Clarion 2012 No-Action Letter]; and Clarion Partners Property Trust Inc. SEC No-Action Letter, 2011 WL 1999926 (May 17, 2011) [hereinafter Clarion 2011 No-Action Letter].

Program and the repurchase/redemption programs of other companies with respect to which the Staff has granted no-action relief relative to the issuer tender offer rules found in Rule 13e-4.

The features of the New Redemption Program are similar to the features of the repurchase/redemption programs with respect to which, as described above, the Staff has granted no-action relief, with certain variations described below that the Company does not believe impact the analysis of whether the New Redemption Program constitutes an issuer tender offer. The New Redemption Program provides for monthly redemptions, the redemption price will vary based on the Transaction Price of the class of shares being redeemed as of the opening of the redemption date, and the redemption of shares at the end of any calendar month will be limited to shares whose aggregate value (based on the redemption price per share for the month the redemption is effected) is 2% of the combined NAV of all classes as of the last calendar day of the previous quarter and in any calendar quarter will be limited to shares whose aggregate value (based on the redemption price per share for the month the redemption is effected) is 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter. In addition, every month and quarter each class of the Company's common stock will be allocated capacity within such aggregate limit to allow stockholders in such class to either (a) redeem shares equal to (based on the redemption price per share for the month the redemption is effected) at least 2% of the NAV of such share class as of the last calendar day of the previous quarter, or (b) redeem shares over the course of a given quarter equal to (based on the redemption price per share for the month the redemption is effected) at least 5% of the NAV of such share class as of the last calendar day of the previous quarter, which in the second and third months of a quarter could be less than 2% of the NAV of such share class. This enhancement, which will be applied equally to all stockholders, is important as it avoids having potential outsize demand in one class reduce redemption capacity for another class below a level they anticipated would be potentially available when they purchased their shares. However, the Company's board of directors may decide to remove the class-specific allocation enhancement in the future, if it decides it is unnecessary; in order to make such a change, the Company would 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 class-specific allocation would be removed. In addition, for both the aggregate and class-specific allocations described above, (i) provided that, commencing with the fourth quarter of 2017, the program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month and (ii) provided that, commencing with the fourth quarter of 2017, the program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month. In no event will such carry-over capacity permit the redemption of shares with aggregate value (based on the redemption price per share for the month the redemption is effected) in excess of 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter (provided that for these purposes redemptions may be measured on a net basis as described in the paragraph below). Because the New Redemption Program was adopted so late in the third quarter of 2017, and because Class E stockholders were last offered liquidity through a self-tender offer in the second quarter of 2017 (other than stockholders requesting under the previous Class E Redemption Program, available only in the event of the death or disability of a stockholder), the Company expects nearly a full quarter of Class E share redemption demand to be present in the third month of this quarter and will allow carry-over capacity for this transitional quarter regardless of the carry-over capacity conditions set forth above. For purposes of measuring the maximum capacity of the New Redemption Program during September in this transitional quarter, the Company will (a) allow redemptions in September up to the maximum permitted with carry-over capacity as if the New Redemption Program had been effective and open the entire quarter, (b) count redemptions made each month pursuant to the Class AWI Redemption Program and Class E Redemption Program as if they had been made in those same months pursuant to the New Redemption Program, (c) count capital inflows during each month for purposes of measuring redemptions on a net basis as described in the paragraph below and (d) reference the pre-restructuring class names of the respective classes for purposes of measuring class-specific allocations.

The Company proposes to measure the foregoing redemption allocations and limitations based on net redemptions during a month or quarter, as applicable. The term “net redemptions” means, during the applicable period, the excess of the Company’s share redemptions (capital outflows) over the proceeds from the sale of its shares (capital inflows). Net redemptions for the class-specific allocations will be based only on the capital inflows and outflows of that class, while net redemptions for the overall program limits would be based on capital inflows and outflows of all classes. Thus, for any given calendar quarter, the maximum amount of remaining redemptions during that quarter will be equal to (1) 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter, plus (2) proceeds from sales of new shares in the Offering (including purchases pursuant to the Company’s distribution reinvestment plan) and the Class E DRIP Offering (defined below) since the beginning of the current calendar quarter, less (3) redemptions made since the beginning of the current calendar quarter. The same would apply for a given month, except that redemptions in a month would be subject to the 2% limit described above (subject to potential carry-over capacity), and netting would be measured on a monthly basis.

The Company currently expects the New Redemption Program to provide that the allocations and limitations will be applied to net redemptions. However, the Company’s board of directors may choose whether the allocations and limitations will be applied to “gross redemptions,” i.e., without netting against capital inflows, rather than to net redemptions. If redemptions for a given month or quarter are measured on a gross basis rather than on a net basis, the redemption limitations could limit the amount of shares redeemed in a given month or quarter despite the Company receiving a net capital inflow for that month or quarter. In order for the board of directors to change the application of the allocations and limitations 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 determination to measure redemptions on a gross basis, or vice versa, will only be made for an entire quarter, and not particular months within a quarter.

As a result, we respectfully submit that redemptions pursuant to the New Redemption Program do not implicate the concerns that the issuer tender offer rules were adopted to address. Specifically, the New Redemption Program, which offers stockholders no premium, will have no set termination date and provides stockholders with adequate substantive disclosure upon which to base a decision to redeem their shares, 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 SEC take enforcement action under Rule 13e-4 with respect to redemptions of Class E shares, Class T shares, Class S shares, Class D shares and Class I shares made under the New Redemption Program.

THE NEW REDEMPTION PROGRAM

Purpose of the New Redemption Program

The Company intends to adopt the New Redemption Program in an effort to provide the holders of Class E shares, Class T shares, Class S shares, Class D shares and Class I shares with liquidity with respect to their investment in the Company’s common stock, subject to specified limitations. Through the New Redemption Program, holders of Class E shares, Class T shares, Class S shares, Class D shares and Class I shares can liquidate all or a portion of their investment. The New Redemption Program is an important feature of the investment in the shares, since the Company expects the New Redemption Program will serve as its stockholders’ sole meaningful source of liquidity. Without an effective redemption program, 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 shares upon

issuance, (2) the Company does not anticipate that a secondary trading market (except for limited or sporadic quotations) will develop and (3) unlike traditional non-listed REITs, the Company is not required, and does not intend, 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 at times made “mini-tender offers” to stockholders in non-listed REITs. These limited secondary markets and mini-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 programs made available by the issuers. Mini-tender offers are also subject to potential manipulation by the purchaser, and stockholders often receive limited disclosure about the terms, structure and conditions of the offer. The Company believes that the mini-tender offers further evidence that sufficient liquidity options may not always exist for stockholders in non-listed REITs with traditional redemption programs and that stockholders in these types of non-listed REITs often suffer financially as a result. The Company also notes that 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 programs that are subject to substantial limitations on redemptions. The Company believes that many investment professionals and investors consider the traditional non-listed REIT redemption programs to be inadequate to provide stockholders with a viable liquidity option. Because the Company intends to engage in a continuous offering of its shares of an unlimited duration, a redemption program that provides a source of liquidity is especially important to the Company, because, absent this feature, potential investors would be reluctant to purchase shares in the Offering.

The Offering and the New Redemption Program are designed to provide investors with an investment vehicle that the Company believes is a superior alternative to traditional non-listed REITs. Unlike traditional non-listed REIT offerings, the price of the Company's shares will be based on the underlying fair value of its assets, rather than an arbitrary dollar amount. In cases where the Transaction Price is not equal to the most recently disclosed monthly NAV, the Company intends to select a Transaction Price that it believes best represents the current NAV per share. However, due to the timing required for determining a Transaction Price, such estimate of the NAV per share will not necessarily be determined in accordance with the Company's valuation procedures and may differ from the actual NAV per share as of the end of the current month, which will under normal circumstances be disclosed within 15 calendar days after month end. The New Redemption Program provides the Company's stockholders with greater liquidity than traditional non-listed REITs by allowing stockholders to request the redemption of all or a portion of their shares on a monthly 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 traditional non-listed REIT redemption program in which the sources of cash are limited to proceeds from the sale of additional shares through the distribution reinvestment plan).

Prior Redemption Programs and Tender Offers

Since July 12, 2012, the Company has been able to provide liquidity to Class A, Class W and Class I stockholders through the Class AWI Redemption Program. In fact, the Class AWI Redemption Program has been operating consistently on a daily basis since it was adopted; every properly submitted redemption request under this program has been accepted and satisfied. This program's maximum liquidity limit is a quarterly cap on the aggregate “net redemptions” of the Class A, Class W and Class I share classes equal to the amount of shares of such classes with a value (based on the redemption price per share on the day the redemption is effected) of up to 5% of the aggregate NAV of the outstanding shares of such classes as of the last day of the previous calendar quarter. Here, the term “net redemptions” means, for any quarter, the excess of share redemptions (capital outflows) of Class A,

Class W and Class I share classes over the share purchases net of sales commissions (capital inflows) of such classes.

With respect to Class E stockholders, there was significant pent-up demand for redemptions when the Company converted to a daily NAV REIT in July 12, 2012. The Company maintained a separate, quarterly Class E Redemption Program, pursuant to which the Company would not redeem in any consecutive 12-month period more than 5% of the number of Class E shares outstanding at the beginning of such 12-month period (excluding certain redemptions made in connection with a stockholder's death or disability).

On November 12, 2015, in order to make even more liquidity available to Class E stockholders, the Company amended the Class E Redemption Program to make redemptions under the program available only in the event of the death or disability of a stockholder, and the Company began to evaluate each quarter whether to make liquidity available to Class E stockholders through self-tender offers (which would allow greater liquidity than that available under the Class E Redemption Program) or through the Class E Redemption Program. The Company chose to make increased liquidity available to Class E stockholders through tender offers in each quarter since that time. By offering increased liquidity in this manner, the Company has been able to significantly reduce the number of Class E stockholders seeking liquidity. In fact, the Company was able to accept for purchase *all* Class E shares tendered in the fourth quarter of 2016 and the first two quarters of 2017. The amounts tendered during these periods were approximately 7.7 million, 5.7 million, and 6.1 million shares, respectively, or approximately 4.5%, 3.5% and 4.2% of the Company's outstanding stock, respectively. The fact that the number of shares tendered was significantly lower in the first two quarters of 2017 is an important, positive trend. The Company offered to purchase shares in the tender offers at a de minimus discount to address fluctuations in NAV and therefore considers them to be a good way to forecast demand for liquidity.

With the number of Class E stockholders seeking liquidity reduced, the Company now believes it can and should adopt a single redemption program for all of its stockholders, in the form of the New Redemption Program. The New Redemption Program would offer Class E stockholders more frequent redemptions (monthly versus quarterly) and greater liquidity than the current and historic Class E Redemption Programs because of higher redemption limits. The New Redemption Program would be more convenient and more economical than quarterly tender offers for both Class E stockholders and the Company. The New Redemption Program would send a positive message to both existing investors and new investors that the pent-up demand for Class E liquidity has been resolved, that the Company has succeeded in transitioning to its perpetual-life strategy, and that all investors will be treated equally. The Company strongly believes that new investors will be more likely to purchase shares in the Offering if all of the Company's stockholders are able to access regular liquidity through a single, uniform share redemption program, and that this will benefit the Company and all of its stockholders.

The Company also believes, having operated a daily redemption program for nearly five years, that monthly redemptions are sufficient for most investors in NAV REITs and even preferred by some financial advisors and investors. Therefore, the Company is proposing the monthly redemption features of the New Redemption Program.

Based on the Company's data regarding the current level of demand for liquidity from Class E stockholders and its historical data on the rate at which new stockholders desire liquidity over time, the Company currently expects that the New Redemption Program will be able to meet demand for liquidity from Class E stockholders. However, the Company cannot guarantee that redemption requests under the New Redemption Program will never exceed the program's limits and lead to *pro rata* treatment. No Company can guarantee this. The Company believes it would be inconsistent to allow other non-listed REITs to operate redemption programs with this risk but not to allow the Company to do so. Every other repurchase/redemption program of other perpetual-life, non-listed REITs with respect to which the Staff has recently granted no-action relief relative to the issuer tender offer rules found in Rule 13e-4 has had mechanisms built into the program to deal with a situation in which demand under the program exceeds

its limitations. Implicit in these no-action relief letters is the understanding that this situation can happen. In fact, two recent no-action relief request letters specifically address this possibility and argue that monthly redemptions are fairer than daily redemptions in such a situation.⁵ In a monthly redemption program, redemptions will be reduced *pro rata* in the event the monthly or quarterly volume limitations are reached (unlike with daily NAV redemption programs, which are primarily on a first-come first-serve basis). The combination of the New Redemption Program's *pro rata* mechanism together with the perpetual-life structure of the New Redemption Program, which allows any stockholder whose redemption request was not fully accepted in any particular month or quarter to request redemption of such shares in the following month or quarter, as applicable, will alleviate any pressure to request redemptions at the beginning of a particular month or quarter. The Company agrees with this reasoning, and notes it as another reason the Company would like the New Redemption Program to operate monthly.

Valuation of the Company's Assets and Liabilities

In connection with the Initial NAV Offering launched on July 12, 2012, the Company's board of directors, including a majority of its independent directors, adopted valuation procedures that contain a comprehensive set of methodologies 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 its daily NAV. In connection with the changes contemplated by the Post-Effective Amendment, the Company's board of directors, including a majority of independent directors, will adopt changes to these valuation procedures to provide a monthly, rather than a daily 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 Company has engaged an independent valuation firm (the "Independent Valuation Firm") to serve as the independent valuation firm with respect to the 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 monthly basis. The foundation for this valuation will be periodic appraisals, as discussed further below. However, 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 monthly real property portfolio valuation. The overarching principle of these appraisals is to produce valuations that represent fair and accurate estimates of the unencumbered values of the Company's assets or the prices that would be received for its assets in arm's-length transactions between market participants before considering underlying debt. 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

⁵ See Rich Uncles 2016 No-Action Letter, *supra* note 4; Blackstone 2016 No-Action Letter, *supra* note 4.

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 monthly valuation of the Company's real property portfolio.

The fair value of the Company's real estate-related assets will generally 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, monthly, 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 fair value determined in accordance with GAAP and adjusted as necessary to reflect impairments. Such estimates of fair value will be prepared by the Advisor and confirmed by a third-party valuation expert. 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 monthly 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 derivatives, credit rated government and corporate debt securities, publicly traded equity securities and cash and cash equivalents, will be valued monthly on the basis of publicly available information.

The Company will include an estimate of the fair value of its liabilities as part of its NAV calculation. The Company's real estate-related liabilities consist of financing for its assets. These liabilities will typically be valued at fair value generally in accordance with GAAP, however if a loan amount exceeds the value of the underlying real property and the loan is otherwise a non-recourse loan, the Company will assume an equity value of zero for purposes of the combined real property and the loan in the determination of its NAV. Estimates of fair value for property-level mortgages and corporate-level credit facilities will be prepared by the Advisor and confirmed by a third-party valuation expert.

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 Program 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.

NAV and NAV Per Share Calculation

In the Offering, the purchase price for Class T shares, Class S shares, Class D shares and Class I shares will be equal to the Company's Transaction Price (which under normal circumstances will be equal to the most recently disclosed monthly NAV per share), for such class, as determined monthly, plus, for Class S shares and Class T shares, applicable upfront selling commissions and dealer manager fees of up to 3.5% 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 be equal to the Transaction Price for such class.

The Company's NAV per share for each class (including Class E) will be calculated as of the last calendar day of each month for each of our outstanding classes of stock and will be available generally within 15 calendar days after the end of the applicable month. The NAV per share will be calculated by a third-party firm (the "NAV Accountant") approved by the Company's board of directors. Each month, 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 outstanding 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 outstanding 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 monthly 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 monthly 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 and the distribution fee, to determine the monthly NAV. NAV per share for each class will be calculated by dividing such class's NAV at the end of each month by the number of shares outstanding for that class on such day.

Timing and Settlement

Under the New Redemption Program, and subject to specified limitations, stockholders may request that the Company redeem all or any portion of their shares as of the last calendar day of each full calendar month (the "Redemption Date") at the Transaction Price for the class of shares being redeemed. The redemption price will be equal to the Transaction Price of the class of shares being redeemed as of the applicable Redemption Date (subject to any short-term trading discount). To have their shares redeemed, stockholders' redemption requests and required documentation must be received in good order by 4:00 p.m. Eastern time on the second to last business day of the applicable month. If a redemption request is received after such time, the redemption order will be executed on the next month's Redemption Date at the Transaction Price applicable to that month (subject to any short-term trading discount), unless such request is withdrawn prior to that Redemption Date. Investors will generally have at least 20 business days (from the last business day of the previous month to the second to last business day of the current month) during which to decide whether to request a redemption of their shares as of the end of the current month. Investors may withdraw their redemption requests before they have been processed by notifying a customer service representative available on the Company's toll-free information line before 4:00 p.m. Eastern time on the last business day of the applicable month. Settlements of share redemptions will be made within three business days after the Redemption Date.

As discussed above, the Transaction Price for each month will under normal circumstances be equal to the most recently disclosed NAV per share for the applicable class of shares, and will be made

publicly available within 15 calendar days after the end of the applicable month. However, unforeseen circumstances may arise over the indefinite life of the Company that may result in the NAV calculation as of the close of the last calendar day of the prior month not being available within that timeframe in any particular month. In addition, the Transaction Price for any month may be a price other than the most recently disclosed monthly NAV per share, including by updating a previously disclosed Transaction Price for that month, in cases where the Company believes there has been a material change (positive or negative) to the NAV per share since the end of the prior month. In the unlikely case that the Transaction Price for the applicable month is not made available by the tenth business day prior to the last business day of the month (or is changed after such date), then no redemption requests will be accepted for such month and stockholders who wish to have their shares redeemed the following month must resubmit their redemption requests.

A stockholder may make a redemption request for a particular Redemption Date before the Transaction Price is made available, but such stockholder will know the price at least ten business days prior to the last business day of the month and, as a result, will have at least a ten business day period to consider the transaction price before the deadline to submit a redemption request (the first day of the ten business day period is the day the transaction price is made available and the tenth day of the period is the redemption request deadline (the second to last business day of the month)). A stockholder will also have an opportunity to withdraw his or her request after the price is made available and before the last business day of the month by notifying the Company's transfer agent, directly or through the stockholder's financial intermediary. Stockholders who make their redemption request after the tenth business day prior to the last business day of the month will know the Transaction Price at the time of their request.

The Company's monthly Transaction Price and NAV per share for each class will be posted on its website (www.blackcreekdiversified.com) promptly after it has become available and will also be available through the Company's toll-free information line. Subject to the terms of the New Redemption Program, to the extent it determines to redeem Class E shares, Class T shares, Class S shares, Class D shares and Class I shares in any month, the Company will be obligated to redeem such shares at their published Transaction Price. Under normal circumstances, the Company expects to fulfill redemption requests, subject to the 2% monthly and 5% quarterly redemption limitations and the class specific allocations (subject to potential carry-over capacity). The Company's website will contain the current prospectus, including all supplements thereto. The Company will also disclose its Transaction Price and NAV per share for each month in prospectus supplements it files with the SEC on a monthly basis and will file post-effective amendments to its Registration Statement as required by the Securities Act. In addition, the Company will also disclose, on a monthly basis in a prospectus supplement filed with the SEC, the primary valuation components of its NAV. Each of the Company's prospectus supplements will provide the historical NAV per share for each class of shares since it was last reported in a prospectus supplement.

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 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. As described above, NAV per share of each class of shares will be determined as of the last calendar day of each month using the Company's valuation policies and procedures 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 by first modifying the valuation guidelines 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 often fluctuate materially from one month to the next. This is supported by the Company's daily NAV history since July 12, 2012.

The Company's ability to use a Transaction Price other than the most recently disclosed monthly NAV per share allows it to use a Transaction Price that it believes is more representative of the current NAV than the most recently disclosed monthly NAV would be in cases where there has been a material

change since the end of the prior month. This also serves to protect the Company and its stockholders from market timing by opportunistic, short-term investors. For example, if a material event related to the Company or the real estate markets generally became known to the market that would be expected to materially change the Company's NAV per share, and the Company used the most recently disclosed monthly NAV as the Transaction Price, current investors would have an opportunity to exit the Company, and new or existing investors would have an opportunity to enter or increase their holdings in the Company, at the most recently disclosed monthly NAV based on knowledge of events that have taken place since then, which may cause the current month's NAV to be higher or lower than the previous month's NAV. If instead the Company is able to use a Transaction Price that it believes is more representative of the current month's NAV, this opportunity for short-term arbitrage would not exist. Market timing harms legitimate, long-term investors because market timers capture an unfair share of gains or avoid their fair share of losses.

Funding and Limitations of the New Redemption Program

The New Redemption Program will permit, on a net basis or gross basis (depending on which option the board of directors has chosen), the redemption during any calendar month of Class E shares, Class T shares, Class S shares, Class D shares and Class I shares whose aggregate value (based on the redemption price per share for the month the redemption is effected) is 2% of the combined NAV of all classes as of the last calendar day of the previous quarter and the redemption during any calendar quarter of shares whose aggregate value (based on the redemption price per share for the month the redemption is effected) is 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter. In addition, every month and quarter each class of the Company's common stock will be allocated capacity within such aggregate limit to allow stockholders in such class to either (a) redeem shares equal to (based on the redemption price per share for the month the redemption is effected) at least 2% of the NAV of such share class as of the last calendar day of the previous quarter, or (b) redeem shares over the course of a given quarter equal to (based on the redemption price per share for the month the redemption is effected) at least 5% of the NAV of such share class as of the last calendar day of the previous quarter, which in the second and third months of a quarter could be less than 2% of the NAV of such share class. In addition, for both the aggregate and class-specific allocations described above, (i) provided the program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month and (ii) provided the program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month.

The Company may fund redemptions from any available cash sources at its disposal, including cash on hand, cash available from borrowings, cash from the sale of shares of common stock and cash from liquidations of investments. Although the vast majority of the Company's assets consist of properties that cannot generally be readily liquidated on short notice without impacting the Company's ability to realize full value upon their disposition, the Company intends to 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 and liquid real estate-related securities and (ii) one or more borrowing facilities. The Company has disclosed in its prospectus that it may redeem fewer shares than have been requested to be redeemed in any particular month, or none at all, in its discretion, including due to the lack of readily available funds because of market conditions beyond its control, the need to maintain liquidity for its operations or because it has determined that investing in real property or other illiquid investments is a better use of its capital than redeeming its shares. Although management of the Company believes it is important to provide the Company's stockholders with liquidity with respect to their investment in the Company's common stock and has no current intention to redeem fewer shares than have been requested to be redeemed in any particular month, management believes it is equally important to have the flexibility to maintain liquidity for the Company's operations or invest the Company's capital as it determines is in the best interest of all of the Company's stockholders from time to time. Any

determination to redeem fewer shares than have been requested to be redeemed may be made immediately prior to the applicable Redemption Date, and will be disclosed subsequently to prospective investors and stockholders in periodic prospectus supplements and/or reports filed by the Company, or more frequently as required by applicable securities laws.

In the event that the Company determines to redeem some but not all of the shares submitted for redemption during any month for any reason discussed in the prior two paragraphs, shares submitted for redemption during such month will be redeemed on a *pro rata* basis. Redemptions and *pro rata* treatment, if necessary, will first be applied within the class-specific allocated capacity and then applied on an aggregate basis to the extent there is remaining capacity. All unsatisfied redemption requests due to any of the limitations described above must be resubmitted after the start of the next month or quarter, or upon the recommencement of the New Redemption Program, as applicable.

During a given quarter, if in each of the first two months of such quarter the 2% aggregate redemption limit is reached and stockholders' redemptions are reduced *pro rata* for such months, then in the third and final month of that quarter, the applicable limit for such month will be 1% of the combined NAV of all classes as of the last calendar day of the previous quarter, because the redemptions for that month, combined with the redemptions in the previous two months, cannot exceed 5% of the combined NAV of all classes of shares as of the last calendar day of the prior calendar quarter.

The board of directors' primary objective regarding the New Redemption Program is to maintain the uninterrupted redemption of shares in order to provide stockholders with liquidity with respect to 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 suspend the redemption of shares under the appropriate circumstances, as well as to make appropriate modifications to the New Redemption Program to ensure its effective operation. Those fiduciary duties require that, as with any decision made by the board, any decision to modify or suspend the New Redemption Program 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, under unusual or compelling circumstances, suspend the redemption of shares is necessary to ensure the integrity and long-term operation of the New Redemption Program. Accordingly, should redemption requests, in the business judgment of the board of directors, place an undue burden on the Company's liquidity, adversely affect the Company's operations or risk having an adverse impact on stockholders whose shares are not redeemed, then the Company's board of directors may modify or suspend the New Redemption Program if it deems such action to be in the best interest of the Company's stockholders. In addition, the board of directors may determine to suspend the New Redemption Program due to regulatory changes, changes in law or if the board of directors becomes aware of undisclosed material information that it believes should be publicly disclosed before shares are redeemed. Material modifications, including any reduction to the monthly or quarterly limitations on redemptions, and suspensions to the New Redemption Program will be promptly disclosed to stockholders in a prospectus supplement (or post-effective amendment if required by the Securities Act) or special or periodic report filed by the Company. Material modifications will also be disclosed on the Company's website.

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 Program is necessary and warranted to ensure that the board can discharge its fiduciary duties to promote the long-term efficacy of the New Redemption Program, while also ensuring the equitable treatment of stockholders who do and do not request redemption of their shares. Notwithstanding the foregoing, the board of directors has no current intention to modify or suspend the New Redemption Program and expects that the New Redemption Program 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 Program from monthly to less frequent redemptions, (2) reduce the redemption price to an amount that reflects a discount to the Transaction Price (other than the short-term trading discount set

forth in the New Redemption Program) or (3) modify other aspects of the New Redemption Program upon which the Company's request for no-action relief is predicated other than immaterial modifications (including the possible future removal of the class-specific allocations as described herein) for the proper administration and operation of the New Redemption Program which are consistent with the factual and legal representations contained in this letter.

Disclosure

The Company does not intend to publicize separately the existence of the New Redemption Program or engage in any activity to encourage stockholders to submit requests for redemption of their shares other than disclosures described in this request for no-action relief or required under federal securities laws, disclosure in offering materials used in connection with the Offering and the Class E DRIP Offering, communications to existing stockholders and their financial advisors regarding the New Redemption Plan, procedural/redemption price disclosure in stockholder communications and the provision of the Transaction Price and NAV per share on the Company's website and toll-free information line and in prospectus supplements filed with the SEC. 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 Program. The prospectus for the Offering will contain a comprehensive description of all terms, conditions and features of the New Redemption Program and will be updated to reflect any material modifications made during the Offering. As a result, with the exception of the redemption price, an investor will have all of the material information necessary to make a redemption decision at the time the investor makes an investment decision.

LEGAL DISCUSSION

Reasons for No-Action Relief

The Company's request for no-action relief is substantially similar to the no-action requests of other perpetual-life non-listed REITs that have recently commenced similar public offerings.⁶ The Company's request for no-action relief includes: (1) a limitation on the number of shares of all classes that will be redeemed and (2) the pricing of redemptions based on a Transaction Price, a generally NAV-based price determined prior to the Redemption Date that is used for both the Offering and redemptions. These features are designed to offer liquidity to investors and provide investors with a redemption price that is based on the underlying fair value of the Company's NAV rather than an arbitrary fixed price or a discount to NAV, as is the case in traditional non-listed REIT offerings currently available to public investors.

In particular, the New Redemption Program is nearly identical to the share repurchase plan adopted by Blackstone Real Estate Income Trust, Inc. ("Blackstone"), with respect to which the Staff recently provided no-action relief.⁷ The only meaningful differences from Blackstone's share repurchase program are the proposed class-specific allocation feature, the potential monthly carry-over capacity, and the ability to measure redemptions on either a net or gross basis. The proposed class-specific allocation feature provides that every month and quarter each class of the Company's common stock will be allocated capacity within the aggregate redemption limits to allow stockholders in such class to either (a) redeem shares equal to (based on the redemption price per share for the month the redemption is effected) at least 2% of the NAV of such share class as of the last calendar day of the previous quarter, or (b) redeem shares over the course of a given quarter equal to (based on the redemption price per share for the month the redemption is effected) at least 5% of the NAV of such share class as of the last

⁶ See Rich Uncles 2016 No-Action Letter, *supra* note 4; Blackstone 2016 No-Action Letter, *supra* note 4; RREEF 2013 No-Action Letter, *supra* note 4; Jones Lang 2012 No-Action Letter, *supra* note 4; Dividend Capital 2012 No-Action Letter, *supra* note 1; Cole 2011 No-Action Letter, *supra* note 4; American Realty 2011 No-Action Letter, *supra* note 4; Clarion 2012 No-Action Letter, *supra* note 4; and Clarion 2011 No-Action Letter, *supra* note 4.

⁷ See Blackstone 2016 No-Action Letter, *supra* note 4.

calendar day of the previous quarter, which in the second and third months of a quarter could be less than 2% of the NAV of such share class. This enhancement, which will be applied equally to all stockholders, is important as it avoids having potential outside demand in one class reduce redemption capacity for another class below a level they anticipated would be potentially available when they purchased their shares. The Company believes this difference is similar to the class-specific redemption limits described in the Class AWI Redemption Program, with respect to which the Staff previously provided no-action relief,⁸ and the Company does not believe this difference materially impacts the analysis of whether the New Redemption Program constitutes a tender offer. See “Rule 13e-4 No-Action Request—The New Redemption Program is not an Issuer Tender Offer” and “—Analysis of the Wellman Factors” below.

In addition, for both the aggregate and class-specific allocations described above, (i) provided the program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month and (ii) provided the program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month. The Company believes this is consistent with the existing Class AWI Redemption Program and other redemption programs with respect to which the Staff has previously provided no-action relief.⁹ What is consistent in all of these prior programs is that the 5% quarterly capacity was potentially available to be used entirely at any time (even on any single day) throughout a given quarter. For example, the entire 5% quarterly capacity could theoretically be used up during the first month, in which case the program would shut down and reopen the next quarter. Or, the entire 5% quarterly capacity could be used up in the third month, if there were no redemptions in the first two months. The only difference that is proposed in the New Redemption Program is that monthly limitations would prevent the entire program capacity from being used in the first one or two months, which addresses the first come-first serve issue discussed further below, and thereby relieves pressure on stockholders to submit redemption requests. The fact that the entire quarterly capacity could be available in the third and final month of the quarter will not create any additional time-based pressure on stockholders because, just like in the existing Class AWI Redemption Program and other similar programs, no public announcement regarding the number of redemption requests received and satisfied will be made until the quarterly period is over. The only way a stockholder could possibly know anything about how much demand was present in a particular month is if that stockholder submitted a redemption request which was not satisfied in full, in which case no carry-over capacity would be available in the next month. The only way carry-over capacity could be available during the second or third month of a quarter is if the program were open during all prior months in that quarter and every properly submitted redemption request during such prior months were satisfied, and in such a case no stockholder would have any way of knowing the carry-over capacity available. For this reason, there would be no additional time-based pressure to submit a redemption request in a month that has carry-over capacity. In such a case, from a stockholder’s perspective, the only limit that would matter is the quarterly limit. Said another way, carry-over capacity will only be available if the prior monthly limitations were not reached, meaning the program is operating more like the existing Class AWI Redemption Program than the Blackstone program. If the monthly limitations (which are intended to prevent the first-come first serve issue described below) are reached in any month, then carry-over capacity will not be available in the next month. While it is true that a new price is set during each month during the quarter, any pressure to redeem that arises as a result of the monthly pricing will not be affected by carry-over capacity because, as described above, no stockholder will know how much, if any, carry-over capacity is available. In sum, compared to the current Class AWI Redemption Program, the monthly limits of the New Redemption Program would only serve to reduce pressure related to the first come-first serve operation of the current program, while any carry-over capacity would have no effect at all on pressure to submit redemption

⁸ See Dividend Capital 2012 No-Action Letter, *supra* note 1.

⁹ See Dividend Capital 2012 No-Action Letter, *supra* note 1; RREEF 2013 No-Action Letter, *supra* note 4; Jones Lang 2012 No-Action Letter, *supra* note 4; Cole 2011 No-Action Letter, *supra* note 4; American Realty 2011 No-Action Letter, *supra* note 4; Clarion 2012 No-Action Letter, *supra* note 4; and Clarion 2011 No-Action Letter, *supra* note 4.

requests.

The Company proposes to measure the foregoing redemption allocations and limitations based on net redemptions during a month or quarter, as applicable. The term “net redemptions” means, during the applicable period, the excess of the Company’s share redemptions (capital outflows) over the proceeds from the sale of its shares (capital inflows). Net redemptions for the class-specific allocations will be based only on the capital inflows and outflows of that class, while net redemptions for the overall program limits would be based on capital inflows and outflows of all classes. Thus, for any given calendar quarter, the maximum amount of remaining redemptions during that quarter will be equal to (1) 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter, plus (2) proceeds from sales of new shares in the Offering (including purchases pursuant to the Company’s distribution reinvestment plan) and the Class E DRIP Offering since the beginning of the current calendar quarter, less (3) redemptions made since the beginning of the current calendar quarter. The same would apply for a given month, except that redemptions in a month would be subject to the 2% limit described above (subject to potential carry-over capacity), and netting would be measured on a monthly basis.

The Company currently expects the New Redemption Program to provide that the allocations and limitations will be applied to net redemptions. However, the Company’s board of directors may choose whether the allocations and limitations will be applied to “gross redemptions,” i.e., without netting against capital inflows, rather than to net redemptions. If redemptions for a given month or quarter are measured on a gross basis rather than on a net basis, the redemption limitations could limit the amount of shares redeemed in a given month or quarter despite the Company receiving a net capital inflow for that month or quarter. In order for the board of directors to change the application of the allocations and limitations 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 determination to measure redemptions on a gross basis, or vice versa, will only be made for an entire quarter, and not particular months within a quarter.

The flexibility with respect to whether the allocations and limitations apply to net redemptions or gross redemptions is designed to allow the board of directors to provide more or less liquidity to 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 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 allocations and limitations 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. We believe this “net redemption” approach is consistent with other repurchase/redemption programs for respect to which the Staff has provided no-action relief,¹⁰ and the Company does not believe this difference materially impacts the analysis of whether the New Redemption Program constitutes a tender offer. See “Rule 13e-4 No-Action Request—The New Redemption Program is not an Issuer Tender Offer” and “—Analysis of the Wellman Factors” below.

¹⁰ See Dividend Capital 2012 No-Action Letter, *supra* note 1; Cole 2011 No-Action Letter, *supra* note 4; Clarion 2012 No-Action Letter, *supra* note 4; and Rich Uncles 2016 No-Action Letter, *supra* note 4.

The Company has adopted its NAV-based pricing methodology with the objective of having its shares sold and redeemed monthly at a price that reflects the value of its investments. 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 may request the redemption of all or a portion of their shares on a monthly basis. However, if a significant or protracted imbalance develops between sales and redemptions or other extraordinary events occur (as described above), then the board of directors maintains the discretion to modify or suspend the New Redemption Program to ensure viability of the investment for continuing stockholders.

Redemptions 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 stockholders of the Company are made aware of the availability of the New Redemption Program at the time they purchase their shares by means of prospectus disclosure, and will be informed in writing of any changes to the program, the Company will not affirmatively solicit participation by its stockholders in the New Redemption Program. 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 Program 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 has been registered with the SEC 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 Program in the event the shares are listed on a national securities exchange or included for quotation on a national securities market, or in the event a secondary market (other than limited or sporadic quotations) for the Company's shares develops. However, the Company currently does not intend to list its shares for trading on any exchange or other trading market and does not expect that a secondary trading market (other than limited or sporadic quotations) 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 SEC 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 Program is not an Issuer Tender Offer

We believe that the New Redemption Program 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 SEC and its staff in determining what constitutes a tender offer, as well as the fact that the terms of the New Redemption Program will be fully disclosed to potential investors of Class T shares, Class S shares, Class D shares and Class I shares prior to the purchase of shares of the Company's common stock and current stockholders will receive notice of the New Redemption Program through a special or periodic report filed with the SEC. Stockholders will be aware of the most recent monthly Transaction Price and NAV per share for each class of shares through the Company's website and toll-free information line, and the historical monthly NAV per share through the Company's prospectus supplements. Once the Transaction Price for the applicable Redemption Date is made available through the Company's website, toll-free information line and prospectus supplement, stockholders do not require additional information regarding the New Redemption Program. Stockholders

will be given sufficient time after the Transaction Price is made available to submit their redemption request or, if they had previously submitted their redemption request, to withdraw such request if desired. No new investment decision is being made at the time of redemption. Because the New Redemption Program 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 Program does not raise the same tender offer concerns under Rule 13e-4 that are addressed in the no-action requests by traditional non-listed REITs for redemption programs that offer periodic redemptions for limited numbers of shares at an arbitrary fixed price.¹¹ We believe the perpetual-life structure of the New Redemption Program, a redemption price that is based on the underlying fair value of the Company's NAV rather than an arbitrary fixed price and the application of the *pro rata* redemption mechanism if any redemption limitation is exceeded or the Company determines to redeem fewer shares than have been requested to be redeemed in any particular month reduces the pressure on stockholders with respect to making a redemption request. There will not be a limited time period in which to redeem. Stockholders may request the redemption of all or a portion of their shares throughout the continuous offering, which has no anticipated termination date, at the monthly Transaction Price. In addition, redemptions will be reduced *pro rata* in the event the monthly or quarterly volume limitations are reached (unlike with daily NAV non-listed REITs, which are primarily on a first-come first-serve basis). The combination of the New Redemption Program's *pro rata* mechanism together with the perpetual-life structure of the New Redemption Program, which allows any stockholder whose redemption request was not fully accepted in any particular month or quarter to request redemption of such shares in the following month or quarter, as applicable, will alleviate any pressure to request redemptions at the beginning of a particular month or quarter.

Daily NAV non-listed REITs conduct redemptions on a daily basis but typically have quarterly limits on the amount of redemptions that will be made. As a result, daily NAV non-listed REITs accept redemptions on a first-come first-serve basis and once the limit is reached, later redemption requests will not be accepted. These daily NAV non-listed REITs have mechanisms designed to remedy this inequity by giving stockholders the opportunity to achieve *pro rata* redemptions in later periods. The Company's New Redemption Program will not face this issue because although it will have a monthly limit it will conduct its purchases on a monthly basis. Therefore, stockholders that request a redemption during a month will receive equal treatment regardless of what point in the month their request was made, and redemption requests will not be accepted on a first-come first-serve basis. If the redemption limit is exceeded for a given month, each stockholder's redemption amount for that month will be reduced *pro rata*.

A stockholder may withdraw a redemption request before the Redemption Date by notifying the Company's transfer agent on the Company's toll-free information line before 4:00 p.m. Eastern time on the last business day of the applicable month. A stockholder may make a redemption request for a particular Redemption Date before the Transaction Price is made available, but such stockholder will know the price prior to the Redemption Date and will have an opportunity to withdraw his or her request after the price is made available and up until 4:00p.m. Eastern time on the last business day of the applicable month by notifying the Company's transfer agent, directly or through the stockholder's financial intermediary. Stockholders who make their redemption request after the tenth business day prior to the last business day of the month will know the Transaction Price at the time of their request. In the unlikely case that the Transaction Price for the applicable month is not made available by the tenth business day prior to the last business day of the applicable month (or is changed after such date), then no redemption requests will be accepted for such month and stockholders who wish to have their shares redeemed the following month must resubmit their redemption requests.

¹¹ See Rich Uncles 2016 No-Action Letter, *supra* note 4; Blackstone 2016 No-Action Letter, *supra* note 4; RREEF 2013 No-Action Letter, *supra* note 4; Jones Lang 2012 No-Action Letter, *supra* note 4; Dividend Capital 2012 No-Action Letter, *supra* note 1; Cole 2011 No-Action Letter, *supra* note 4; American Realty 2011 No-Action Letter, *supra* note 4; Clarion 2012 No-Action Letter, *supra* note 4; and Clarion 2011 No-Action Letter, *supra* note 4.

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 month-to-month basis are unlikely. The Company believes that, although certain of the Company's real estate-related securities may be subject to greater price fluctuations than its real properties, material fluctuations in NAV per share from one month to the next will be unlikely because the substantial majority of the Company's investments are and will be direct ownership of stabilized commercial real estate properties (which are generally not subject to volatile price fluctuations).

Analysis of the Wellman Factors

An analysis of the *Wellman* factors demonstrates that the New Redemption Program should not be viewed as a tender offer.¹² Set forth below is an application of these factors to the New Redemption Program.

(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 Program will appear in the prospectuses for the Offering and the Class E DRIP Offering and in certain communications to existing stockholders and their financial advisors describing the New Redemption Plan, and any communications to stockholders identifying future changes to the plan will be communicated through reports the Company files with the SEC, a press release or via the Company's website. However, the Company believes that this disclosure is required by federal securities laws or otherwise provided to make stockholders aware of the plan's existence. The Company will not make any other significant public communications about the New Redemption Program except as contained in or related to the Offering and Class E DRIP Offering prospectus 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 monthly Transaction Price and 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 request redemption of all or a portion of their shares 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 Program 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 will be the monthly Transaction Price for each class of shares, plus applicable selling commissions and dealer manager fees, and the redemption price will be the monthly Transaction Price of the class of shares being redeemed. Subject to limited exceptions, shares redeemed within one year of the date of purchase will be subject to a short-term trading discount equal to 5% of the of the gross proceeds otherwise payable with respect to the redemption. Further, there is no established regular trading market for the Company's common stock. The New Redemption Program will be terminated in the event the Company's shares are listed on a national securities exchange or included for quotation in a national securities market. Because there is no established trading market and the offering price and redemption price each month are equal (except that selling commissions and dealer manager fees are not included in the calculation of the redemption price), this factor does not apply.

¹² 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).

(iii) *The solicitation is made for a substantial percentage of the issuer's stock.* As noted above, the Company will not actively solicit redemptions under the New Redemption Program. Further, other no-action letters have been issued to non-listed REITs with redemption programs similar to the New Redemption Program. The New Redemption Program limits redemptions, whether on a net or gross basis, in any calendar month to 2% (subject to potential carry-over capacity), and in any calendar quarter to 5%, of the combined NAV of all classes of shares of common stock as of the last day of the previous calendar quarter. 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 whether the New Redemption Program constitutes 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. We also believe there is no reasonable likelihood that the New Redemption Program will have the effect of the Company repurchasing a substantial percentage of the shares of its common stock.

The New Redemption Program merely provides stockholders with a means of liquidity in respect of their investment, as discussed previously in this letter. The New Redemption Program does not exist for the same reasons that issuers typically conduct tender offers. The Company intends to continuously raise capital through a continuous public offering and invest the net proceeds in real properties and real estate-related securities. Repurchasing shares decreases funds available for such investments and reduces NAV, which creates a disincentive for the Company to redeem shares.

Under the New Redemption Program, the maximum amount of shares that may be redeemed over a 12-month period is approximately 20% of the Company's NAV. However, this is a theoretical limit, and one which is not expected to occur.

(iv) *The terms of the offer are firm, rather than negotiable.* The terms of the New Redemption Program are firm with respect to the process by which 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 Program, but rather it is determined each month, under normal circumstances based on the most recently disclosed monthly NAV per share determined using an established methodology. The Company believes, however, that this feature does not compel the finding of a tender offer because the firmness of the terms of the New Redemption Program will not increase pressure on stockholders to request redemption of their shares. In addition, while the board of directors will have flexibility to decide whether the allocations and limitations apply 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 calendar days before the first business day of the quarter for which the new test will apply. The pressure on stockholders that Rule 13e-4 attempts to eliminate is that which is caused by "a high premium with a threat that the offer will disappear within a certain time."¹³ Where these factors exist, firmness of the terms of the offer may have the effect of exacerbating the pressure. However, as previously discussed, the New Redemption Program will not offer stockholders a premium for their shares and the Company intends that the New Redemption Program will exist indefinitely (subject to the authority of the board of directors in its reasonable discretion to suspend the plan under specified circumstances or to make modifications to promote its proper and fair operation).

Additionally, NAV-based pricing should have the effect of mitigating pressure because stockholders will know that they can request to have their shares redeemed by the Company at the end of any month, under normal circumstances at the most recently disclosed monthly NAV per share. 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, each month, the same comprehensive set of valuation policies and procedures to ascertain the prior month's

¹³ *Brascan Ltd v. Edper Equities*, 477 F. Supp 773, 792 (S.D.N.Y. 1979).

NAV per share. The Company will have discretion in the determination of the redemption price only in cases where it believes there has been a material change to the NAV per share relative to the most recently disclosed monthly NAV per share. The Company expects such cases to be rare, and in such cases, will estimate the current NAV per share after giving effect to such material change. The Company's incentive to set the redemption price at a level that will maximize the chances of obtaining the desired volume of tenders while minimizing the overall premium paid will be mitigated (if not eliminated) by the fact the revised Transaction Price it selects will also serve as the basis for the offering price of the shares in the Offering, and in addition it can subsequently be compared to the final NAV per share determination for the applicable month. Therefore, the monthly redemption price under the New Redemption Program will be based upon criteria that are beyond the control of the Company.

(v) *The offer is contingent on the tender of a fixed number of shares.* The New Redemption Program is not contingent on a fixed number of shares being redeemed. Stockholders may choose to request the Company to redeem none, all or a portion of their shares on a monthly basis.

(vi) *The offer is open only for a limited period of time.* The New Redemption Program 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 Program. This feature of the New Redemption Program makes it most unlike a tender offer. In addition, for each month, the window during which a redemption request can be made will generally be at least 20 business days (from the last business day of the previous month to the second to last business day of the current month). The Transaction Price will also be made available to investors at least ten business days prior to the last business day of the month. Investors will also have the opportunity to withdraw their redemption request prior to 4:00p.m. Eastern time on the last business day of the month.

In addition, because shares will be redeemed on a *pro rata* basis in the event the monthly or quarterly volume limitations are reached or the Company determines to redeem fewer shares than have been requested to be redeemed in any particular month, stockholders will be able to request redemption for at least a portion of their shares regardless of the particular day during the month or quarter when the stockholder chooses to submit its redemption request and therefore will not be pressured to request redemptions at the beginning of a month or quarter.

(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 Program and will not offer to redeem shares at a premium. The role of the Company in effectuating redemptions under the New Redemption Program will be purely ministerial. Because the New Redemption Program will have no set termination date, stockholders will not feel rushed to make decisions regarding participation in the plan. If a monthly or quarterly redemption limitation is reached during any given month or the Company determines to redeem fewer shares than have been requested to be redeemed in any particular month, all redemptions under the New Redemption Program for such month will be made on a *pro rata* basis. If the New Redemption Program reaches its monthly or quarterly cap, it will automatically reopen in the next calendar month. In addition, the combination of (1) disclosure of the New Redemption Program as an integral element of the Offering at the time of the original investment decision with respect to Class T shares, Class S shares, Class D shares and Class I shares and via a report filed with the SEC for existing investors, (2) the monthly regularity of redemptions and (3) the NAV-based pricing of the redemption price and the comprehensive policies and procedures for determining NAV, collectively should act to decrease pressure on stockholders.

The Company acknowledges that some features of the New Redemption Program may, to a limited extent, encourage a stockholder to request redemption of its shares at a particular time given the perpetual-life structure of the plan. Stockholders may feel pressure to request redemption of their shares if the monthly NAV per share reaches a certain level at which stockholders may realize an attractive return above the amount of their initial investment. Stockholders may also feel pressure to request redemption of their shares if they believe the Company may receive redemption requests in a

calendar month or quarter in excess of the established maximum amount for that month or quarter. However, we do not believe that these pressures are the types of pressures placed on offerees in a tender offer which the tender offer rules were intended to address. As noted, the features of the New Redemption Program are first disclosed to purchasers of Class T shares, Class S shares, Class D shares and Class I shares at the time the shares are purchased, and existing investors will receive notice of the New Redemption Program via a report filed with the SEC. As such, stockholders are informed of the terms of the New Redemption Program substantially in advance of the time of their decision to participate in the New Redemption Program, including that the Company may determine to redeem fewer shares than have been requested to be redeemed in any particular month. Stockholders are therefore not presented with a “new” investment decision at the time they become eligible to request the Company to redeem their shares under the plan. Additionally, the pressures inherent in the plan noted above exist regardless of whether the redemption price is established monthly according to the NAV or daily or quarterly by the board of directors as is the case in other redemption programs for which no-action relief has been granted by the Staff. Moreover, even if stockholders believe the Company may receive redemption requests in a calendar month or quarter in excess of the established maximum for that month or quarter or that the Company may determine to redeem fewer shares than have been requested to be redeemed in any particular month, as a result of the *pro rata* mechanism, they will be assured that they will be able to request redemption for at least a portion of their shares during that month or quarter, regardless of the particular day during the month or quarter when the stockholder chooses to submit its redemption request.

(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.*¹⁴ The intent of the New Redemption Program is to provide the Company's stockholders with ongoing liquidity, not for the Company to continuously re-acquire its own shares. It is possible that the Company, subject to the New Redemption Program's limits, may be requested to redeem a significant number of shares over a short time pursuant to the New Redemption Program 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 Program in the Offering and Class E DRIP Offering prospectuses and related offering materials, in communications to existing stockholders and their financial advisors and, when required, in filings made pursuant to the Exchange Act. The Company will promptly inform stockholders, as required by the New Redemption Program, of any modification or suspension of the New Redemption Program, or if the application of the redemption allocations and limitations 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 historical NAV per share of each class of shares and provide each month the Transaction Price and NAV per share of each class of shares on its website and toll-free information line. The Company believes, however, that the New Redemption Program is not characteristic of a publicly-announced acquisition plan which is followed by a rapid accumulation of a large amount of stock. Though disclosure of the New Redemption Program as described above constitutes a public announcement of its existence and precedes any redemption, the Company believes that any redemption of shares that might occur will not be driven by pressure exerted by the Company, as the New Redemption Program 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 Transaction Price 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

¹⁴ The *Wellman* case did not include this eighth factor but acknowledged the SEC had listed an eighth factor in *Hoover v. Fuqua Industries, Inc.* See *Wellman*, 475 F. Supp. at 824.

mitigate.¹⁵

Based on analysis of the eight factors discussed above, the Company believes that redemptions of the Company's shares pursuant to the New Redemption Program do not implicate the concerns that the issuer tender offer rules were intended to address.

The New Redemption Program 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.¹⁶ This analysis looks to all the circumstances surrounding the transaction to determine whether the chief objectives of the tender offer rules and regulations 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.¹⁷

We believe that the New Redemption Program withstands such a "totality of circumstances" analysis. Purchasers of Class T shares, Class S shares, Class D shares and Class I shares are provided full disclosure of the plan before they purchase shares and invest in the Company and are informed that participation in the New Redemption Program will be their only viable liquidity option if they want to sell their shares. Similarly, existing investors will receive notice of the adoption of the New Redemption Program via a report filed with the SEC. Finally, the perpetual-life structure of the New Redemption Program and the *pro rata* mechanism eliminate any undue pressure on stockholders that is typical in tender offers. The Company believes that the protections afforded to stockholders by the tender offer rules are not needed for stockholders who participate in the New Redemption Program. 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 Program if the Rule 13e-4 procedural protections are not implemented.¹⁸

For the reasons described above, we believe that under a "totality of circumstances" analysis, the Company's stockholders are not the "particular class of persons [that] need the protection of" the tender offer rules because the terms of the New Redemption Program will be fully disclosed to new investors at the time of purchase and existing investors will receive notice of the New Redemption Program via a report filed with the SEC. 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-4.¹⁹ We note that these protections are already inherent in the New Redemption Program (including the ability to withdraw the redemption request prior to the Redemption Date) even if Rule 13e-4 is inapplicable.

Rule 13e-4 No Action Request

We respectfully request that the Staff confirm that it will not recommend that the SEC take

¹⁵ 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, large purchases in short time do not represent the kind of pressure the Williams Act was designed to prevent); *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, there was no pressure, other than normal pressure of the marketplace, exerted on the stockholders), *aff'd in relevant part, rev'd in part*, 584 F.2d 1195, 1207 (2d Cir. 1978).

¹⁶ See *Hanson Trust PLC v. SCM Corp.*, 774 F.2d 47 (2d Cir. 1985); see also *Pin v. Texaco Inc.*, 793 F.2d 1448, 1454-55 (5th Cir. 1986) (applying same analysis to issuer tender offer case).

¹⁷ See, e.g., *Wellman*, 475 F. Supp. at 821-23; *Pin*, 793 F. Supp. at 1454; *Hanson Trust*, 774 F.2d at 54-56.

¹⁸ See *Hanson Trust*, 774 F.2d at 58.

¹⁹ See *SEC v. Carter Hawley Hale Stores, Inc.*, 760 F.2d 945, 949 (9th Cir. 1985).

enforcement action under Rule 13e-4 with respect to redemptions of any of the Company's shares under the New Redemption Program. We believe the New Redemption Program is substantially similar to the redemption programs of other perpetual-life NAV non-listed REITs for which the Staff has granted no-action relief.²⁰ Factors that we believe address these objectives and support this request include:

- All material information relating to the New Redemption Program will be fully and timely disclosed to all stockholders. The terms of the New Redemption Program, including the Company's ability to determine to redeem fewer shares than have been requested to be redeemed in any particular month, will be fully disclosed in the prospectus as well as any prospectus used for subsequent offerings and the Transaction Price and 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 shares. Disclosure of the terms of the New Redemption Program will appear in the prospectuses for the Offering and the Class E DRIP Offering and in certain communications to existing stockholders and their financial advisors describing the New Redemption Plan, and any communications to stockholders identifying future changes to the plan will be communicated through reports the Company files with the SEC, a press release or via the Company's website. The Company will not make any other significant public communications about the New Redemption Program except as contained in or related to the Offering and Class E DRIP Offering prospectus 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 monthly Transaction Price and 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 request redemption of all or a portion of their shares 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 Program will be ministerial.
- The shares will be redeemed monthly under the New Redemption Program at the monthly Transaction Price of the class of shares being redeemed and the Company will file prospectus supplements with the SEC 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 month the Transaction Price and NAV per share for each class of shares on its website and toll-free information line.
- Redemptions will be made on a monthly basis. The redemption price normally will be paid in cash no later than three business days following the last calendar day of the applicable month and will be the same for all shares of the same class redeemed on a given month.
- Net redemptions or gross redemptions (depending on which option the board has chosen) under the New Redemption Program will be limited in any calendar month to shares whose aggregate value (based on the redemption price per share for the month the redemption is effected) is 2% of the combined NAV of all classes as of the last calendar day of the previous quarter and in any calendar quarter will be limited to shares whose aggregate value (based on the redemption price per share for the month the

²⁰ See Rich Uncles 2016 No-Action Letter, *supra* note 4; Blackstone 2016 No-Action Letter, *supra* note 4; RREEF 2013 No-Action Letter, *supra* note 4; Jones Lang 2012 No-Action Letter, *supra* note 4; Dividend Capital 2012 No-Action Letter, *supra* note 1; Cole 2011 No-Action Letter, *supra* note 4; American Realty 2011 No-Action Letter, *supra* note 4; Clarion 2012 No-Action Letter, *supra* note 4; and Clarion 2011 No-Action Letter, *supra* note 4.

redemption is effected) is 5% of the combined NAV of all classes of shares as of the last calendar day of the previous calendar quarter. In addition, every month and quarter each class of the Company's common stock will be allocated capacity within such aggregate limit to allow stockholders in such class to either (a) redeem shares equal to (based on the redemption price per share for the month the redemption is effected) at least 2% of the NAV of such share class as of the last calendar day of the previous quarter, or (b) redeem shares over the course of a given quarter equal to (based on the redemption price per share for the month the redemption is effected) at least 5% of the NAV of such share class as of the last calendar day of the previous quarter, which in the second and third months of a quarter could be less than 2% of the NAV of such share class. In order for the board of directors to change the application of the allocations and limitations 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 calendar days before the first business day of the quarter for which the new test will apply. In addition, for both the aggregate and class-specific allocations described above, (i) provided that, commencing with the fourth quarter of 2017, the program has been operating and not suspended for the first month of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for that month will carry over to the second month and (ii) provided that, commencing with the fourth quarter of 2017, the program has been operating and not suspended for the first two months of a given quarter and that all properly submitted redemption requests were satisfied, any unused capacity for those two months will carry over to the third month. Because the New Redemption Program was adopted so late in the third quarter of 2017, and because Class E stockholders were last offered liquidity through a self-tender offer in the second quarter of 2017 (other than stockholders requesting under the previous Class E Redemption Program, available only in the event of the death or disability of a stockholder), the Company expects nearly a full quarter of Class E share redemption demand to be present in the third month of this quarter and will allow carry-over capacity for this transitional quarter regardless of the carry-over capacity conditions set forth above.

- If the monthly or quarterly volume limitation is reached in any given month or the Company determines to redeem fewer shares than have been requested to be redeemed in any particular month, redemptions under the New Redemption Program for such month will be made on a *pro rata* basis.
- There will be no established regular trading market for the Company's common stock. The New Redemption Program will be terminated if the Company's shares are listed on a national securities exchange or included for quotation on a national securities market, or in the event a secondary market (other than limited or sporadic quotations) for the Company's shares develops.
- The New Redemption Program is intended to remain open indefinitely for the life of the Company unless modified or suspended by the board of directors. The Company is structured as a perpetual-life entity and has no intention to list its shares for trading on an exchange or other trading market.
- The New Redemption Program is open to all stockholders. Those who have held their shares less than one year will be subject to a 5% short-term trading discount which is intended to offset the Company's costs resulting from short-term trading of its shares and to discourage market timing.

The Company believes the New Redemption Program 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 Program were not implemented.

Rule 13e-3 - Does Not Apply

Rule 13e-3 should not apply to the New Redemption Program. 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 Program is not being undertaken for the purpose of causing the Company's shares to become eligible for termination of registration under Rule 12g4 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 Program insofar as the New Redemption Program has limitations on the amount of redemptions that may be made in each calendar month and 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 shares that will be registered under the Securities Act in compliance with Rule 415 under the Securities Act over an unlimited time period.

Under the New Redemption Program, the maximum amount of shares that may be redeemed on a net or gross basis, as applicable, over a 12-month period is approximately 20% of the Company's NAV. However, this is a theoretical limit, and one which is not expected to occur.

If the extent of redemptions under the New Redemption Program, after considering offers and sales 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 or suspend the New Redemption Program.

If you have any questions or need any additional information, please do not hesitate to contact me at (919) 786-2040.

Very truly yours,

/s/ Christopher R. Stambaugh

Christopher R. Stambaugh

cc: Mr. M. Kirk Scott, Black Creek Diversified Property Fund Inc.
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