

PREMIUM CONTENT



BlueVault
P A R T N E R S , L L C

Nontraded REIT Industry Review

FOURTH QUARTER 2010

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April 29, 2011

Dear Subscriber,

We are pleased to provide you with the Blue Vault Partners Industry Review — Fourth Quarter 2010 report. Within this issue you will find research on an unprecedented 61 nontraded REITs, of which 43 were fundraising and 18 were closed to new investments through December 31, 2010.

One of the most significant events that occurred in the industry during the fourth quarter of 2010 was the introduction of new Modified Funds from Operations (MFFO) reporting guidelines by the Investment Program Association (IPA). In addition to the standards provided by the National Association of Real Estate Investment Trusts (NAREIT) relating to the calculation of Funds from Operation (FFO), nontraded REITs now have an additional metric that allows for more standardization as it relates to performance reporting.

As a result of our analysis of each nontraded REIT's MFFO presentations for the year ending December 31, 2010, we note the following:

- Fifteen effective REITs and three closed REITs (eighteen in all) specifically mention that their MFFO presentation follows the IPA guidelines.
- While five effective REITs and six closed REITs did not specifically mention the IPA guidelines, based on our interpretation of accepted adjustments, we believe the MFFO presentations were not materially different from the IPA guidelines.
- For seven effective REITs and three closed REITs, based on our interpretation of accepted adjustments, Blue Vault Partners adjusted the company-reported MFFO figures to better align with the IPA guidelines. Each company's reported MFFO was also presented on each of the company's individual report for comparison purposes.
- And finally, because four effective REITs and four closed REITs did not report MFFO at all, based on the information provided in the annual report and our interpretation of the IPA guidelines, Blue Vault Partners estimated MFFO for these firms.

While the IPA guidelines are a first step towards a more standardized approach to calculating MFFO, we recognize that the industry still has a significant amount of room for improvement, and we are committed to bringing about the continued improvement which will generate the consistent, transparent guidelines needed to serve the industry and its investors.

In addition to a more robust analysis of MFFO presentations, the fourth quarter also marks the launch of our first Premium Content report. For those subscribers that have upgraded to this new level of service, the premium edition includes a global market overview for the nontraded REIT industry through the end of 2010, along with individual fact-based commentary for selected REITs. These REITs were chosen this quarter based on their investments in the commercial office sector as this was the primary asset class we reviewed for the quarter ending December 2010.

Our goal is to continue to creatively expand on the services we offer to our subscribers and to consistently provide unbiased, independent research. As always we look forward to your feedback and comments.

Our Best Regards,

Stacy Chitty
Managing Partner

Vee Kimbrell
Managing Partner

Nontraded REIT Industry Review: Fourth Quarter 2010



Table of Contents:

Metric Explanations & Report Overview	1 - 3	Moody National REIT I, Inc.....	51
Overall Industry Summary	4	Northstar Real Estate Income Trust, Inc.....	52
Top Line Assessment of the Nontraded REIT Industry – Year Ending 2010	5	Paladin Realty Income Properties, Inc.....	53
Key Nontraded REIT Trends	5	Phillips Edison – ARC Shopping Center REIT, Inc.....	54
Office Sector Overview	6	Steadfast Income REIT, Inc.....	55
REIT Operating Metric Trends	7	Strategic Storage Trust, Inc.....	56
Real Estate Trends	8	TNP Strategic Retail Trust, Inc.....	57
Making Sense of MFFO	9-10	United Development Funding IV.....	58
Premium Content Company Reviews		Wells Core Office Income REIT, Inc.....	59
American Realty Capital New York Recovery REIT, Inc.....	11	Wells Timberland REIT, Inc.....	60
Behringer Harvard REIT I, Inc.....	12	Effective Nontraded REITs with Limited Operating Results as of December 30, 2010	
CB Richard Ellis Realty Trust.....	13	Carey Watermark Investors Inc.....	61
Corporate Property Associates 14, Inc.....	14	Carter Validus Mission Critical REIT, Inc.....	61
Corporate Property Associates 17 - Global, Inc.....	15	CNL Macquarie Global Growth Trust, Inc.....	61
Dividend Capital Total Realty Trust, Inc.....	16	FundCore Institutional Income Trust Inc.....	61
Hines Global REIT, Inc.....	17	Green Realty Trust, Inc.....	61
Hines Real Estate Investment Trust, Inc.....	18	Hartman Short Term Income Properties XX, Inc.....	61
Inland Diversified Real Estate Trust, Inc.....	19	Independence Realty Trust, Inc.....	61
KBS Real Estate Investment Trust I, Inc.....	20	KBS Legacy Partners Apartment REIT, Inc.....	61
KBS Real Estate Investment Trust II, Inc.....	21	KBS Real Estate Investment Trust III, Inc.....	61
Wells Core Office Income REIT, Inc.....	22	KBS Strategic Opportunity REIT, Inc.....	61
Wells Real Estate Investment Trust II, Inc.....	23	Macquarie CNL Global Income Trust, Inc.....	61
Effective Nontraded REIT Summary Rankings	25 – 29	Resource Real Estate Opportunity REIT, Inc.....	61
Effective Nontraded REITs with Reported Operating Results as of December 31, 2010		Closed Nontraded REIT Summary Rankings	62 – 65
American Realty Capital New York Recovery REIT, Inc.....	30	Closed Nontraded REITs with Reported Operating Results as of December 30, 2010	
American Realty Capital Trust, Inc.....	31	Apple REIT Six, Inc.....	66
Apartment Trust of America, Inc.....	32	Apple REIT Seven, Inc.....	67
Apple REIT Nine, Inc.....	33	Apple REIT Eight, Inc.....	68
Behringer Harvard Multifamily REIT I, Inc.....	34	Behringer Harvard Opportunity REIT I, Inc.....	69
Behringer Harvard Opportunity REIT II, Inc.....	35	Behringer Harvard REIT I, Inc.....	70
Bluerock Enhanced Multifamily Trust, Inc.....	36	Cole Credit Property Trust II, Inc.....	71
CB Richard Ellis Realty Trust.....	37	Corporate Property Associates 14 Inc.....	72
CNL Lifestyle Properties, Inc.....	38	Corporate Property Associates 15 Inc.....	73
Cole Credit Property Trust III, Inc.....	39	Corporate Property Associates 16 - Global Inc.....	74
Cornerstone Core Properties REIT, Inc.....	40	Dividend Capital Total Realty Trust Inc.....	75
Cornerstone Healthcare Plus REIT, Inc.....	41	Hines Real Estate Investment Trust, Inc.....	76
Corporate Property Associates 17 – Global, Inc.....	42	Inland American Real Estate Trust, Inc.....	77
GC Net Lease REIT, Inc.....	43	Inland Western Retail Real Estate Trust, Inc.....	78
Grubb & Ellis Healthcare REIT II, Inc.....	44	KBS Real Estate Investment Trust, Inc.....	79
Healthcare Trust of America, Inc.....	45	Lightstone Value Plus Real Estate Investment Trust, Inc.....	80
Hines Global REIT, Inc.....	46	Wells Real Estate Investment Trust II, Inc.....	81
Industrial Income Trust Inc.....	47	Closed Nontraded REITs with Limited Operating Results as of December 30, 2010	
Inland Diversified Real Estate Trust, Inc.....	48	Desert Capital REIT, Inc.....	82
KBS Real Estate Investment Trust II, Inc.....	49	Shopoff Properties Trust, Inc.....	82
Lightstone Value Plus Real Estate Investment Trust II, Inc.....	50	Publication Schedule	83

Nontraded REIT Industry Review: Fourth Quarter 2010



Metric Definitions & Explanations.

A Portfolio Details Includes a summary of the portfolio holdings for the current period as reported on the REIT's balance sheet. Items categorized as real estate assets include real property, land, properties held for sale, buildings under construction and when applicable, investments in other real estate ventures, and/or real estate loans. Securities are defined as marketable securities which may include investments in CMBS securities. Items defined as "other" typically include lease intangibles, restricted cash and other miscellaneous items.

This section also includes a current overview of the REIT's investment strategy as it relates to the current percentage of cash available for future investments, the types of real estate assets the REIT intends to purchase and the number of properties actually purchased as of the current quarter end. Details such as the amount of square feet, units, rooms or acres owned are also included as well as the percentage leased for current real estate holdings.

The initial offering date is defined as the date the REIT was considered "effective" by the SEC and began raising money in its public offering. The number of months indicates how long the REIT has been raising capital and the anticipated offering close date is the date the REIT anticipates closing the REIT to new investments. The current price per share and reinvestment price per share are based on either the most recent offering price or the most recent price published as a result of a portfolio valuation.

B Gross Dollars Raised Defined as sales of non-traded REIT shares, including those purchased with reinvested dividends.

C Current Distribution & Historical Distribution The annualized distribution yield for each quarter or calendar year. Distribution yields are calculated using the distribution amount per share, as declared by the board of directors, and dividing the annualized amount by the current share price.

D FFO & MFFO Payout Ratios Cash distributions paid as a percentage of the REITs Funds from Operations (FFO) or Modified Funds from Operations (MFFO) during the indicated time frame. "Distributions paid" also includes cash distributions that were reinvested when applicable.

This metric is helpful in understanding how much of the Funds from Operations (FFO) or Modified Funds from Operations (MFFO)—that is, the income from operations—is used to pay the distributions. If the Payout Ratio is over 100%, this typically indicates that the REIT is using money from other sources—outside of income—to pay distributions. It is common for REITs that have been fundraising for less than two years to have payout ratios that are higher than 100% as the main objective during this initial fundraising period is to acquire properties as new capital is raised. Once the REIT has closed to new investments and the rental income becomes more stabilized, the payout ratio tends to decline towards a more ideal ratio of 100% or less.



Instead of reporting earnings like other companies, REITs report Funds from Operations (FFO). This is due to the fact that REITs have high depreciation expenses because of how properties are accounted for. But the properties don't fall in value to zero like, say a piece of equipment would. So the high real estate depreciation charges—which are required accounting—can seem unfair given that real estate assets have historically appreciated and been sold for a profit. Besides, those depreciation expenses aren't real cash being expensed anyway. It's only a paper loss and not a cash loss. So FFO adds back the depreciation expenses—and makes other adjustments as well. Keep in mind that FFO is a non-GAAP financial measure of REIT performance. GAAP stands for Generally Accepted Accounting Principles. Non-GAAP means that FFO is not an accounting standard.

The National Association of Real Estate Investment Trusts (NAREIT) has defined FFO as:

- Net Income
 - + Depreciation
 - /+ Gains/Losses on Property Sales (removes one-time items)
 - /+ Adjustments for unconsolidated joint ventures and partnerships
- FFO



Metric Definitions & Explanations.

Unfortunately, the NAREIT definition isn't uniform in practice. Not every REIT calculates FFO according to the NAREIT definition or they may interpret the NAREIT definition differently. Blue Vault Partners presents FFO in keeping with the NAREIT definition to the best of our ability, given the public information made available by each REIT in the quarterly filings. We may attempt to deduce FFO for nontraded REITs that are not forthcoming, but cannot guarantee the accuracy.

FFO does have some limitations:

- **FFO is an accrual measure of profitability, not a cash measure of profitability.** That is because FFO (and net income) records income and expenses, regardless of whether or not cash has actually changed hands.
- The NAREIT definition of FFO also does not take into account one-time items—those gains or losses that aren't recurring.
- FFO contains another weakness: it does not subtract out the capital expenditures required to maintain the existing portfolio of properties. Real estate holdings must be maintained, so FFO is not quite the true residual cash flow remaining after all expenses and expenditures. FFO is an imperfect measure of REIT performance, but it is the best that we have for the non-traded REIT industry at this time. Blue Vault Partners is employing the NAREIT definition and adjusting company-reported FFO to comply with NAREIT whenever possible.

“Modified Funds from Operations” or “MFFO”, is a supplemental measure which is intended to give a clearer picture of the REIT's cash flow given the limitations of FFO as indicated above. **It is important to keep this metric in mind while reviewing FFO calculations for each REIT. In general, MFFO is considered to be a more accurate measure of residual cash flow for shareholders than simple FFO as it provides for a better predictor of the REIT's future ability to pay dividends.**

While one REIT's reported MFFO may not be completely comparable to another REIT's reported MFFO, new guidelines set forth by the Investment Program Association (IPA) in November 2010 now offer a more consistent approach to reporting MFFO for the nontraded REIT community. For REITs that do not report MFFO, Blue Vault Partners' estimates are presented in accordance with these new IPA guidelines. MFFO is generally equal to the REIT's Funds from Operations (FFO) with adjustments made for items such as acquisition fees and expenses; amounts relating to straight line rents and amortization of above or below intangible lease assets and liabilities; accretion of discounts and amortization of premiums on debt investments; non-recurring impairments of real estate-related investments; mark-to-market adjustments included in net income; non-recurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or



securities holdings, unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, and adjustments for consolidated and unconsolidated partnerships and joint ventures.

- **Debt Maturity** The due date for a debt when the principal must be repaid. The commercial real estate industry has a little over a trillion dollars in maturing loans coming due in the next few years. The challenge is renewing these loans in a time of tight credit and fallen real estate values. If a REIT cannot refinance, it has to divest of assets, which reduces Funds from Operations (FFO) and endangers a payout to investors. If the majority of a REIT's debt is maturing in the next 12-24 months, this could be an issue.
- **Current Debt Ratio** The ratio of Total Debt divided by Total Assets. There is no perfect debt level for a REIT; some sectors use more debt than others. But what was once considered reasonable debt can become a problem in a difficult economic environment. A careful REIT investor will look at both the Current Debt Ratio and the Interest Coverage Ratio to gauge if a REIT is overleveraged. Also, see the Debt Maturity schedule for any debt refinancing challenges on the horizon.



Metric Definitions & Explanations.

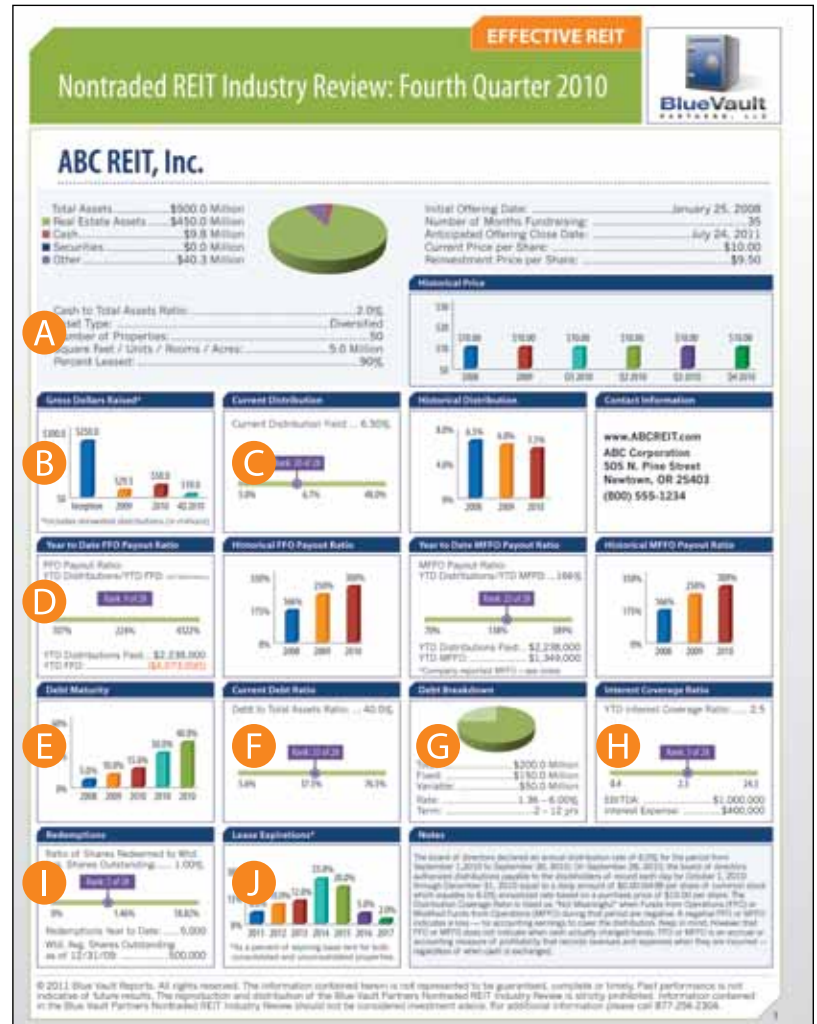
- G Debt Breakdown** Gives a snapshot of total debt as itemized on the balance sheet and divides into the amount financed at fixed rates versus the amount financed at variable rates. Terms and maturity ranges are presented for all debt outstanding.
- H Interest Coverage Ratio** Calculated as year to date adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), divided by year to date Interest Expense.

Adjusted EBITDA is defined as EBITDA before acquisition expenses and impairments. All EBITDA figures referenced in this report have been adjusted unless otherwise provided by the individual REIT. Since it's tough to gauge how much debt is too much or too little, the Interest Coverage Ratio is another clue to a REIT's debt health. The Interest Coverage Ratio is a measure of a REIT's ability to honor its debt interest payments. A high ratio means that the company is more capable of paying its interest obligations from operating earnings. So even if interest costs increase due to higher costs of borrowing, a high Interest Coverage Ratio shows that a REIT can handle those costs without undue hardship. The analyst community typically looks for **an Interest Coverage Ratio of at least two (2)—that is, profits are at least twice the costs of interest expenses—to maintain sufficient financial flexibility.** When the Interest Coverage Ratio is smaller than one (1), that means the REIT may not be generating enough cash from its operations to meet its interest obligations. With a ratio less than one, the company has significant debt obligations and may be using its entire earnings to pay interest, with no income leftover to repay back the debt. On the other hand, a very high interest coverage ratio may suggest that the company is missing out on opportunities to expand its earnings through leverage.

- I Redemptions** REIT shares bought back from the shareholder/investor by the REIT under a program referred to as the Share Redemption Program (SRP), to provide investors with a limited form of liquidity. This Program is severely limited in the number of shares that can be repurchased annually. Most REITs also have a provision that allows them to suspend this liquidity feature upon Board approval.

Share redemption ratios are provided for comparison purposes only and may not be calculated in the same manner in which each individual REIT's share redemption program guidelines dictate. With that in mind, please refer to the individual REIT offering documents for more details. In an attempt to standardize this metric and make general program comparisons, we calculate redemption ratios by dividing the actual number of shares redeemed year to date by the weighted average number of shares outstanding at the end of the prior calendar year.

- J Lease Expirations** Date when the lease ends and the landlord will need to re-lease space. Percentages reported are based on annualized base rents unless otherwise noted.



Ranking Methodology:

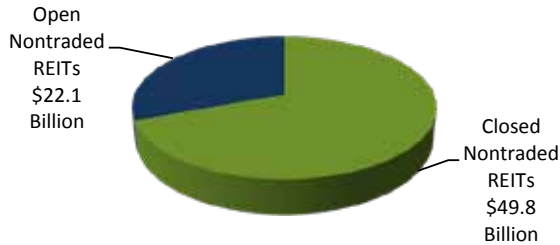
Summary rankings are provided as a simple way to compare metrics for each individual nontraded REIT and will change from quarter to quarter. In circumstances where a particular metric may not be calculated due to missing or unavailable information, those REITs have been excluded from the rankings.

Nontraded REIT Industry Review: Fourth Quarter 2010

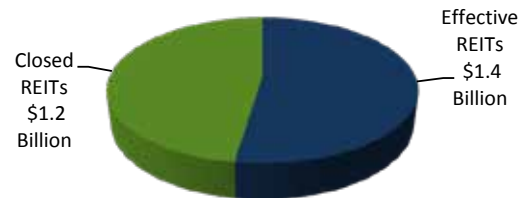


Overall Industry Summary

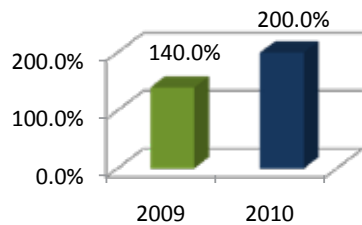
Total Nontraded REIT Assets: \$71.9 Billion as of December 31, 2010



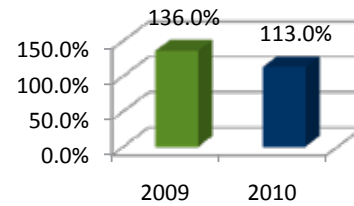
Total Nontraded REIT Industry Cash & Equivalents: \$2.6 Billion



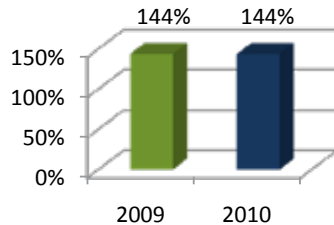
Effective Nontraded REITs : Median Distribution / FFO Payout Ratio



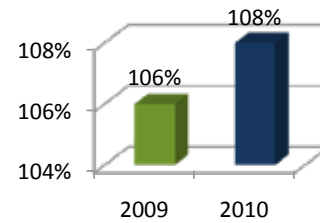
Closed Nontraded REITs: Median Distribution / FFO Payout Ratio



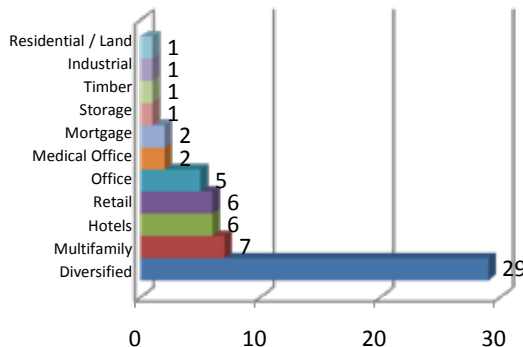
Effective Nontraded REITs : Median Distribution / MFFO Payout Ratio



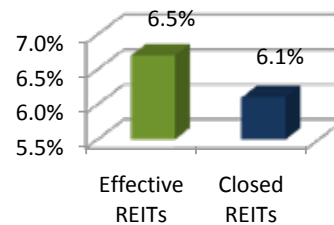
Closed Nontraded REITs: Median Distribution / MFFO Payout Ratio



Breakdown of Nontraded REIT Asset Types: 61 Total Programs



Effective vs. Closed Nontraded REITs: Median Distribution Yield Comparison – Q4 2010



Average Number of Months Fundraising for Effective REITs: 21.8

Top-Line Assessment of the Nontraded REIT Industry — Year End 2010

Making a grand return to the market is a flood of capital from a wide variety of sources including nontraded REITs. 2010 was a substantial capital-raising year in the industry, as \$8.3* billion was raised and 15 new offerings were added to the market. In addition to nontraded REITs, private equity and pension advisory funds had significant capital reserves as queued withdrawal requests were rescinded and fresh capital was directed to core real estate funds. A similar phenomenon has been experienced in foreign and sovereign wealth funds, as investors looked for security in stable, high-quality, long-term leased commercial real estate in the United States.

This demand has created dramatic drops in capitalization rates in core markets such as Washington, D.C., and New York City, returning to the low levels not seen since 2006. While the multifamily and office sectors have been the early beneficiaries of this rebound in pricing, other property types are beginning to see similar cap rate compression, especially for core stable properties.

Key Nontraded REIT Trends

The end of 2010 has brought to the forefront a number of items including:

- **New MFFO Standard** – Newly released Investment Program Association (IPA) nonbinding MFFO guidelines were introduced in November 2010. In our opinion, of the 48 nontraded REITs we analyzed with significant operating results, 18 disclosed that they reported MFFO according to the standard and 11 did not appear materially different from the guidelines in their presentation.
- **Valuations** – For those nontraded REITs that are already completing valuations, a slight uptick in share values has occurred, ending several quarters of downward valuations. The question remains — how low will the new share values be for those nontraded REITs that have yet to value their shares?
- **Distributions** – The pace of lowering of distributions has slowed, but pressure will remain on distributions as leases begin to roll over in a lower rental rate/higher tenant improvement cost marketplace.
- **Debt Maturities** – Those nontraded REITs with 2011 maturities are getting a reprieve with more plentiful debt available at attractive terms and rates. However, current loan-to-value ratios may not cover previous loan balances, causing a further demand on capital for some REITs.

In addition to reviewing the overall commercial real estate office sector, in the following pages we will highlight certain REIT operating metrics, certain real estate trends, and a more detailed analysis of trends of the newly implemented Modified Funds from Operations (MFFO) reporting guidelines.

Commentary for thirteen nontraded REITs provided in this premium content section of the report were selected for analysis primarily based upon office property ownership. A blend of Effective REITs actively raising capital and Closed REITs were chosen. As you read each company review, please be certain to note the following items:

Effective REITs

- MFFO Payout Ratios
- Cash on hand
- Debt Ratios
- Source of capital used to pay distributions
- Balance of diversification across asset types, real-estate related investments, location, and industries.

Closed REITs

- Capital structure – amount and blend of fixed and variable debt, use of joint ventures, and balance of investment types
- MFFO Payout Ratios
- Dispositions – pace and selection
- Valuation – impact of value
- Portfolio positioning
- Preparation for List/Liquidation

*Revised up from initial estimates of \$8.1 billion and also includes reinvested distributions.



Office Sector Overview

The office sector remains the darling of the investment community, with transaction volume rising, cap rates falling, and prices increasing — at least for those stable properties in better markets. This has been true despite a few notable issues that have become harder to ignore among office investments including:

- **Soft Fundamentals** – With few exceptions across the country, rental rates, occupancy rates and tenant improvement and leasing costs reflect a tenant’s market. Most increases in vacancy have halted, but until significant economic recovery ensues, it will be several quarters before improvement in occupancy can begin to create increases in rental rates.
- **Capital Requirements** – New and renewal leases in today’s office marketplace require substantially higher levels of tenant improvements, concessions and leasing commissions to gain or retain tenants. When added to an aging office stock, demands on office REIT capital will remain high for the foreseeable future.
- **FAS Impact** – The Financial Accounting Standards (FAS) Board has released for comment and potential 2012 implementation, sweeping changes to how tenants can treat their leases on their financial statements. The net effect is that companies will need to categorize their leases as capital leases, which will likely result in shorter lease terms.
- **Reduced Tenant Space Usage** – As a result of the stagnant economy, tenants are searching for ways to limit rental expenses. It is expected that as office tenants renew, they will require less space. This trend will continue, at least for several quarters, until significant economic growth occurs.

If you are an investor who owns property only in the better submarkets of Boston; New York; Washington, D.C.; and San Francisco, you can skip the rest of this paragraph. For everyone else, office pricing has been a case of the “haves and the have-nots.” There is a dramatic difference in cap rates between the top-tier real estate markets and almost everywhere else, especially for well-leased, stabilized Class-A properties. Toward the end of 2010, a migration of lower cap rates began to move into other major markets, a trend that has continued into 2011.

The recovery of the nation’s office market will be closely tied to job growth. Office space is needed to house employees, and without jobs, demand will be muted. The silver lining in this outlook is that new construction will be very limited, while older assets will begin to be removed from the competitive stock, aiding the supply side of the equation.

Among nontraded REITs, those that focus entirely or predominately on the office sector, in the fourth quarter of 2010, the top transactions that occurred among nontraded REITs were:

Hines Global REIT, Inc.

Property: Fifty South Sixth, a 29-story Class A office building located directly on Nicollet Mall, the central spine for the Minneapolis CBD

Purchase price: \$180 million

Leasing info: The building is 94 percent leased to tenants including: Dorsey & Whitney LLP; Deloitte LLP; Dunham Associates, Inc; and M&I Bank, among others.

Date announced: November 2010

Note: The sale marks the largest single-asset transaction in Minneapolis since 2006.

KBS Real Estate Investment Trust II, Inc.

Property: Granite Tower, a 31-story office tower in Denver’s Central Business District

Purchase price: \$149 million

Leasing info: The building is more than 95% leased to 20 tenants, including Anadarko Petroleum Corp., Bill Barrett Corp., and the law firms of Robinson Waters & D’Orsio PC and Jackson Kelly PLLC.

Date announced: December 2010

Note: This transaction was one of the state’s largest commercial real estate deals of the year.

CB Richard Ellis Realty Trust

Property: 100 Kimball Drive is a five-story, 175,000 square foot office building in Parsippany, NJ

Purchase price: \$60.25 million

Leasing info: 100% net-leased to Deloitte LLP through July 2020

Date announced: October 2010



REIT Operating Metric Trends

Nontraded REIT Stages

Nontraded REITs have a unique life cycle based upon their method of raising capital, acquiring assets, paying distributions, and, ultimately, creating a liquidity event and returning capital to investors. Two distinct phases are present for a nontraded REIT, its “effective,” capital raise phase and its “closed” phase, when it no longer accepts new investments. Blue Vault Partners has begun defining these phases

even further by delineating distinct stages within these two categories to allow for further segmentation and establishing a high-level peer group analysis as noted below.

Each stage is also marked by certain capital raise and acquisition characteristics, as well as debt profile. Listed in the table below are those items.

Stage Name	Total Assets	Total Years from Initial Public Offering Launch	Number of Properties	Geographic Diversification
Effective				
Emerging	\$0 – \$100 Million	0 to 2	0 – 5	Highly limited
Growth	\$100 Million – \$1 Billion	1 to 4	5 – 20	Coalescing
Stabilizing	\$500 Million – \$1 Billion+	3 to 6	30+	Balanced
Closed				
Maturing	Usually greater than \$500 Million	4 to 8	30+	Balanced
List or Liquidate	Usually greater than \$500 Million	7+	30+	Refined

	Characteristics	Debt Profile
Effective		
Emerging	Slow ramp-up of capital raise and start of acquisitions	Highly restrictive and higher cost — bridge financing
Growth	Acceleration of both capital raise and acquisitions	Introduction of lines of credit and debt pools
Stabilizing	Distinct formation of REIT personality	Beginning refinement and balance between fixed- and variable-rate debt.
Closed		
Maturing	Refinement of portfolio through dispositions, targeted acquisitions, and debt policy	An increasingly sophisticated use of fixed- and variable-rate debt; portfolio and one-off executions; secured and unsecured, as well as senior debt and bonds with lower overall costs and rates.
List or Liquidate	Positioning for sale or listing on public exchange	An increasingly sophisticated use of fixed- and variable-rate debt; portfolio and one-off executions; secured and unsecured, as well as senior debt and bonds with lower overall costs and rates.



Real Estate Trends

Acquisition volume of commercial property increased across the broad market dramatically in 2010, with total volume of \$134 billion, according to Real Capital Analytics, more than doubling 2009 results. Similarly, nontraded REIT acquisition volume increased with over \$13 billion acquired. Nontraded REIT acquisition volume represented approximately 10% of the total market. Effective REITs completed over \$10.4 billion in acquisitions and Closed REITs totaled more than \$2.8 billion in transactions.

The top-ten most active Effective nontraded REITs were:

Effective Nontraded REITs*	Total
1. Cole Credit Property Trust III, Inc.	\$2,229,952,000
2. KBS Real Estate Investment Trust II, Inc.	\$1,406,273,000
3. CB Richard Ellis Realty Trust	\$ 800,000,000
4. Corporate Property Associates 17 – Global, Inc.	\$ 917,897,000
5. Healthcare Trust of America, Inc.	\$ 806,048,000
6. Apple REIT Nine, Inc.	\$ 781,600,000
7. Behringer Harvard Multifamily REIT I, Inc.	\$ 562,108,000
8. Hines Global REIT, Inc.	\$ 617,000,000
9. American Realty Capital Trust, Inc.	\$ 556,000,000
10. Inland Diversified Real Estate Trust, Inc.	\$ 356,411,000

In 2011, it is expected that transaction volumes will continue to rise given capital demand, debt availability, and the beginning of real estate supply being released from banks and other financial institutions. If capital flows to nontraded REITs continue to increase, their acquisition volume should follow pace.

Market Capitalization Rates

Capitalization rates for all product types are showing signs of improvement. A capitalization rate (“Cap rate”) is the Net Operating Income of the property divided by its purchase price. It provides a quick measure of comparison for pricing of similar properties. Cap rates had fallen to historic lows during the mid-2000s, driven by very strong demand. They had risen sharply during the recession, reflecting the greater risk perceived in the market and diminished demand. Starting in late 2009, cap rates began declining for strong, stable properties in core markets, initially for multifamily properties. This trend continued during 2010 and included a broader spectrum of property types but was still focused on a handful of core markets. Toward the end of 2010, fall cap rates were being witnessed when other major and selected secondary markets. With the amount of equity and debt capital available today, it is expected that this trend will continue.

Capital Costs

The capital demands mentioned earlier in the office sector are being felt in other areas of the market. Other property types, including retail, industrial, medical office, and multifamily, will require higher costs than historical norms for tenant improvements, concessions, and leasing commissions to gain or retain tenants. In addition, many older properties across all property types will need to be repositioned and may face major capital improvement needs for roofs and systems upgrades as they age.

The demand on REIT capital over the next five years will be higher than normal to meet these various items. REITs with lower debt levels can finance certain of these capital needs and tie them to revenue-producing items such as new leases or repositioning plans. Those with already high debt ratios, looming maturities, and low cash on hand will be very challenged going forward.

*Total purchase price.



Making Sense of Modified Funds From Operations (MFFO)

You say FFO, I say MFFO ... It may seem like alphabet soup, but MFFO — or Modified Funds From Operations — is a better measure of a nontraded REIT's distribution-paying capacity.

Why MFFO?

During the early years of fundraising, investment, and operation, nontraded REITs typically have a significant amount of acquisition activity and are substantially more dynamic than REITs that trade in the open market. So in November 2010, the Investment Program Association (IPA), an industry trade group, standardized a metric known as MFFO that makes additional adjustments to FFO (Funds From Operations) — in order to better evaluate nontraded REIT performance.

It's important to keep in mind, that MFFO is NOT the same as Cash Available for Distributions. Cash Available for Distributions figures are not currently reported for the nontraded REIT industry. In the meantime, MFFO is considered a more accurate measure of residual cash than simple FFO.

What We Saw in 2010

For 2010, on the whole, nontraded REITs appear to be trending towards presenting MFFO with more transparency as 18 nontraded REITs disclosed that they reported MFFO according to the standard and 11 did not appear materially different from the guidelines in their presentation.

Whatever the nontraded REIT's approach for presenting MFFO, the truth is — it's not unusual for nontraded REITs to generate low or even negative FFO or MFFO in the early years. That's because it takes time — years — to raise money, acquire real estate assets and have them grow in value. Upfront and ongoing fees are also partly responsible.

As it relates to distribution coverage, some sponsors are incurring debt or tapping offering proceeds to beef up early distribution payments. Others are waiving advisory fees or kicking in a contribution to support the distribution. Or there are combinations/variations on these tactics. That's why the distribution payouts can sometimes exceed MFFO — with payout ratios well over 100%.

This practice of propping up the distribution may seem confusing. But this early risk can better position the REIT to attract additional capital and thereby fund a larger and more diverse portfolio — which may potentially reap bigger rewards for investors in the long term. These supported distributions should align with the sponsor's overall real estate strategy, anticipated rate of return, performance targets, and

exit strategy. The idea is to support the dividend in the short-term until the cash flow from the underlying real estate portfolio catches up and can more fully cover the distribution. However, each REIT must take care to bring its distribution payouts in line with its MFFO sooner rather than later, trending toward improving coverage.

If you are looking for a better understanding of a REIT's overall health, MFFO will not tell you anything about its balance sheet strength, strategy, or management. But MFFO is an important tool for gauging a company's ability to fund its distributions at a point in time, and offers a baseline for further analysis.

Behind the Numbers

You may not be a "math person", but it pays not to take MFFO figures entirely at face value. Even if a REIT reports MFFO aligned with IPA guidelines, that still doesn't make it foolproof.

"Window-dressing" practices are perfectly legal and can provide clues to lower quality MFFO. We wanted to point out a few tactics in greater detail that made 2010 MFFO appear better for some REITs:

Waived or Forgiven or Deferred Fees – When the Sponsor waives or defers certain fees, money that would have been paid to the Sponsor is now available to pay distributions.

Contribution from Sponsor – This is self-explanatory; the advisor contributes money to boost MFFO.

Prepaid Expenses – Some REITs prepay their asset and property management fees a few quarters in advance so that the expense can be kept off the income statement and is instead, moved to the balance sheet. This makes MFFO appear stronger than it really is.

How? Asset and property management fees are usually expensed on a REIT's income statement. That lowers net income, which is the starting point for calculating MFFO. But the REIT can remove the cost from the income statement and move it over to the balance sheet as an asset — a technique known as capitalization. With capitalization, the fees are still being paid, but due to the accounting treatment, they don't show up on the income statement all at once and will gradually be expensed over time.

If your eyes are starting to glaze over, just remember that a REIT that capitalizes asset and property management fees will report a stronger MFFO than if they had merely expensed those fees.



We're only just scratching the surface. There are many other ways to "manage" MFFO, so it pays to take a closer look at the fine print. Even if math is not your forte, you can still learn a lot by doing a little self-sleuthing at www.sec.gov.

Blue Vault Partners cautions subscribers to not get too attached to MFFO or any one number; it's the trend line that matters most. Metrics at any one point in time should be as a starting point for discussion rather than a rationale for snap judgments. After all, there's a lot more to a REIT than just MFFO!

Frequently Asked Questions

How can I compare MFFO or MFFO payout ratios if REITs don't calculate MFFO the same way?

While our goal is an apples-to-apples comparison of data, it's not always feasible, given the information that companies report. Although the new IPA guidelines for MFFO are not required, we anticipate that all nontraded REITs will eventually adjust their reporting practices to reflect the IPA recommendations in the future.

In an effort to address the current reporting disparity, Blue Vault Partners has estimated MFFO for certain nontraded REITs that did not report MFFO in accordance with IPA guidelines. While we cannot guarantee 100% accuracy, we believe our adjustments are a helpful estimate of how those REITs perform among their peers. In our Q4 2010 report, our estimates are indicated alongside the original company-reported MFFO figure.

A few REITs reported MFFO without specifically mentioning the IPA guidelines, and based on our interpretation of accepted adjustments, we believe the MFFO presentations were not materially different from the IPA guidelines. For those REITs, we have made notes on each individual product's page.

If MFFO is so important, why does Blue Vault Partners report FFO as well?

FFO remains the industry standard for all publicly registered REITs. No metric is perfect; both FFO and MFFO have their limitations. That's why it's helpful to consider them alongside each other AND other performance metrics. No one number can tell the entire story.

Where can I learn more about MFFO?

For more information on Modified Funds From Operations (MFFO), see the IPA MFFO Practice Guideline 2010-01 — Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds From Operations ("IPA PG 2010-01") as adopted by the IPA Board of Trustees on November 2, 2010.



American Realty Capital New York Recovery REIT was formed in September 2010 to acquire commercial real estate in the metropolitan New York area, with a focus on office and retail properties in New York City. The REIT will also invest in real estate-related assets such as loans, stocks, debt securities and mezzanine products. Leverage for the REIT is targeted at 40%–50% with a targeted exit of five years after the end of the initial offering period. Its operating metrics reflect the vagaries of early Emerging Stage REITs with high debt, (not meaningful) distribution payout ratios, and with minimal diversification with only two assets purchased in 2010.

Key Highlights

- Emerging Stage REIT with limited capital raise and acquisition pace.
- Unique investment premise with a geographic target of New York City and attempt to time the rebound of the New York commercial property markets.
- Heavy use of bridge loans that will need to be retired quickly due to high interest rates and fees.

Capital Raise/Capital Stack Review

- Capital Raise – \$2.9 million was raised in the second half of 2010.
- Debt ratio – 59% is typical for Emerging Stage and should moderate as capital raise continues.

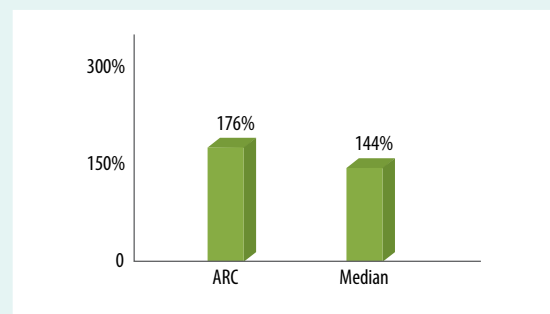
Metrics

- Emerging Stage metrics – Given less than two full quarters of capital raising and operations, creating historical trends is not possible at this time.
- Distribution Payout Support – The advisor waived \$200,000 in fees and contributed \$133,000 toward the distribution in 2010.
- Debt coverage is modest and is expected to improve as debt ratios decline to more moderate levels.
- Distribution rate of 6.05% is slightly below the average for all REITs currently fundraising.

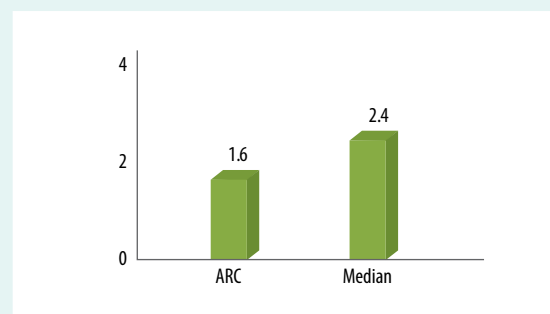
Real Estate

- Acquisitions – Two acquisitions were completed in 2010, including an office property and five retail condominiums, both located in New York City.
- Debt – Utilizing bridge loans guaranteed by company principals and related entities for initial financing creates exposure to principals, as well as financial strain due to high fees and interest rates.

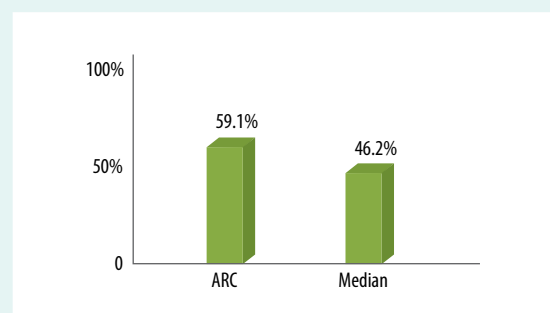
YTD MFFO Payout Ratio vs. Median for All Effective REITs



YTD Interest Coverage Ratio vs. Median for All Effective REITs



Current Debt Ratio vs. Median for All Effective REITs





Behringer Harvard REIT I is a closed nontraded REIT that launched its public offering in 2003 and completed capital raising in December 2008. The REIT has \$4.1 billion in assets which consists of 66 properties. It concentrates on institutional-quality real estate. The REIT is in the Maturing Stage that typically includes the refinement of the portfolio through select acquisitions and dispositions. However, given fundamental weaknesses and debt exposure, the REIT is faced with significant challenges, as it has been plagued with foreclosures, deeds in lieu, tenant renewal, and capital issues. These issues have been reflected in low share valuations and distribution payouts.

Key Highlights

- The issues being faced by the REIT are demonstrated in its 1% distribution rate and \$4.55 per share valuation.
- The REIT has been forced to complete several deeds in lieu and foreclosure sales, losing all equity on those investments. At year-end, eight loans are in default in the portfolio, with a combined loan balance of \$145 million.
- Problems are exacerbated by a debt level above its Board of Directors' imposed limit of 55% and low cash on hand to pay for tenant improvements, leasing commissions, loan pay-offs, and other cash needs.
- To support the distribution and cash availability, the sponsor has waived fees for two years, including \$8.9 million waived in 2010.

Capital Stack Review

- Valuation – The REIT began valuation of its portfolio in 3Q 2010 with a per-share price reduction to \$4.25 from \$10 per share. The most recent valuation of \$4.55 was set as of Dec. 31, 2010.
- Impairments – \$59.3 million in asset and goodwill impairments were recognized in 2010, reflecting disposition losses and the impact of the share valuation.
- Debt Ratio – A persistently high debt ratio moved modestly downward from 77% at year-end 2009 to 66% at year-end 2010.
- Debt Maturity – 25% of debt matures in 2011, which does not include assets already in default.

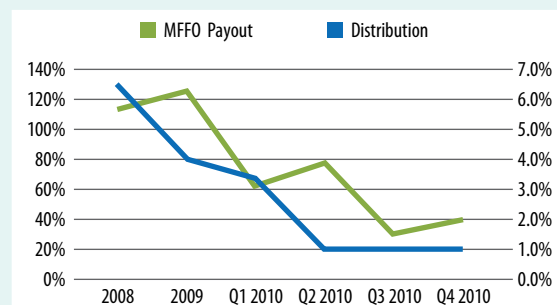
Metrics

- MFFO Payout Ratio – Is strong as a result of the low distribution payout.
- Interest Coverage – Is low at 1.4 x EBITDA, reflecting the high debt ratio and challenged revenue levels.
- Distributions – Distribution payouts began declining in 2009 and have been steadily decreasing to their current level of 1% of the original share price, or 2.2% of the \$4.55 present share valuation.

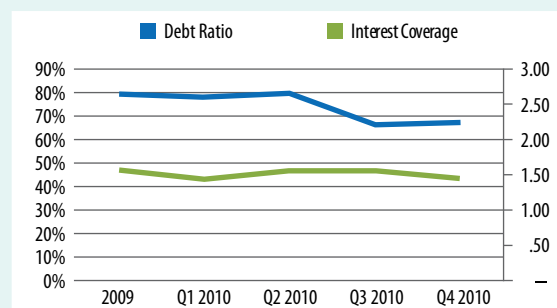
Real Estate

- Fundamentals – With 48% of leases set to expire by the end of 2015 and portfolio occupancy at 84% this exposes the REIT to significant tenant turnover and leasing-related costs.

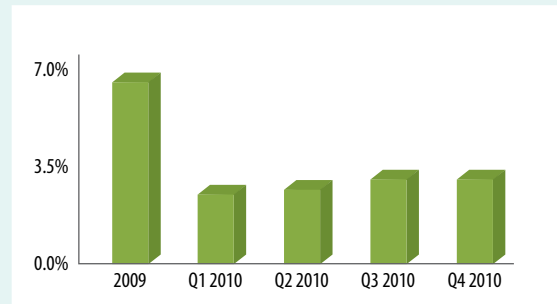
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Cash to Total Assets



- Dispositions – 3 properties were sold in 2010 totaling \$78 million, the majority of which was used to pay off debt associated with those properties. Two other properties were returned to the lender through deed in lieu of foreclosure. Two additional properties have already been lost to foreclosure or deed in lieu in 2011.
- Acquisitions – None occurred in 2010.
- Diversification – Concentration of ownership (51%) in three cities — Chicago, Houston, and Philadelphia — increases risks associated with local economic trends in each city.

CB Richard Ellis Realty Trust was formed in 2006 to invest in office, industrial, and retail properties in the United States, Europe and Asia. The Trust is externally managed by CBRE Advisors and receives marketing and capital-raising services from CNL Securities Corp. The REIT is in the Stabilizing Stage of effective REITs and is beginning to reach stabilized metrics for its operations while managing acquisitions to create a distinctive theme for the REIT.

Key Highlights

- In compliance with their objectives, in 2010 the REIT's Board commenced a review of liquidity events to meet a December 31, 2011 deadline should a listing of shares not occur by that time.
- Distribution Payout Source – 48% from operations and 52% from financings.

Capital Raise/Capital Stack Review

- Capital Raised – \$596 million was raised by the REIT in 2010.
- \$800 million in acquisitions were completed in 2010.
- Debt Maturity – 18% of the REIT's debt matures in 2011. With only 25% leverage, this is not a large exposure but warrants diligence if the REIT is unable to renew or replace the existing debt at similar loan to values, creating a potential demand for cash.
- With the strong acquisition pace, the REIT was able to reduce cash to total assets from 18% to less than 3% by year-end 2010.

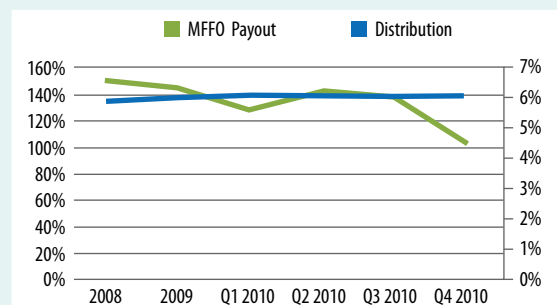
Metrics

- Payout Ratio – Distribution to MFFO ratios improved to 103% by year-end 2010; however, it averaged a quarterly 128% during the year.
- Interest coverage is strong, reflecting the moderate debt ratio of the REIT.

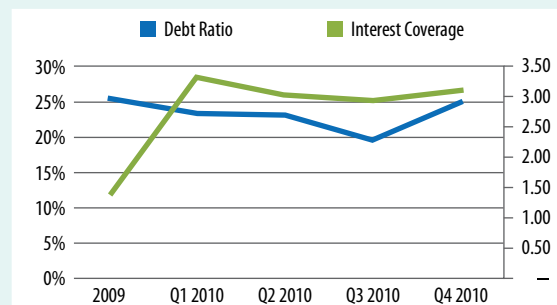
Real Estate

- Fundamentals – Limited lease expirations are expected in the short run, with more than 50% of the rollover occurring after 2016
- Acquisitions – Key acquisitions include:
 - A 7-property industrial portfolio from TIAA for \$95 million.
 - Beginning in Dec. 2010 and completed in March 2011, was a multi-property portfolio purchase from Duke Realty of an 80% interest totaling \$513 million.

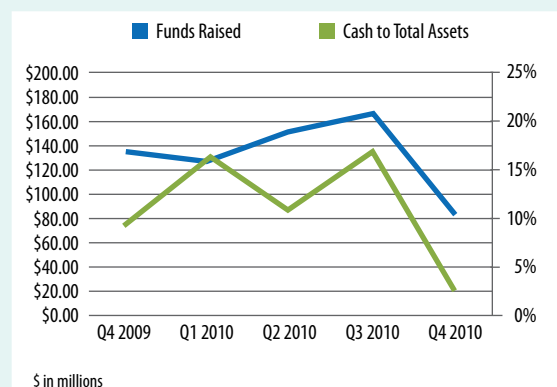
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Funds Raised to Cash Ratio



Corporate Property Associates 14 was formed by W.P. Carey in November 1997 and closed to new investments in November 2001. Current assets total \$1.4 billion and 304 properties. The REIT invests in net leases to companies domestically and internationally. It primarily targets single-tenant, net-leased office, industrial, and retail assets. The REIT is in the List or Liquidate Stage and has elected to merge with another W.P. Carey-sponsored REIT, CPA 16, at \$11.50 per share, with an anticipated merger date of 2Q 2011.

Key Highlights

- CPA 14 is planning to merge into another W.P. Carey sponsored REIT, CPA 16. This will mark the second time that an entity has been merged under the W.P. Carey umbrella within the past five years; CPA 12 was merged into CPA 14 in 2006.
- As part of the merger with CPA 16, CPA 14 plans to sell three assets to a related entity, CPA 17 for aggregate selling prices of \$32.1 million and \$57.4 million, respectively, plus the assumption of debt totaling approximately \$64.7 million and \$153.9 million, respectively. The sale is projected to produce a gain for CPA 14. It is an unusual transaction since CPA 16 is the joint venture partner with CPA 14 in the properties. As opposed to consolidating interest and control, Management has chosen to bring a new party, CPA 17, into the ownership structure.
- Ten properties were removed from the portfolio through sale and deed in lieu of foreclosure.

Capital Stack Review

- Debt Ratio – Has been high relative to other REITs at this Stage but reduced from 61% to 49% during 2010, reflecting the disposition of 10 properties from the portfolio
- Risk – due to the international exposure of the REIT, it is exposed to currency and sovereign risk.
- Impairments – \$12.3 million in impairments were taken on six properties plus other securities during 2010.

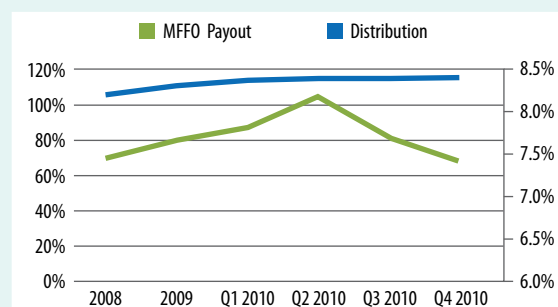
Metrics

- Valuation – The per-share valuation remained flat in 2010 at \$11.80. The proposed merger, however, will take place at \$11.50/share.
- MFFO Payout Ratio – The REIT has very strong MFFO coverage typical for its Stage.
- Interest Coverage – Good interest rate coverage for its Stage ending the year at 3.2 x EBIDTA.

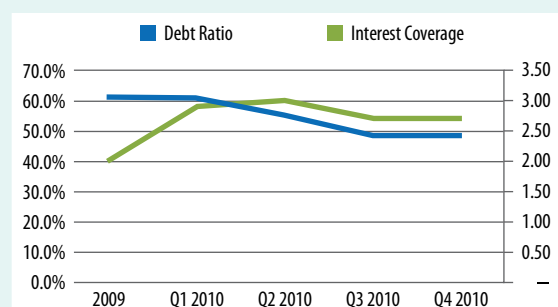
Real Estate

- Fundamentals – Lease expirations are well-balanced within the portfolio.
- Dispositions – \$19.5 million of properties were sold in 2010, as the REIT prepares to List or Liquidate through the proposed Merger.
- Acquisitions – no acquisitions were made in 2010.
- Diversification – the portfolio is diversified between office, industrial, and retail assets.

MFFO Payout to Distribution Yield



Debt to Interest Coverage



Cash to Total Assets





Corporate Property Associates 17 – Global was formed by W.P. Carey in November 2007 to invest in net leases to companies domestically and internationally. The REIT has 135 assets totaling almost \$2.0 billion located 64% in the United States and 36% internationally. It primarily targets single-tenant, net-leased office, industrial and retail assets. The REIT is in the Stabilizing Stage that is characterized by strong and steady capital raise and acquisition activity, with an objective of forming a distinct personality for the REIT.

Key Highlights

- Capital raise of \$628.2 million in 2010, coupled with acquisitions of nearly \$1.0 billion.
- The REIT has a strong international exposure with 36% of its real estate assets located outside the United States.
- Proposed acquisition of assets from CPA 14, an affiliated company, as part of the merger of CPA 14 into CPA 16 is unusual, since CPA 17 is buying a joint venture interest and will not have complete control, in addition to exposing its sponsor, W.P. Carey, to self-dealing issues.

Capital Raise/Capital Stack Review

- Capital Raise – filed a follow-on offering with the SEC in October 2010.
- Debt Ratio – Modest debt ratio that improved during 2010 from 46% to 34% at year-end.
- Risk – Due to the international exposure of the REIT, it is exposed to currency and sovereign risk.

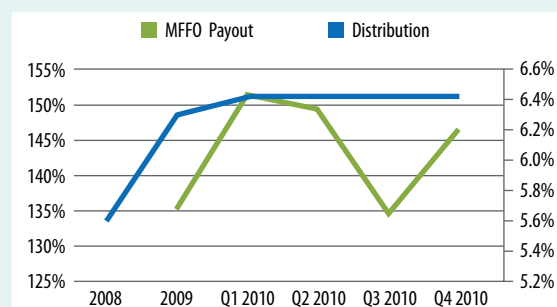
Metrics

- MFFO Payout Ratio – The REIT has a higher average payout ratio than other REITs at this Stage, driven in part by the increase in distribution yield.
- Distribution Yield – Increased in 2010 to 6.4% from 6.3% in 2009.
- Interest Coverage – Interest Coverage held steady at year-end 2010 at 2.5 x EBITDA.

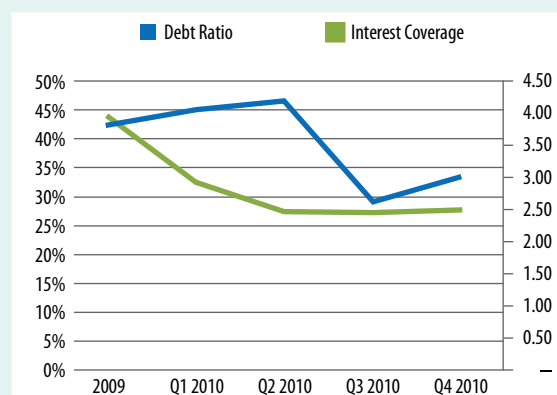
Real Estate

- Diversification – Good diversification across property types and balance between U.S. and international assets.
- Fundamentals – minimal lease expirations prior to 2024.
- Acquisitions – Completed 15 asset purchases totaling almost \$1.0 billion, of note:
 - General Parts/Carquest investment for \$260 million.
 - Acquired 5 properties in Spain and Croatia for a total of \$354 million
- Dispositions – None occurred in 2010.

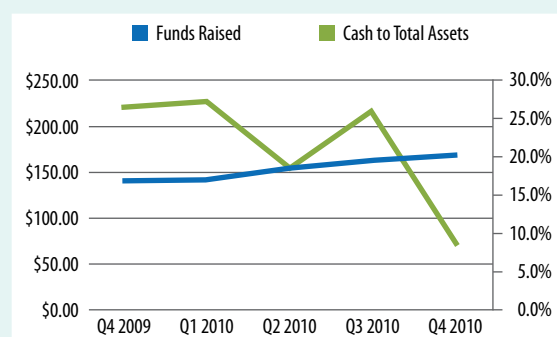
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Capital Raise to Cash Ratio



Dividend Capital Total Realty Trust was formed in January 2006 to invest in real estate properties and real estate-related assets. The REIT was closed to capital raising in September 2009 with almost \$3.0 billion in assets. The REIT has entered the Maturing Stage, which is marked by selected acquisitions and dispositions, to prepare the portfolio for an eventual listing or liquidation. Valuation of shares occurred on March 11, 2011, at \$8.45 per share.

Key Highlights

- Consistent with its Stage, \$228 million of assets were sold including 6 industrial, 2 office, and 4 retail properties.
- In one of the single-largest transactions in 2010, acquired a \$1.35 billion portfolio of office and industrial properties.
- Valuation and Distribution – After holding steady at \$10 through the capital raise period, the share price has been reduced to \$8.45 as of March 11, 2011, while the REIT's distribution has held steady at 6% since 2008. The distribution has been funded with \$68.4 million from operating activities and \$42 million from borrowings.
- Current mix of 93% real properties to 7% debt related investments demonstrates good balance and limited exposure to debt problems.

Capital Stack Review

- Debt ratio – Is slightly higher than the median of other closed REITs with a current ratio of 53%. It is likely that the ratio will move downward as a list or liquidation date approaches.
- Cash on Hand – Has moved steadily downward to current low levels, showing strong efforts for capital to be productive toward producing distributions.

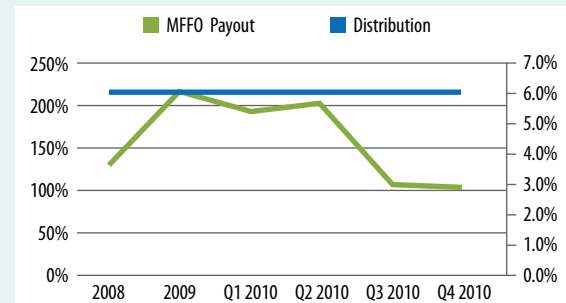
Metrics

- MFFO Payout Ratio – MFFO payout ratio is steadily improving and as of year-end 2010 has moved into an acceptable range for Maturing REITs but is above the median compared to other closed REITs.
- Interest Coverage – Is below the median for other closed REITs at 1.9 x and has held steady at that level for 6 quarters.

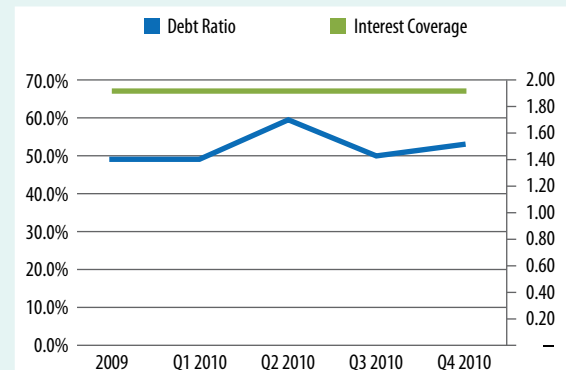
Real Estate

- Fundamentals – Portfolio occupancy of 94%, and lease expirations are well-balanced.
- Dispositions – \$228 million of assets were sold, including 6 industrial, 2 office, and 4 retail properties.
- Acquisitions – Acquired 32 office and industrial properties in a \$1.35 billion transaction.
- Diversification – Good balance between property types and geographic distribution.

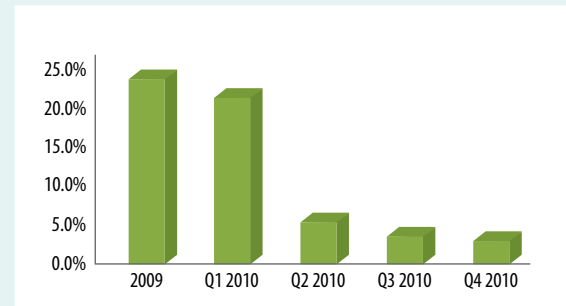
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Cash to Total Assets



Hines Global REIT, Inc. launched its public offering in November 2009 and is focused on investing in office, retail and industrial properties and real estate related investments in the United States as well as abroad. Having raised \$412.6 million since inception, the company is considered to be in the Emerging Stage which is characterized by above median debt, “not meaningful” distribution payout ratios and minimal diversification.

Key Highlights

- Hines has declared and paid a 7% distribution yield since 2009.
- Acquired a \$180 million office property in the fourth quarter of 2010 which represented the largest single-asset transaction in Minneapolis since 2006.
- The REIT owns 4 US properties (3 office and 1 industrial) and 1 mixed-use office and retail project in Birmingham, England.

Capital Raise / Capital Stack Review

- Capital Raise – Over \$379 million raised during 2010.
- Debt ratio – 48.8% is typical for Emerging Stage with less than 2% of loan maturities expiring before 2015.
- Cash on Hand – remains high at 18.9%, which is typical of REITs at this stage.

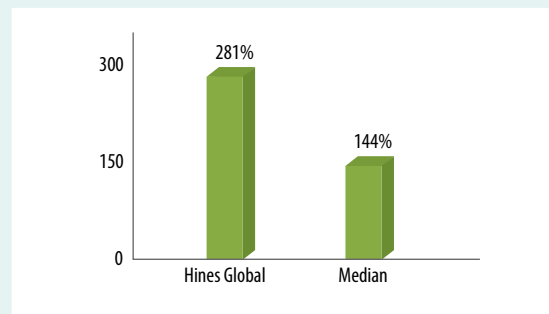
Metrics

- MFFO Payout Ratio – high ratio for year ending 2010 which is typical of Emerging Stage REITs
- Interest Coverage – at 1.2x EBIDTA is below the median for all Effective REITs reflecting above median levels of debt.

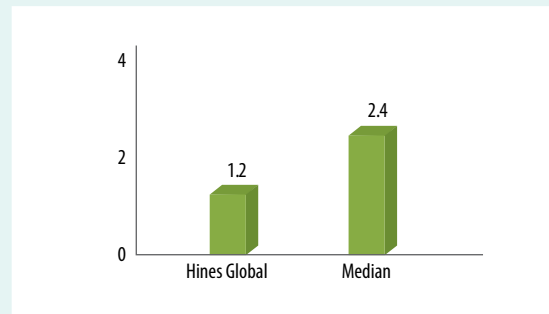
Real Estate

- Fundamentals – The REIT’s occupancy is at 96% down from 99% as of September 30 with over 68% of lease rollovers expected after 2016.
- Acquisitions – five acquisitions were completed in 2010 totaling \$617 million.
- Debt – over 87% fixed rate debt
- Diversification – minimal, with only five properties owned as of year-end 2010.

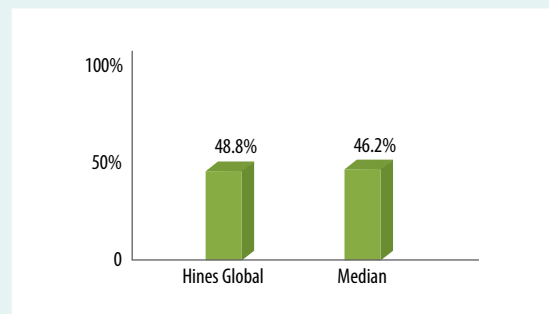
YTD MFFO Payout Ratio vs. Median for All Effective REITs



YTD Interest Coverage Ratio vs. Median for All Effective REITs



Current Debt Ratio vs. Median for All Effective REITs



Hines Real Estate Investment Trust launched its public offering in June 2004 and invests primarily in institutional-quality office properties in the United States. It was closed to new investments in December 2009 and is now in the Maturing Stage, which is characterized by selected acquisitions and dispositions to prepare the portfolio for a future list or liquidation date. The REIT's portfolio includes 44 U.S. office properties, one mixed-use property in Toronto, Ontario; industrial properties in Dallas and Brazil; and 12 retail properties. The REIT has been valuing its shares since 2006 and ended the year at a value of \$10.08 per share.

Key Highlights

- Valuation of the REIT's shares reflects the softness that occurred in commercial real estate.
- The REIT has substantial passive joint venture investments in the Hines Core Fund (27%) and Weingarten Grocery Center Portfolio (70%).
- Hines reduced its distribution yield during 2010 from 6% to 5%, reflecting a decline in revenue from the portfolio.

Capital Stack Review

- Debt Ratio – has steadily moved downward from 57% in Q4 2009 to 48% in Q4 2010.
- Debt Maturity – almost 48% of the REIT's debt matures within the next three years adding to it interest rate risk, as well as potential exposure to renewal proceeds not meeting current loan balances which could place a demand on cash.
- Cash to Total Assets – Well-balanced with an average of 2% in cash over the last two years.

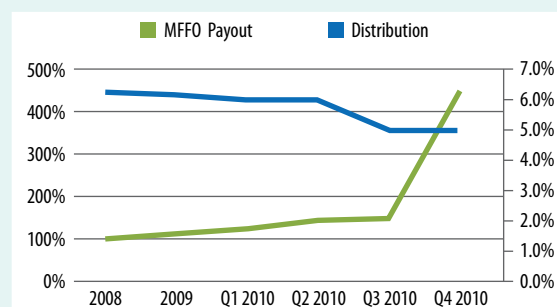
Metrics

- MFFO Payout Ratio – Ratio has historically been strong but began rising in Q2 2010 and spiked at year-end, reflecting the impact of lower occupancy in the portfolio.
- Interest Coverage – At 1.5 x EBIDTA is below the median for all closed REITs, again reflecting the impact of revenue declines.

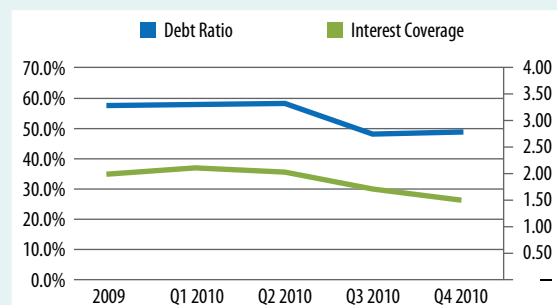
Real Estate

- Fundamentals – The REIT's occupancy is at 89%, down from 93% in 2007; its lease expiration schedule is well balanced.
- Acquisitions – None occurred in 2010.
- Dispositions – Two Brazilian assets, land in Houston, plus a potential 2011 sale of the Canadian asset.

MFFO Payout to Distribution Yield



Debt to Interest Coverage



Cash to Total Assets



Inland Diversified Real Estate Trust was formed in August 2009 to invest in commercial real estate properties. As of year-end 2010, the REIT owned 28 properties, totaled \$450 million in assets, and has raised \$260 million of capital since inception. Given strong capital raise and acquisitions pace, the REIT is in the Growth Stage that is typified by high levels of acquisitions and capital raise and the beginning structure of a diversified portfolio.

Key Highlights

- The REIT raised \$230 million in 2010, bringing total capital raise since inception of \$260 million.
- \$356 million of acquisitions in first full year of operations were closed by the REIT, primarily completed in secondary and tertiary markets.

Capital Raise/Capital Stack Review

- Capital Raise – \$230 million was raised in 2010, with the last three quarters averaging \$64 million.
- Debt Ratio – Is in line with REITs at this Stage at 42.8% at year-end 2010.
- Cash on Hand – has moved into an acceptable range at 9.1% at year-end, reflecting the REIT's acquisition pace.

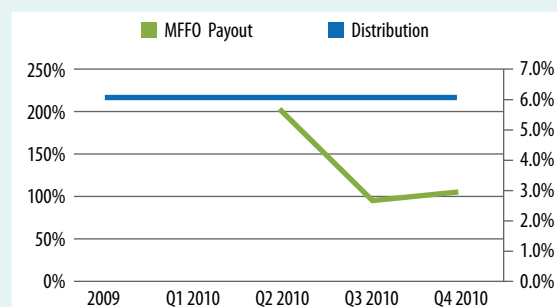
Metrics

- MFFO payout ratios ended the year below the median for all effective REITs and are expected to remain volatile since the REIT is still in the early phase of the Growth Stage. Distributions were funded in part from capital from the Sponsor, including \$2.9 million to fund distribution payments.
- Interest Coverage is good for this stage of the REITs life cycle, averaging 2.0 x EBITDA for the last three quarters of 2010.

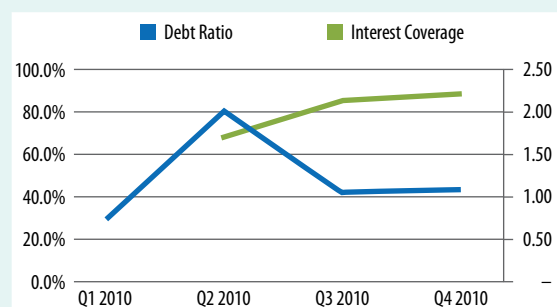
Real Estate

- Fundamentals – The portfolio is dominated by long-term lease expirations and a physical occupancy of 93%.
- Acquisitions – \$356 million in acquisitions were completed during 2010, of note:
 - The majority of acquisitions were in secondary and tertiary cities.
 - The REIT purchased two office properties in Chicago and Syracuse totaling \$38.6 million.
- Dispositions – None in 2010.
- Diversification – Geographic concentrations exist and are typical for this Stage. The portfolio is more heavily weighted to retail vs. office, which is not surprising given the past focus of the sponsor.

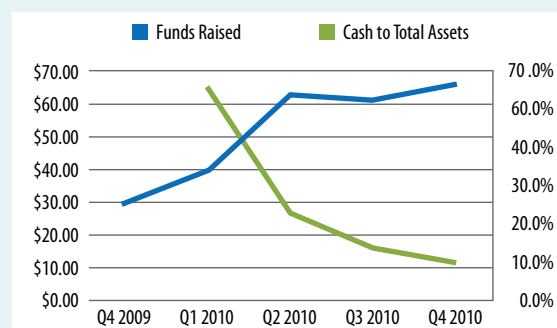
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Capital Raised to Cash Ratio



KBS Real Estate Investment Trust launched its public offering in January 2006 and invested in commercial real estate and real estate-related investments. The REIT was closed to capital raising in May 2008, with current assets of \$2.4 billion and a target date of November 2012 to list or liquidate. As such, the REIT is toward the end of the Maturing Stage and entering into the List or Liquidate period.

Key Highlights

- In 2009, the REIT began valuing its shares and has a current share price of \$7.32. The current distribution rate is 5.25% based on a \$10 share price, or 7.2% based on the current share price.
- For an equity REIT, the company has a large exposure to real estate-related assets at 26% which given the weak fundamentals in the market, potentially exposes the REIT to greater risk of default on that income stream.
- The REIT has taken losses on its mezzanine loans and has taken further impairments in anticipation of further real estate related asset losses.
- The advisor has supported distributions by providing \$1.6 million in capital to the REIT and by deferring \$5.4 million in fees during 2010.

Capital Stack Review

- Real Estate to Related investments – 74%/26%.
- Debt Ratio – Is above the median at 61% related to peers creating exposure to interest rate risk and potentially affecting listing pricing.
- Debt Maturity – 58% and 18% of the REIT's debt matures in 2011 and 2012, respectively, which could create demands on cash and distributable revenue depending on the amount and terms of renewal debt that are achievable.
- Impairment – Recognized a \$123.5 million impairment on 17 properties in the National Industrial Portfolio joint venture.

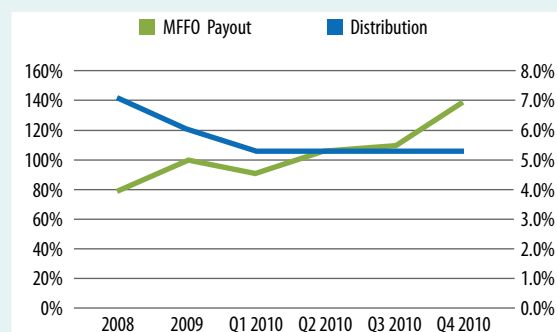
Metrics

- MFFO Payout Ratio – Over the last two years has been strong; however, has shown signs of weakening in the second half of 2010 due to declining occupancy in the portfolio.
- Interest Coverage – Has remained solid over last three years and is above median in Q4 2010.

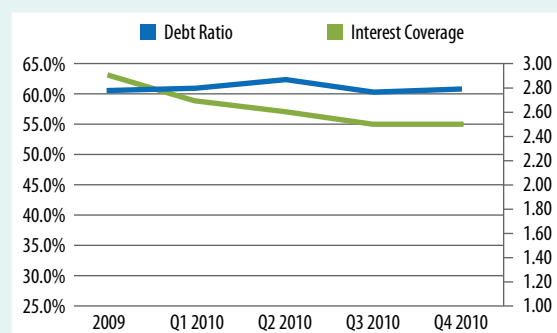
Real Estate

- Fundamentals – 64% of the REIT's leases expire by 2015, presenting stresses to revenue, as leases may roll to lower current market rents, and the fact that tenant improvements and leasing commissions are presently very high. The REIT's occupancy has declined from 90% in Q4 2009 to 82% in Q4 2010.
- Acquisitions – No real estate was acquired in 2010.

MFFO Payout to Distribution Yield



Debt to Interest Coverage



- Real Estate-Related Assets – Exposure to the GKK Mezzanine loan has led to impairments. The REIT has foreclosed on two loans, which are now part of the owned portfolio.
- Dispositions – Three dispositions were completed in 2010, including one office and one industrial property totaling \$71 million, and condominium units.



KBS Real Estate Investment Trust II was formed in July 2007 to invest in a diverse portfolio of real estate and real estate-related assets. The portfolio is expected to be 80%–90% core real estate and 10%–20% real estate-related investments including loans, mezzanine debt, equity in real estate companies, securities, and derivatives. The REIT had \$2.4 billion in assets at the closing of capital raising in December 2010. It is in the Mature Stage of closed nontraded REITs in regard to portfolio construction.

Key Highlights

- Closed fundraising December 2010 by raising \$891 million for the year.
- Assets are balanced 86% real properties to 14% real-estate related instruments with six mortgage loan investments.
- Completed acquisitions of \$1.4 billion in 2010, including purchasing 300 N. LaSalle in Chicago for \$651 million, a record price in the city of \$500 per square foot for Class-A office.

Capital Raise/Capital Stack Review

- Capital Raise – \$891 million in final year to create a total raise of \$1.8 billion since inception.
- Cash on Hand – Dramatically reduced cash on hand from 29% in Q4 2009 to 3.5% at year-end 2010.
- Debt Ratio – The REIT's lower debt ratio increased toward year-end to 35% as heavy acquisition volume required greater leverage.

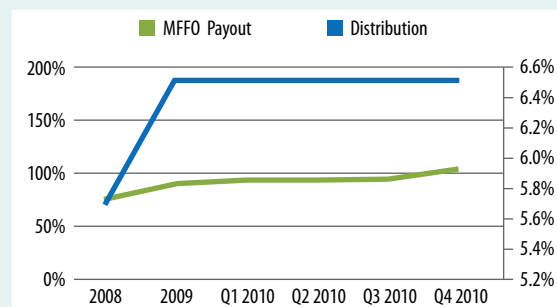
Metrics

- MFFO Payout Ratio – Historically very strong. Funded distributions with \$59.5 million of current period operating cash flows and \$18.2 million of debt financing.
- Interest Coverage – Very strong interest coverage relative to other effective REITs.

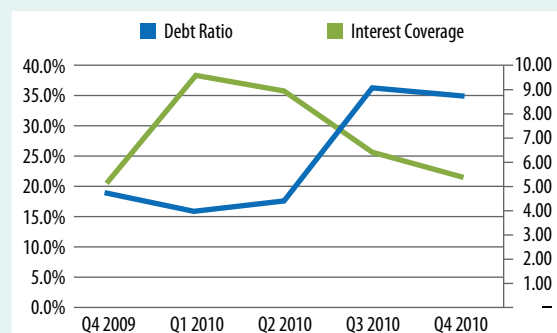
Real Estate

- Fundamentals – Lease expirations are fairly well-balanced, with exposure being seen beginning in 2014.
- Acquisitions – \$1.4 billion completed in 2010 including:
 - 300 North LaSalle – \$651 million at a reported 6.2% cap rate.
 - In early 2011, a three-property industrial portfolio for \$56 million.
- Diversification – 300 North LaSalle – represents 26% of total assets and lead tenant, Kirkland & Ellis, is more than half of the rental revenue at the property.
- Dispositions – None.

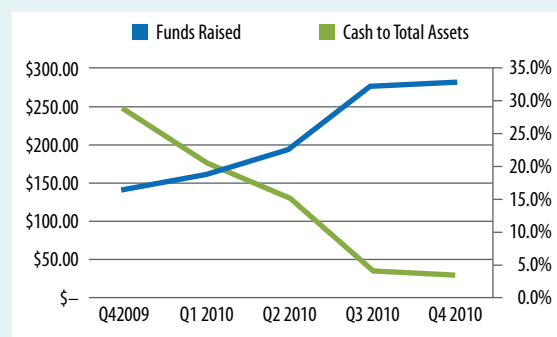
MFFO Payout to Distribution Yield



Debt to Interest Coverage



Funds Raised to Cash Ratio



Wells Core Office Income REIT is a new offering from Wells Real Estate Funds that began in September 2010. The company intends to invest in office and industrial properties in the United States leased to creditworthy companies and governmental agencies. Over the long term, the REIT expects to be modestly leveraged and well-diversified. Its operating metrics reflect an early Emerging Stage REIT with above median debt and few meaningful ratios. As of the fourth quarter 2010, all distributions were funded through borrowings and two assets had been acquired.

Key Highlights

- Emerging Stage REIT with \$20.3 million capital raise and \$29.85 million in acquisitions in 2010.
- The REIT's board of directors has authorized an increase in the distribution rate from 5% to 6% effective 2Q 2011, bringing its distribution rate in line with other REITs in this Stage.

Capital Raise/Capital Stack Review

- Capital Raise – \$20.3 million was raised in the second half of 2010.
- Debt ratio – 48.8% is typical for Emerging Stage REITs and should moderate given Wells' operating history and an increase in capital raised.

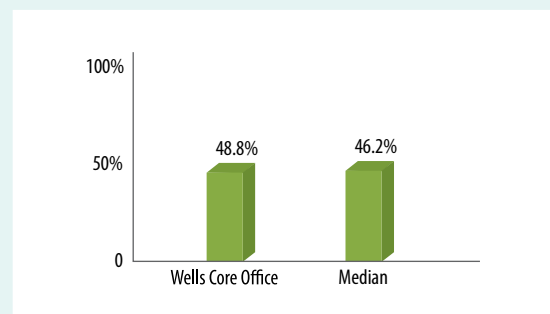
Metrics

- Emerging Stage metrics – With only two quarters of capital raising and operations, creating meaningful MFFO payout ratios and other metrics are not possible.
- Debt coverage is not meaningful in line with other REITs at this Stage.

Real Estate

- Acquisitions – Two office acquisitions have been completed by the REIT totaling \$29.85 million. Of note is the JP Morgan Chase occupied property in Dallas, which contains an early termination provision for 65% of the building without penalty in 2015. A third office property was purchased in Houston for \$31 million in the first quarter of 2011.
- Debt – Heavy utilization of the REIT's line of credit is expected to continue to match acquisitions with capital raise pace.

Current Debt Ratio vs. Median for All Effective REITs





Wells Real Estate Investment Trust II commenced its public offering in December 2003 and closed to capital raising in June 2010. Currently the REIT has almost \$5.4 billion of assets. The REIT focuses on high-quality office properties leased to creditworthy companies and governmental agencies. The REIT owns 70 office properties and one hotel. All are in the continental United States with the exception of one office property in Moscow, Russia. The REIT has entered the Maturing Stage of its life as it determines direction to take toward an eventual listing or liquidation by October 2015.

Key Highlights

- As part of the close of capital raising, the advisor has created a dedicated management team to manage the REIT's operations.
- In early 2011, the REIT acquired Market Square in Washington, D.C. at a record price of \$906/SF.
- The REIT's board of directors approved a distribution reduction to 5% from 6% beginning in the first quarter of 2011.

Capital Stack Review

- Closed capital raising in 2010, having raised \$5.7 billion (including reinvested distributions) since inception.
- The REIT has an extremely low debt ratio of 16.5% at year-end 2010; greater leverage could assist in better distribution support.

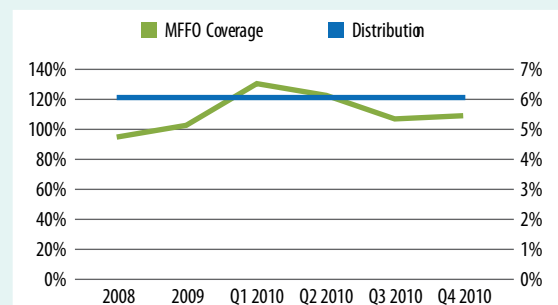
Metrics

- Cash is well-utilized, as reflected in the very low cash to total assets ratio at less than 1% as of Q4 2010.
- Distribution coverage is consistent with the median of other closed REITs with a year-end MFFO payout ratio of 108%.
- Of the \$313.8 million in distributions paid, \$28.1 million came from cash generated in prior periods, and \$4.8 million was funded with borrowing.
- Above median interest coverage of 3.6 x EBITDA reflects the low debt ratio.

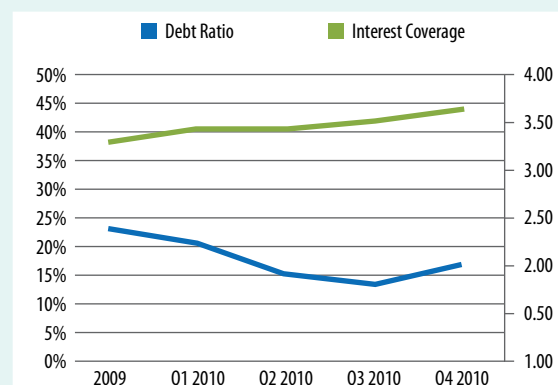
Real Estate

- Fundamentals – 94.4% occupancy and a very stable lease expiration schedule.
- Acquisitions – \$380 million in acquisitions were completed in 2010 including Energy Center I in Houston at a record price of \$282 per square foot.
- Dispositions – None.
- Diversification – The portfolio is well-diversified in secondary markets but has limited concentration in the major core markets that are popular with investors today.

MFFO Payout to Distribution Yield



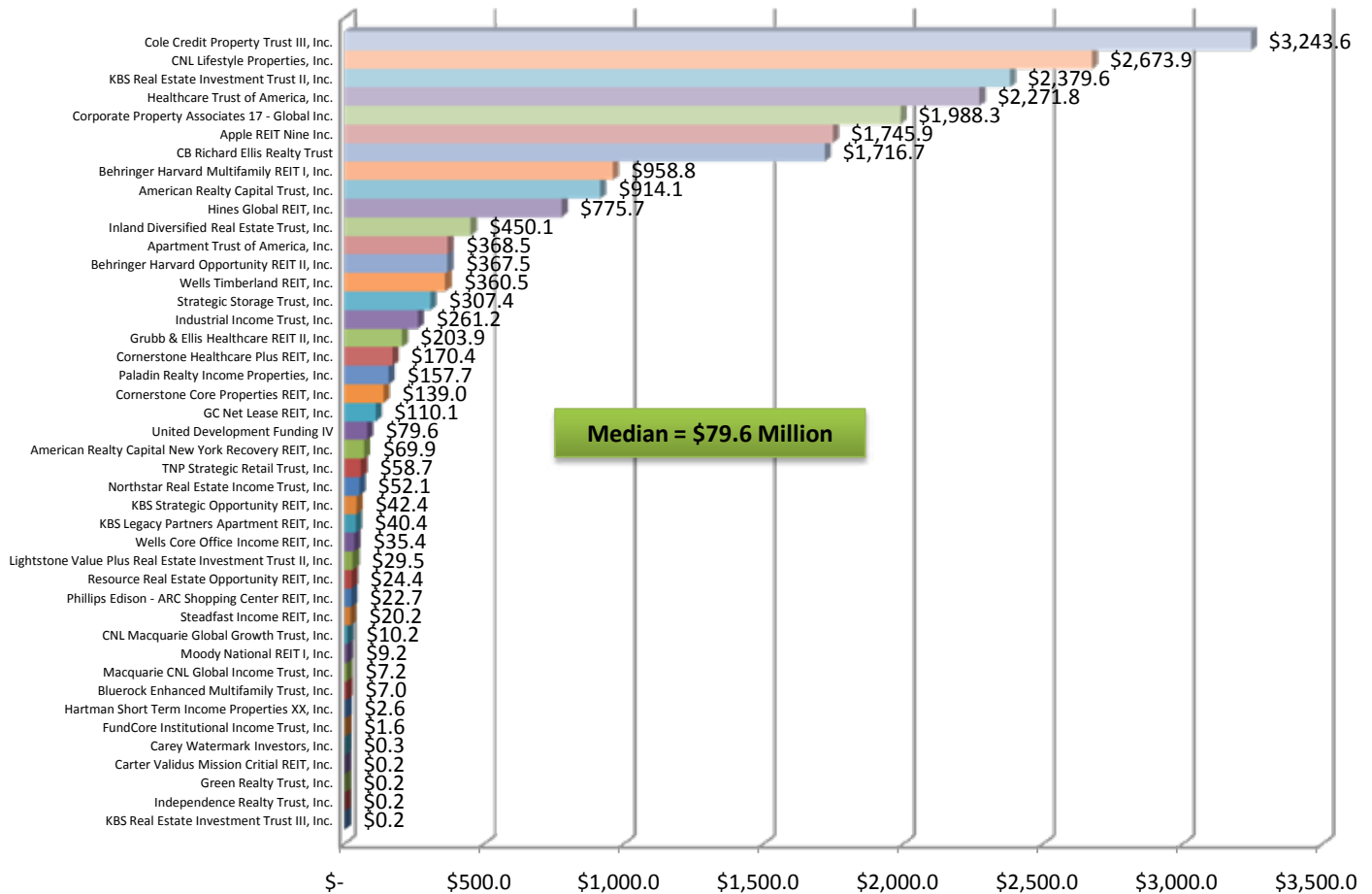
Debt to Interest Coverage



Nontraded REIT Industry Review: Fourth Quarter 2010



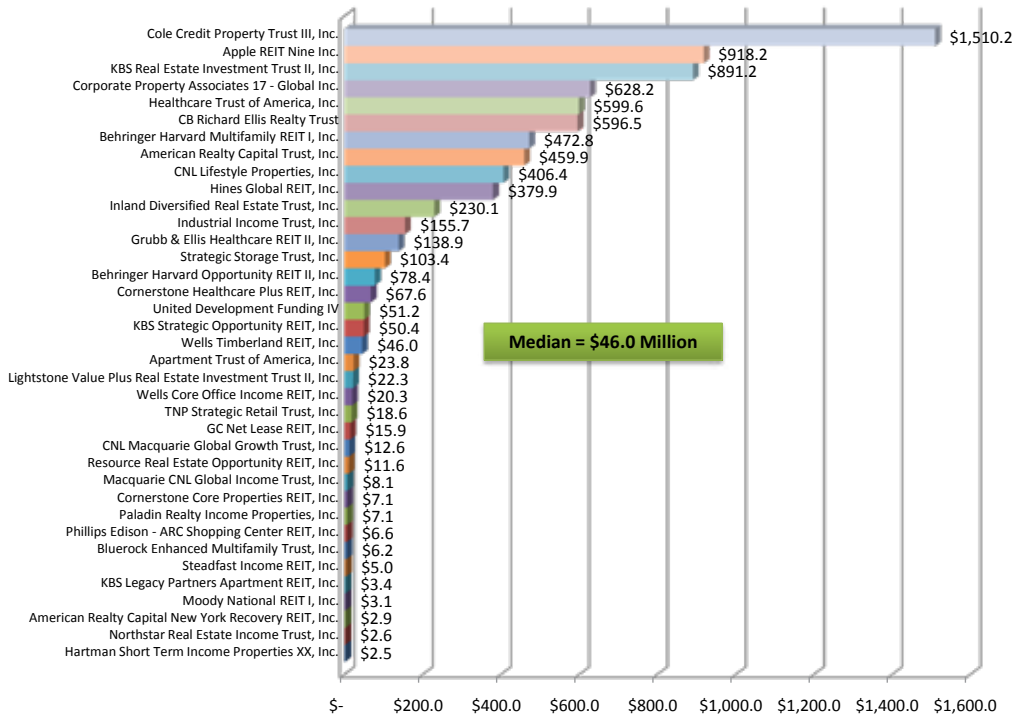
Total Assets (\$ Millions) – Effective Nontraded REITs



Nontraded REIT Industry Review: Fourth Quarter 2010

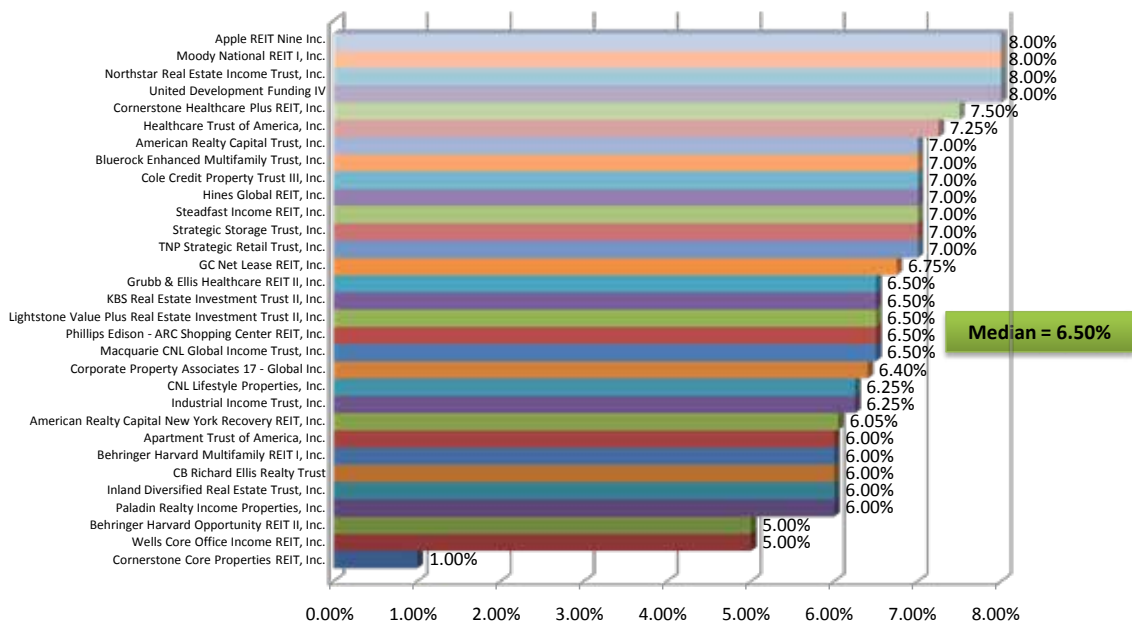


Gross Dollars Raised Year-to-Date (\$ Millions) – Effective Nontraded REITs



The following REITs were not included in the rankings above as they had not broken escrow as of December 31, 2010: Carey Watermark Investors, Inc., Carter Validus Mission Critical REIT, Inc., FundCore Institutional Income Trust, Inc., Green Realty Trust, Inc., Independence Realty Trust, Inc., and KBS Real Estate Investment Trust III, Inc.

Current Distribution Yield – Effective Nontraded REITs

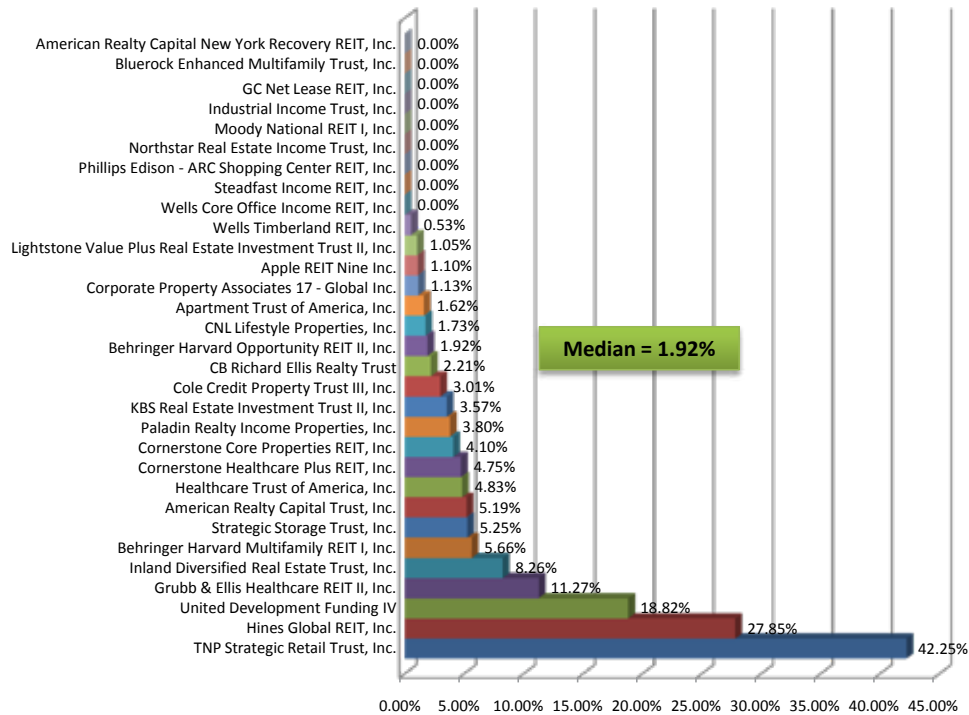


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Nontraded REIT Industry Review: Fourth Quarter 2010

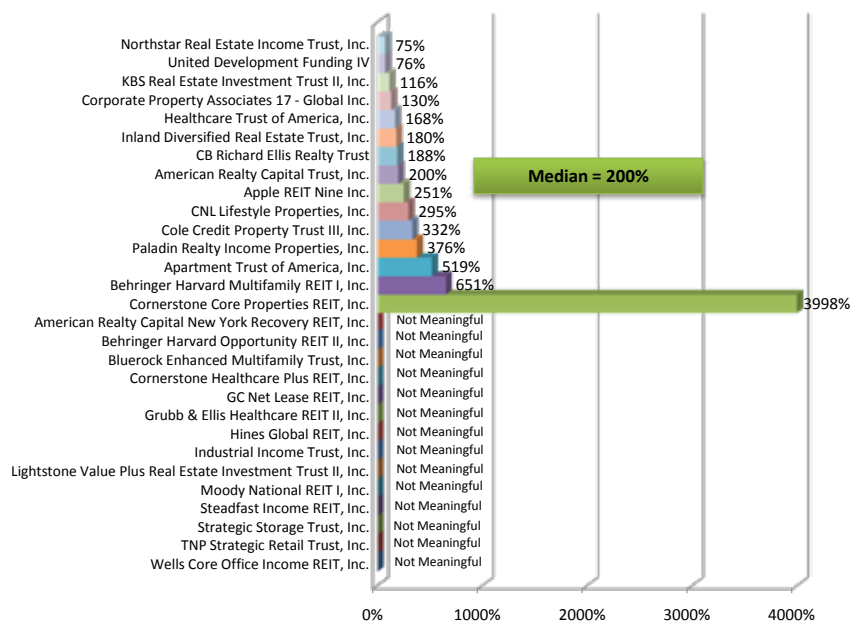


2010 Year to Date Ratio of Shares Redeemed – Effective Nontraded REITs



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2010 Year to Date Distribution / FFO Payout Ratio – Effective Nontraded REITs

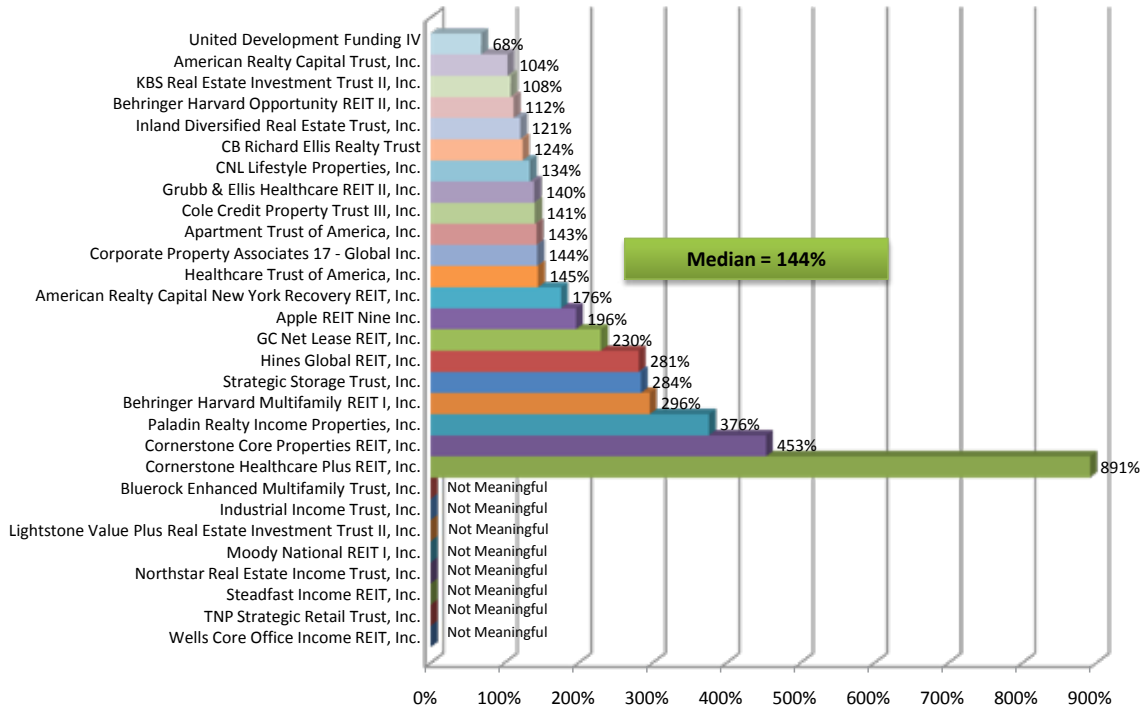


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Nontraded REIT Industry Review: Fourth Quarter 2010

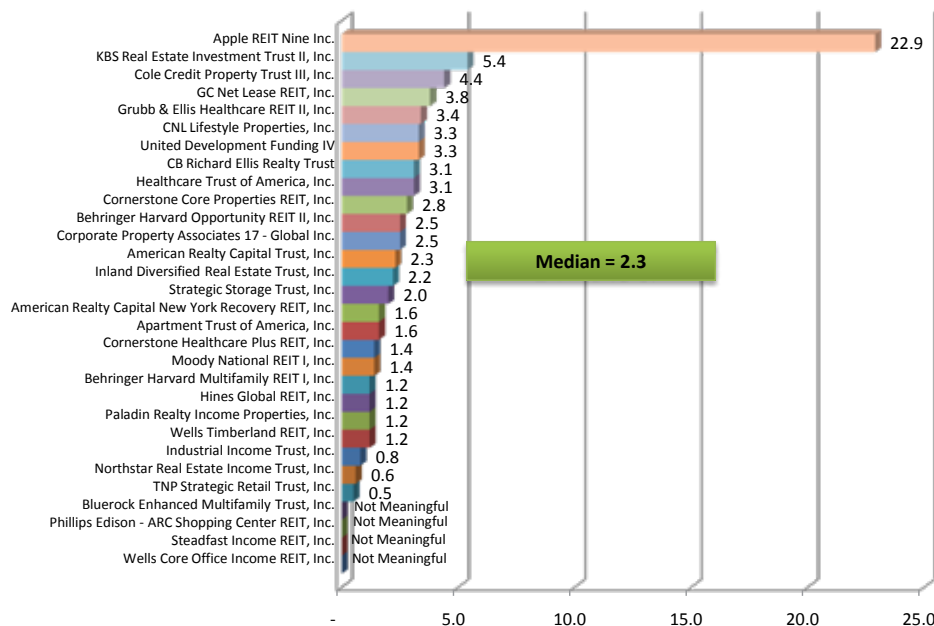


2010 Year to Date Distribution / MFFO Payout Ratio – Effective Nontraded REITs



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2010 Year to Date Interest Coverage Ratio – Effective Nontraded REITs

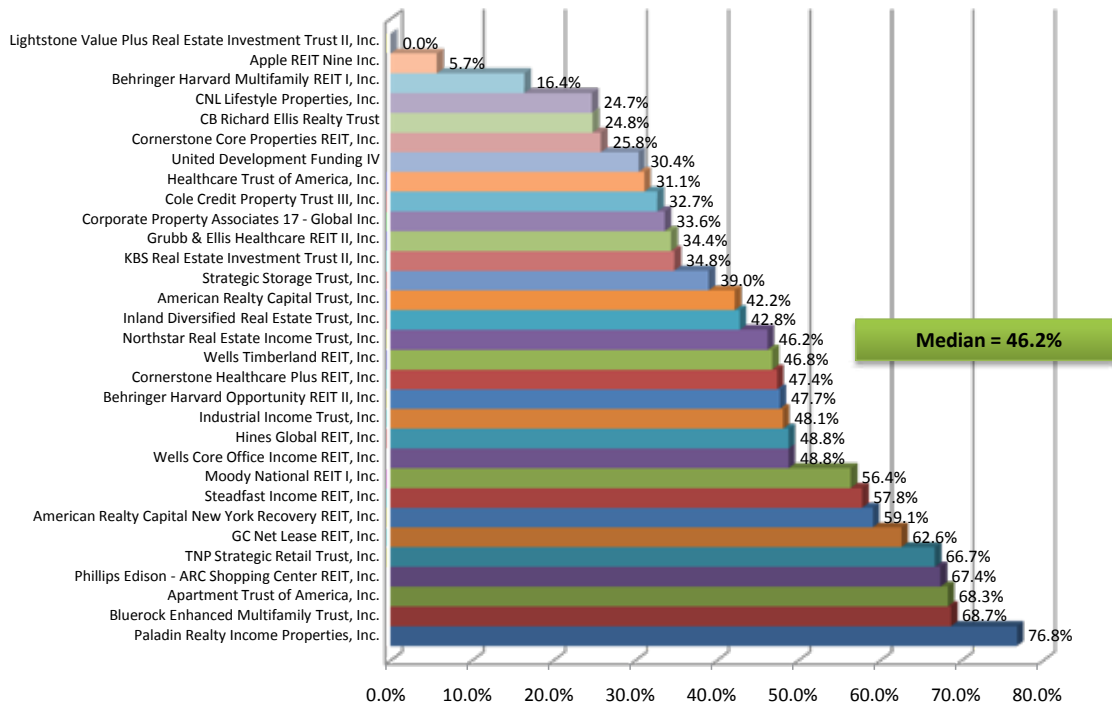


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Nontraded REIT Industry Review: Fourth Quarter 2010

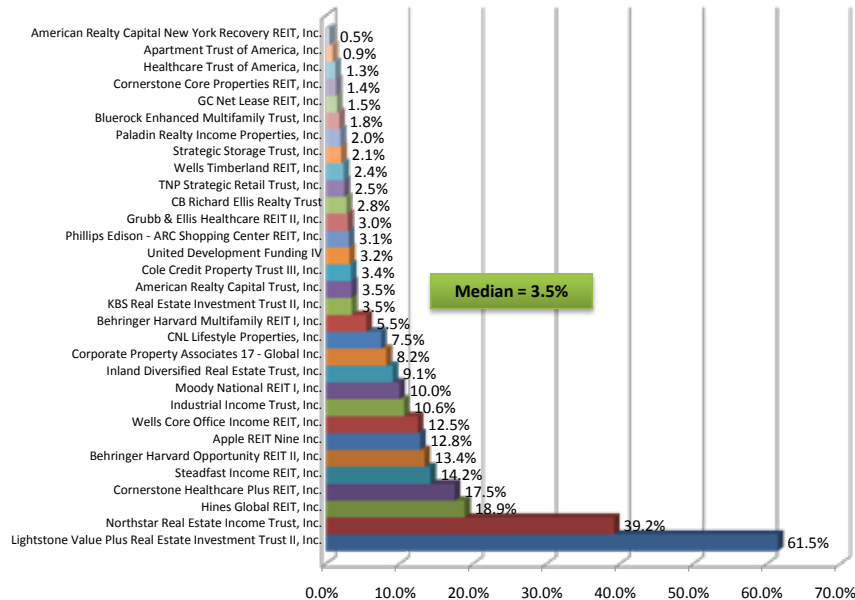


Debt to Total Assets Ratio – Effective Nontraded REITs



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Cash to Total Assets Ratio – Effective Nontraded REITs



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Nontraded REIT Industry Review: Fourth Quarter 2010

American Realty Capital New York Recovery REIT, Inc.

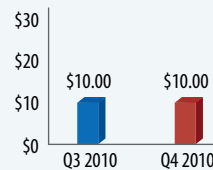
Total Assets.....	\$69.9 Million
Real Estate Assets	\$66.6 Million
Cash	\$0.3 Million
Securities	\$0.0 Million
Other	\$3.0 Million



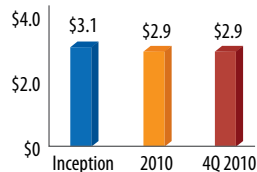
Initial Offering Date:	September 2, 2010
Number of Months Fundraising:	3
Anticipated Offering Close Date:	September 2, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	0.5%
Asset Type:	Office & Retail (New York Metro Area)
Number of Properties:	6
Square Feet / Units / Rooms / Acres:	91,000
Percent Leased:	100%

Historical Price



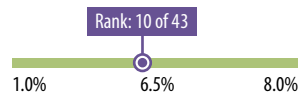
Gross Dollars Raised*



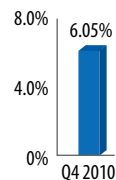
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.05%



Historical Distribution

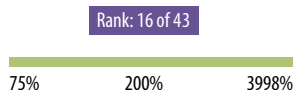


Contact Information

www.AmericanRealtyCap.com
405 Park Avenue
New York, NY 10022
877-373-2522

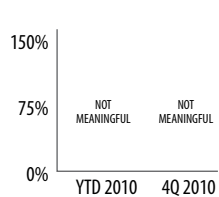
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: **NOT MEANINGFUL**



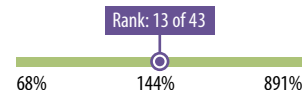
YTD Distributions Paid: \$684,000
 YTD FFO: (\$797,000)

Historical FFO Payout Ratio



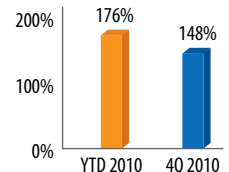
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ...176%



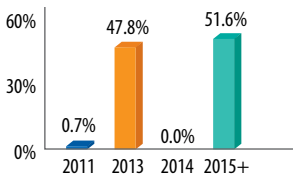
YTD Distributions Paid: \$684,000
 YTD MFFO: \$389,000
 *BVP Adjusted MFFO – see notes

Historical MFFO Payout Ratio



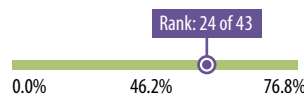
Figures prior to YTD 2010 and 4Q 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 59.1%

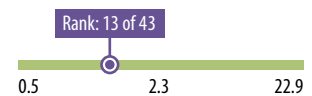


Debt Breakdown

Total:	\$41.3 Million
Fixed:	\$41.3 Million
Variable:	\$0.0 Million
Rate:	4.3 – 9.0%
Term:	2 – 5 yrs

Interest Coverage Ratio

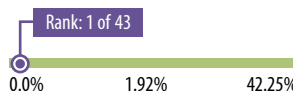
YTD Interest Coverage Ratio: 1.6



EBITDA: \$1,662,000
 Interest Expense: \$1,070,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 0.00%



Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 36,108

Lease Expirations*

Weighted avg. lease term remaining
 is 6.0 years

*As a percent of expiring base rent.

Notes

On September 22, 2010, the board of directors declared a distribution rate equal to a 6.05% annualized rate based on the common share price of \$10.00, commencing December 1, 2010. The company has indicated that it reports MFFO in accordance with the IPA guidelines and has included a contribution from the Advisor in the amount of \$113,000 in the MFFO figures reported above. Blue Vault Partners has eliminated the contribution from the sponsor to report 2010 MFFO of \$389,000 and 4Q 2010 MFFO of \$236,000 to reflect our interpretation of the IPA guidelines. The Advisor at its election may contribute capital to enhance the REIT's cash position for distribution purposes. Any contributed capital amounts are not reimbursable to the Advisor. Further, any capital contributions are made without any corresponding issuance of common or preferred shares of beneficial interest. On December 22, 2009, the Company commenced a private offering to accredited investors of up to \$50.0 million in shares of the 8% series A convertible preferred stock (the "Preferred Shares") subject to an option to increase the offering up to \$100.0 million in shares of our preferred stock. This private offering was terminated on September 2, 2010, the effective date of the registration statement with respect to the common shares. As of December 31, 2010, the Company had received aggregate gross offering proceeds, net of certain discounts, of approximately \$17.0 million from the sale of approximately 2.0 million shares in this private offering. The Preferred Shares are convertible in whole or in part into shares of common stock after September 2, 2011, the first anniversary of the final closing of the private offering at a conversion price of \$9.00 per share (subject to discounts to a price not less than \$8.50).



Nontraded REIT Industry Review: Fourth Quarter 2010

American Realty Capital Trust, Inc.

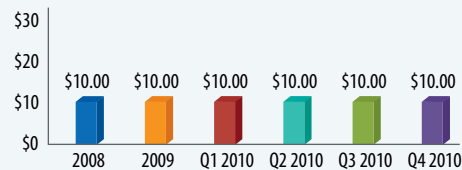
Total Assets.....	\$914.1 Million
Real Estate Assets	\$861.8 Million
Cash	\$32.0 Million
Securities	\$0.0 Million
Other	\$20.3 Million



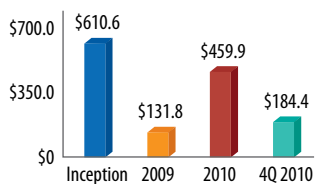
Initial Offering Date:	January 25, 2008
Number of Months Fundraising:	35
Anticipated Offering Close Date:	July 24, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.5%
Asset Type:	Diversified
Number of Properties:	259
Square Feet / Units / Rooms / Acres:	5.3 Million
Percent Leased:	100%

Historical Price



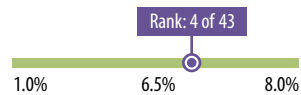
Gross Dollars Raised*



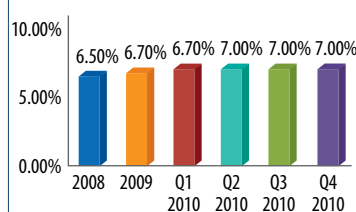
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

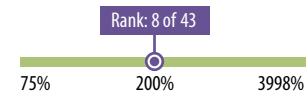


Contact Information

www.AmericanRealtyCap.com
405 Park Avenue
New York, NY 10022
877-373-2522

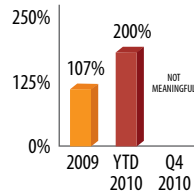
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 200%



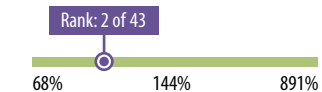
YTD Distributions Paid:.. \$20,729,000
YTD FFO: \$10,368,000

Historical FFO Payout Ratio



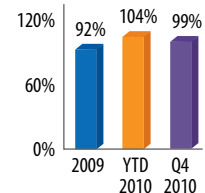
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: .. 104%



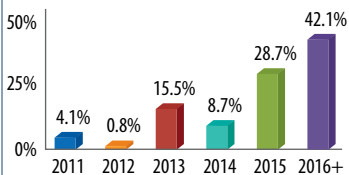
YTD Distributions Paid: \$20,729,000
YTD MFFO: \$20,001,000
*Company reported MFFO - see notes

Historical MFFO Payout Ratio



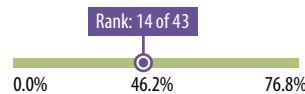
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 42.2%

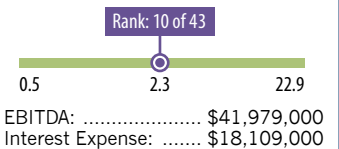


Debt Breakdown

Total:	\$385.5 Million
Fixed:	\$385.5 Million
Variable:	\$0.0 Million
Rate:	4.36 - 9.0%
Term:	1 - 27 yrs

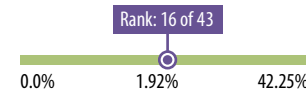
Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.3



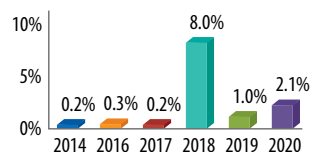
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding:..... 5.19%



Redemptions Year to Date: ..299,528
Wtd. Avg. Shares Outstanding
as of 12/31/09:5,768,761

Lease Expirations*



*See Notes

Notes

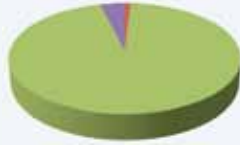
The Company reported a leverage ratio of 42.7% for the period ending 12/31/10. The Company reports MFFO (consistent with how the Company has historically presented this non-GAAP financial measure) as well as MFFO in accordance with the IPA recommended format (which deducts the impact of straight-line rent). The source of distributions included both cash flows provided by operations and proceeds from the issuance of common stock. The Advisor waived the remainder of its asset management fee through December 31, 2010. Such fees waived during the year ended December 31, 2010 were \$4.0 million. The fees that were waived are not deferrals and accordingly, will not be paid by the Company. Because the Advisor waived certain fees that the Company owes, cash flow from operations that would have been paid to the Advisor was available to pay distributions to stockholders. Lease expirations noted above are with the following tenants: Federal Express, Rockland Trust Company, PNC Bank, Rite Aid, Advanced Auto, IHOP, O'Reilly Automotive, Kum and Go, BB&T and DaVita Dialysis.



Nontraded REIT Industry Review: Fourth Quarter 2010

Apartment Trust of America, Inc.

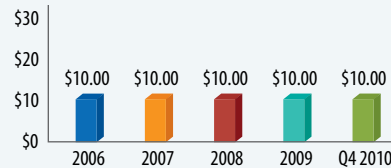
Total Assets.....	\$368.5 Million
Real Estate Assets	\$350.7 Million
Cash	\$3.3 Million
Securities	\$0.0 Million
Other	\$14.5 Million



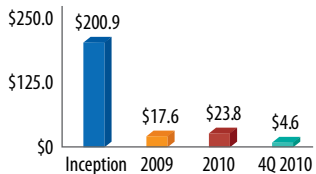
Initial Offering Date:	July 19, 2006
Number of Months Fundraising:	53
Anticipated Offering Close Date:	July 17, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	0.9%
Asset Type:	Multifamily
Number of Properties:	15
Square Feet / Units / Rooms / Acres:	3,973
Percent Leased:	94.5%

Historical Price



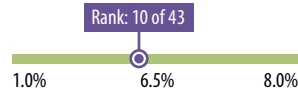
Gross Dollars Raised*



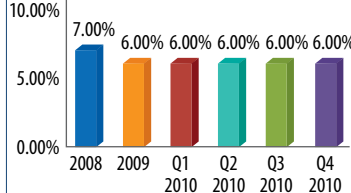
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

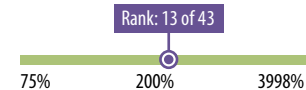


Contact Information

www.ATAREIT.com
Apartment Trust of America
Corporate Office
10467 White Granite Drive
Suite 300
Oakton, VA 22124
703-279-1300

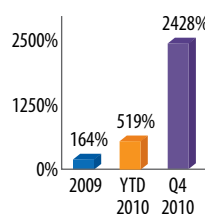
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 519%



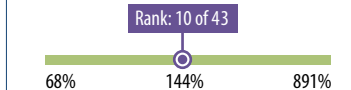
YTD Distributions Paid:.. \$10,883,000
YTD FFO: \$2,096,000

Historical FFO Payout Ratio



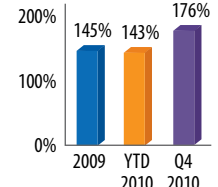
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: .. 143%



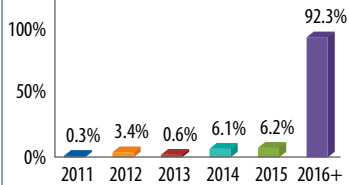
YTD Distributions Paid: \$10,883,000
YTD MFFO: \$7,613,368
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



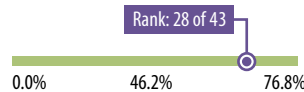
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 68.3%

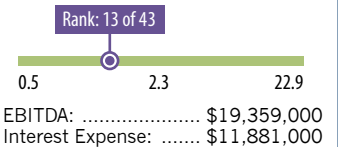


Debt Breakdown



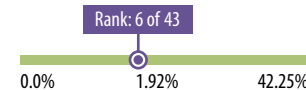
Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.6



Redemptions

Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 1.62%



Redemptions Year to Date: ...263,430
Wtd. Avg. Shares Outstanding as of 12/31/09: 16,226,924

Lease Expirations

Majority are 12 months or less

Notes

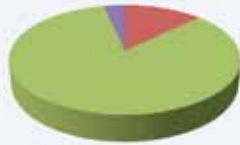
The Company states that the MFFO calculated is in accordance with IPA guidelines. On December 29, 2010, the Company amended its charter to change the corporate name from Grubb & Ellis Apartment REIT, Inc. to Apartment Trust of America, Inc. Effective December 31, 2010, the Company suspended the primary portion of its follow-on offering and does not currently have a managing broker-dealer. On February 24, 2011, the board of directors terminated the share repurchase plan. On February 24, 2011, the board of directors authorized an annualized distribution rate of 3.0% for the period commencing on March 1, 2011 and ending on June 30, 2011. For the year ended December 31, 2010, the Company paid distributions of \$10,883,000 as compared to cash flows from operations of \$3,698,000. The distributions paid in excess of cash flows from operations were paid using net proceeds from the offerings. Distribution amounts in excess of the current and accumulated earnings and profits have resulted in a return of capital to stockholders.



Nontraded REIT Industry Review: Fourth Quarter 2010

Apple REIT Nine Inc.

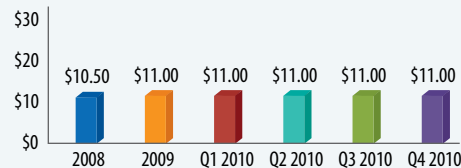
Total Assets.....	\$1,745.9 Million
Real Estate Assets ..	\$1,461.9 Million
Cash.....	\$224.1 Million
Securities	\$0.0 Million
Other.....	\$59.9 Million



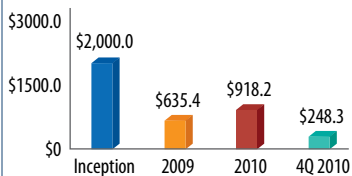
Initial Offering Date:	April 25, 2008
Number of Months Fundraising:	32
Anticipated Offering Close Date:	December 9, 2010
Current Price per Share:	\$11.00
Reinvestment Price per Share:	\$11.00

Cash to Total Assets Ratio:	12.8%
Asset Type:	Hotels
Number of Properties:	76
Square Feet / Units / Rooms / Acres:	9,695 rooms
Percent Leased:	65%

Historical Price



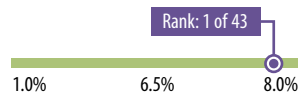
Gross Dollars Raised*



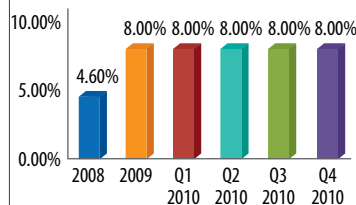
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 8.00%



Historical Distribution

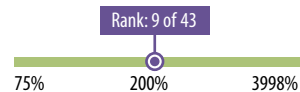


Contact Information

www.AppleREITCompanies.com
814 E. Main Street
Richmond, VA 23219
804-727-6321

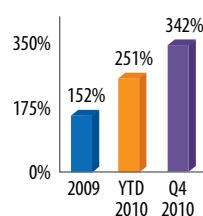
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 251%



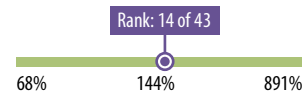
YTD Distributions Paid: \$118,126,000
YTD FFO:\$47,006,000

Historical FFO Payout Ratio



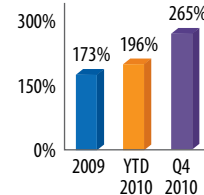
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: ...196%



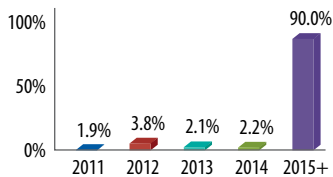
YTD Distributions Paid: \$118,126,000
YTD MFFO:\$60,281,000
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



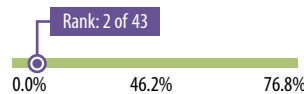
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: 5.7%

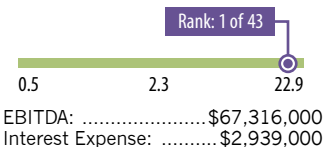


Debt Breakdown

Total:	\$99.6 Million
Fixed:	\$99.6 Million
Variable:	\$0.0 Million
Rate:	0 – 6.59%
Term:	1 – 6 yrs

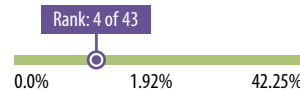
Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 22.9



Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding:.....1.10%



Redemptions Year to Date: ..725,952
Wtd. Avg. Shares Outstanding
as of 12/31/09:66,041,000

Lease Expirations

Not Reported

Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. The offering was closed to new investments on December 9, 2010. Distributions during 2010 totaled approximately \$118.1 million. For the same period the Company's net cash generated from operations was approximately \$38.8 million. During the initial phase of the Company's operations, the Company may, due to the inherent delay between raising capital and investing that same capital in income producing real estate, have a portion of its distributions funded from offering proceeds.



Nontraded REIT Industry Review: Fourth Quarter 2010

Behringer Harvard Multifamily REIT I, Inc.

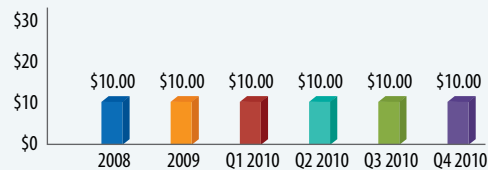
Total Assets.....	\$958.8 Million
Real Estate Assets	\$873.4 Million
Cash	\$52.6 Million
Securities	\$0.0 Million
Other	\$32.8 Million



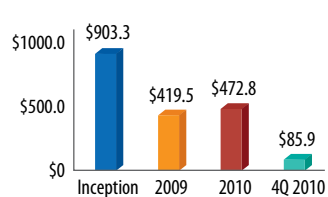
Initial Offering Date:	September 5, 2008
Number of Months Fundraising:	27
Anticipated Offering Close Date:	July 31, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	5.5%
Asset Type:	Multifamily
Number of Properties:	33
Square Feet / Units / Rooms / Acres:	9,429
Percent Leased:	88%

Historical Price



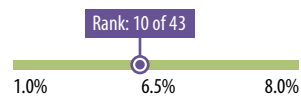
Gross Dollars Raised*



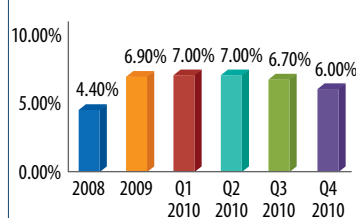
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

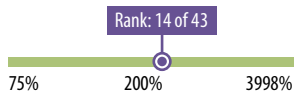


Contact Information

www.BehringerHarvard.com
Behringer Harvard
15601 Dallas Pkwy. Suite 600
Addison, TX 75001
214-655-1600

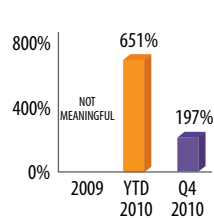
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 651%



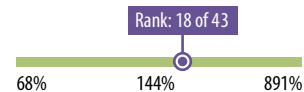
YTD Distributions Paid: \$55,300,000
YTD FFO: \$8,500,000

Historical FFO Payout Ratio



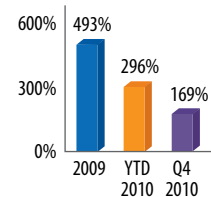
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: ...296%



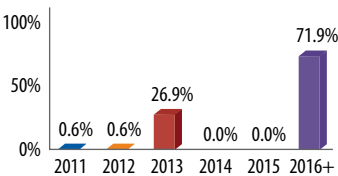
YTD Distributions Paid: \$55,300,000
YTD MFFO: \$18,700,000
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



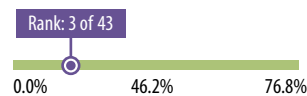
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

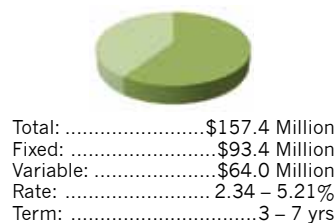


Current Debt Ratio

Debt to Total Assets Ratio: ... 16.4%

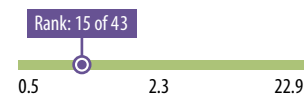


Debt Breakdown



Interest Coverage Ratio

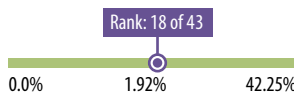
YTD Interest Coverage Ratio: 1.2



EBITDA: \$6,868,000
Interest Expense: \$5,672,000

Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding: 5.66%



Redemptions Year to Date: 1,839,383
Wtd. Avg. Shares Outstanding
as of 12/31/09: 32,473,000

Lease Expirations

Less than one year

Notes

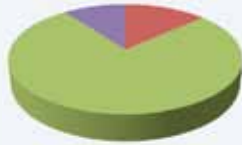
The Company states that MFFO is calculated in accordance with IPA guidelines. Debt noted above is for the company level only. As of December 31, 2010, the Company's approximate pro rata share of debt in the JV and at the Property Level was \$293.5 million, with maturity dates ranging from 2011 to 2020 and interest rates ranging from 2.65% to 6.46%. As of December 31, 2010, they own ten wholly owned multifamily communities and 23 investments in unconsolidated real estate joint ventures and one wholly owned note receivable. Occupancy level is for stabilized properties only. In June 2010, the board of directors reduced the distribution rate from an annual rate of 7.0% to 6.0% (based on a \$10 share price) beginning in the month of September 2010. For the year ended December 31, 2010, distributions to stockholders funded with cash exceeded cash flow from operating activities by \$22.5 million. The difference was funded from proceeds from the Initial Public Offering.



Nontraded REIT Industry Review: Fourth Quarter 2010

Behringer Harvard Opportunity REIT II, Inc.

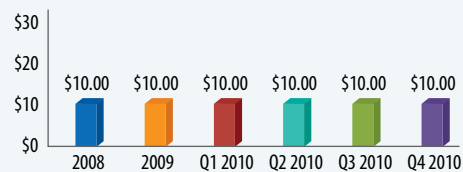
Total Assets.....	\$367.5 Million
Real Estate Assets	\$280.3 Million
Cash	\$49.4 Million
Securities	\$0.0 Million
Other	\$37.8 Million



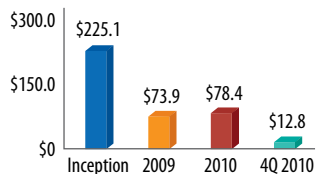
Initial Offering Date:	January 21, 2008
Number of Months Fundraising:	35
Anticipated Offering Close Date:	July 3, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	13.4%
Asset Type:	Diversified
Number of Properties:	10
Square Feet / Units / Rooms / Acres:	3.4 million sq. ft.
Percent Leased:	NA

Historical Price



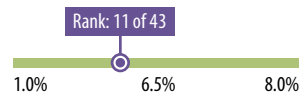
Gross Dollars Raised*



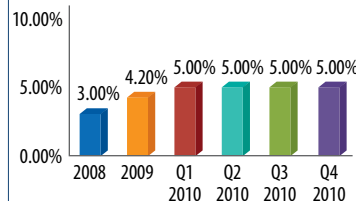
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 5.00%



Historical Distribution



Contact Information

www.BehringerHarvard.com
**Behringer Harvard
 Investment Services**
 15601 Dallas Pkwy.
 Addison, TX 75001
 1-866-635-3600

Year to Date FFO Payout Ratio

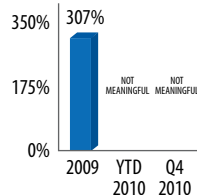
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43



YTD Distributions Paid: ... \$9,283,000
 YTD FFO: ... (\$1,135,000)

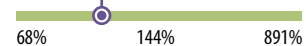
Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

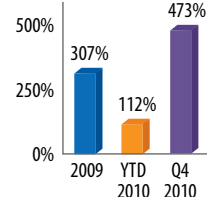
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 112%

Rank: 4 of 43



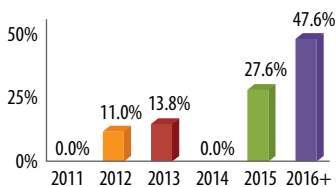
YTD Distributions Paid: .. \$9,283,000
 YTD MFFO: .. \$8,258,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



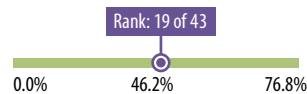
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 47.7%

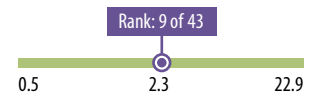


Debt Breakdown

Total:	\$175.4 Million
Fixed:	\$80.2 Million
Variable:	\$95.2 Million
Rate:	1-2% – 10%
Term:	2 – 7 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.5



EBITDA: \$7,116,000
 Interest Expense: \$2,843,000

Redemptions

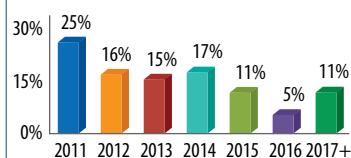
Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 1.92%

Rank: 8 of 43



Redemptions Year to Date: ..202,931
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 10,592,000

Lease Expirations*



*As a percentage of expiration base rent for consolidated office and industrial properties.

Notes

As of December 31, 2010, the Company's investments included eight consolidated real properties and one consolidated real estate loan receivable and one unconsolidated real property. Effective December 31, 2010, the Company modified its definition of MFFO to be consistent with the definition established by the Investment Program Association ("IPA"). Prior to this modification, the primary adjustments to FFO only included acquisition expenses, impairment charges and adjustments to fair value for derivatives not qualifying for hedge accounting. The primary effect of the modified definition is to include adjustments for straight-lining of rents and amortization of net above/below market intangible lease assets. For the year ended December 31, 2010, none of the distributions were funded from operating cash flow. Distributions were funded from other financing activities, such as offering proceeds and borrowings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Bluerock Enhanced Multifamily Trust, Inc.

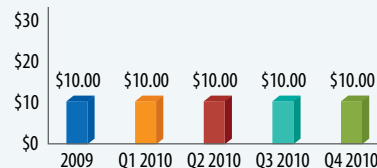
Total Assets.....	\$7.0 Million
Real Estate Assets	\$6.3 Million
Cash	\$0.1 Million
Securities	\$0.0 Million
Other	\$0.6 Million



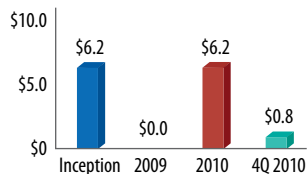
Initial Offering Date:	October 15, 2009
Number of Months Fundraising:	14
Anticipated Offering Close Date:	October 15, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	1.8%
Asset Type:	Multifamily
Number of Properties:	5
Square Feet / Units / Rooms / Acres: ..	1,272,306 sq. ft. or 1,323 units
Percent Leased:	95%

Historical Price



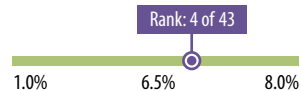
Gross Dollars Raised*



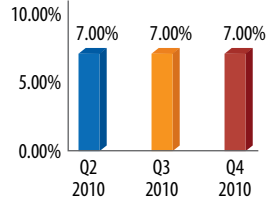
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution



Contact Information

Bluerock Enhanced Multifamily Trust, Inc.
 c/o Bluerock Real Estate, LLC
 680 Fifth Avenue, 16th Floor
 New York, NY 10019
 (877) 826-2583

Year to Date FFO Payout Ratio

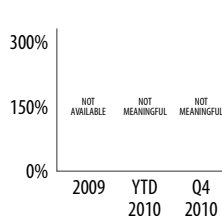
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43

75% 200% 3998%

YTD Distributions Paid:..... \$192,708
 YTD FFO:, (\$1,045,393)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

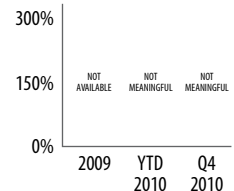
Rank: 22 of 43

68% 144% 891%

YTD Distributions Paid:..... \$192,708
 YTD MFFO:, (\$256,416)

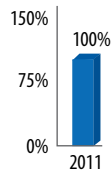
* Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



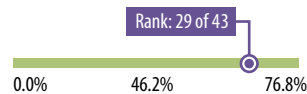
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 68.7%



Debt Breakdown

Total:	\$4.8 Million
Fixed:	\$0.0 Million
Variable:	\$4.8 Million
Rate:	7.00%+
Term:	1 yr

Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL

Rank: 19 of 43

0.5 2.3 22.9

EBITDA:, (\$1,685,351)
 Interest Expense:, \$259,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%

Rank: 1 of 43

0.0% 1.92% 42.25%

Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 25,405

Lease Expirations

Not Reported

Notes

Company reported FY2010 MFFO of (-\$206,485) and includes \$49,931 in offering expenses. Blue Vault Partners has excluded the offerings expenses to report FY 2010 MFFO of (-\$256,416). Offering was suspended from November 17, 2010 until March 2, 2011 in connection with the Company's determination to restate certain financial statements. The Company owns equity interests in five multifamily real estate properties through joint venture partnerships. Some or all of the distributions to date have been paid from proceeds from the public offering and may in the future be paid from additional sources, such as from borrowings, advances from the advisor, and the advisor's deferral of its fees and expense reimbursements. The advisor has agreed to defer repayment of \$677,000 in operating costs until later notice.



Nontraded REIT Industry Review: Fourth Quarter 2010

CB Richard Ellis Realty Trust

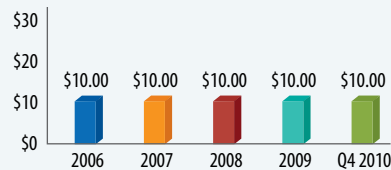
Total Assets.....	\$1,716.7 Million
Real Estate Assets ...	\$1,466.0 Million
Cash.....	\$48.2 Million
Securities	\$0.0 Million
Other.....	\$202.5 Million



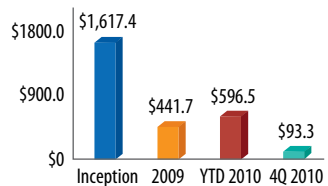
Initial Offering Date:	October 24, 2006
Number of Months Fundraising:	50
Anticipated Offering Close Date:	January 30, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	2.8%
Asset Type:	Diversified
Number of Properties:	103
Square Feet / Units / Rooms / Acres:	22,701,000
Percent Leased:	94%

Historical Price



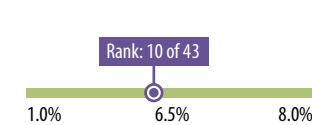
Gross Dollars Raised*



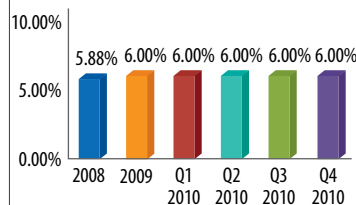
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

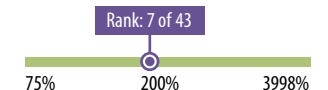


Contact Information

www.CBRERealtyTrust.com
CNL Client Services
P. O. Box 4920
Orlando, FL 32802
866-650-0650

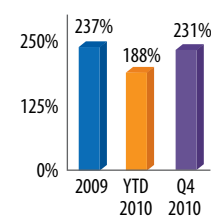
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 188%



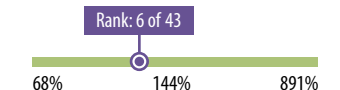
YTD Distributions Paid: \$72,481,000
YTD FFO: \$38,562,000

Historical FFO Payout Ratio



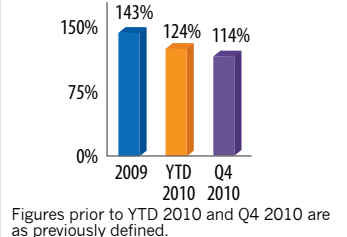
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: ... 124%

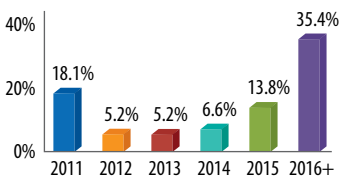


YTD Distributions Paid: \$72,481,000
YTD MFFO: \$58,411,000
*Company reported MFFO - see notes

Historical MFFO Payout Ratio

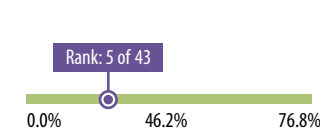


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 24.8%

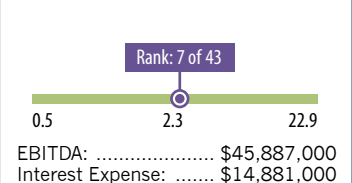


Debt Breakdown

Total:	\$425.6 Million
Fixed:	\$365.6 Million
Variable:	\$60.0 Million
Rate:	4.75% - 6.42%
Term:	1 - 15 yrs

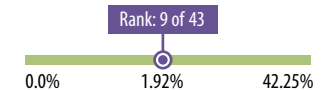
Interest Coverage Ratio

YTD Interest Coverage Ratio: 3.1



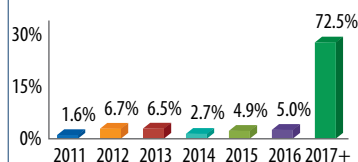
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding: 2.21%



Redemptions Year to Date: 1,796,101
Wtd. Avg. Shares Outstanding
as of 12/31/09: 81,367,593

Lease Expirations*



*As a percent of expiring base rent for both consolidated and unconsolidated properties.

Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. The assets noted above are based on the figures reported on the balance sheet. Total assets for the Company are reported for unconsolidated entities using the equity method of accounting and as such do not take into consideration the pro rata share of liabilities for these entities. Taking this into consideration, including the pro rata share of liabilities for the Duke joint venture, the Afton Ridge joint venture, the UK joint venture and the European joint venture, total assets would equal \$1,948.6 million, real estate assets would total \$1,749.1 million and total debt would equal \$641.9 million. The percentage leased reported for the portfolio is a weighted average based on property acquisition cost. Total number of properties, square footage and percent leased is based on both consolidated and unconsolidated properties but does not include nonconsolidated ownership of property via CBRE Strategic Asia Partners. The 2010 distributions were funded 48.38% by cash flows provided by operating activities and 51.62% from uninvested proceeds from financings of properties.



Nontraded REIT Industry Review: Fourth Quarter 2010

CNL Lifestyle Properties, Inc.

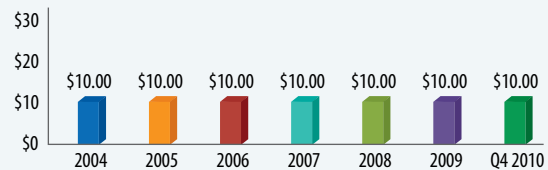
Total Assets.....	\$2,673.9 Million
Real Estate Assets ...	\$2,282.3 Million
Cash.....	\$200.5 Million
Securities	\$0.0 Million
Other.....	\$191.1 Million



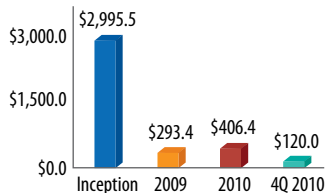
Initial Offering Date:	April 16, 2004
Number of Months Fundraising:	80
Anticipated Offering Close Date:	April 9, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio: 7.5%
 Asset Type: Diversified
 Number of Properties: 122
 Square Feet / Units / Rooms / Acres: Not Reported
 Percent Leased: Not Reported

Historical Price



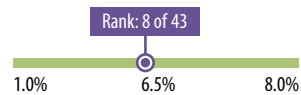
Gross Dollars Raised*



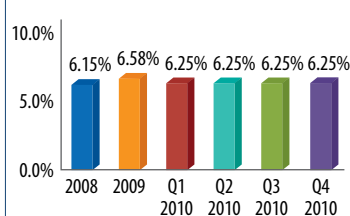
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.25%



Historical Distribution

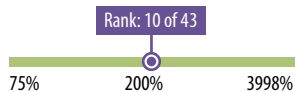


Contact Information

www.CNLLifestyleREIT.com
CNL Client Services
P.O. Box 4920
Orlando, FL 32802
866-650-0650

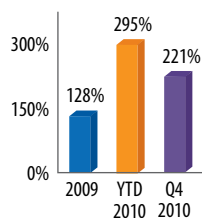
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 295%



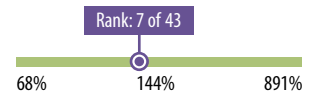
YTD Distributions Paid: \$163,939,000
 YTD FFO: \$55,553,000

Historical FFO Payout Ratio



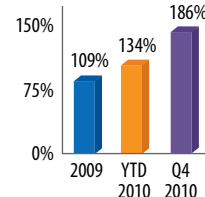
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 134%



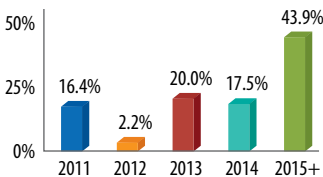
YTD Distributions Paid: \$163,939,000
 YTD MFFO: \$122,206,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



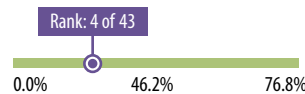
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 24.7%

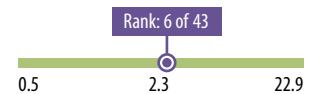


Debt Breakdown



Interest Coverage Ratio

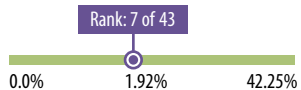
YTD Interest Coverage Ratio: 3.3



EBITDA: \$168,896,000
 Interest Expense: \$50,616,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 1.73%



Redemptions Year to Date: 4,089,368
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 235,873,000

Lease Expirations

Average Lease Expiration:
 17 years

Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. Variable rate debt includes \$95.5 million that has been swapped to a fixed rate. The shortfall in cash flows from operating activities versus cash distributions paid was funded with cumulative cash flows from operations from prior periods and temporary borrowings under the revolving line of credit. Distributions reinvested may be dilutive to stockholders to the extent that they are not covered by operating cash flows, FFO and MFFO and such shortfalls are instead covered by borrowings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Cole Credit Property Trust III, Inc.

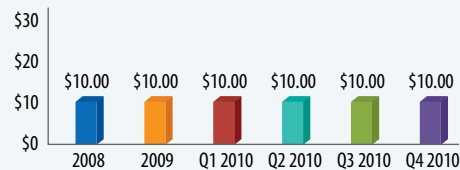
Total Assets.....	\$3,243.6 Million
Real Estate Assets ...	\$3,066.6 Million
Cash.....	\$109.9 Million
Securities	\$0.0 Million
Other.....	\$67.1 Million



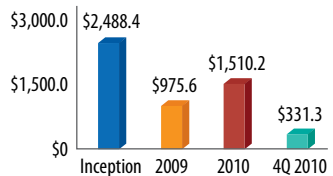
Initial Offering Date:	October 1, 2008
Number of Months Fundraising:	28
Anticipated Offering Close Date:	September 22, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.4%
Asset Type:	Retail
Number of Properties:	447
Square Feet / Units / Rooms / Acres:	17.5 Million
Percent Leased:	99.3%

Historical Price



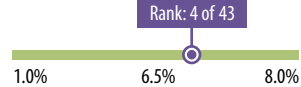
Gross Dollars Raised*



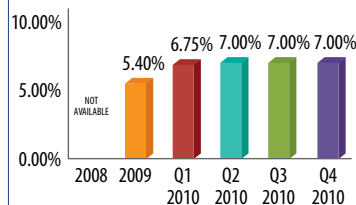
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

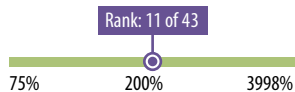


Contact Information

www.CCPTiii.com
Cole Capital Corporation
 2555 E. Camelback Road
 Suite 400
 Phoenix, AZ 85016
 866-341-2653

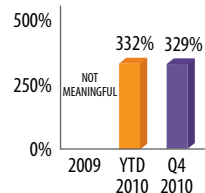
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 332%



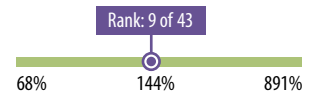
YTD Distributions Paid: \$112,613,000
 YTD FFO: \$33,968,000

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

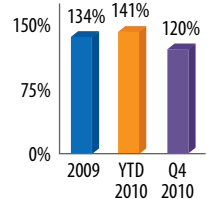
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 141%



YTD Distributions Paid: \$112,613,000
 YTD MFFO: \$79,765,000

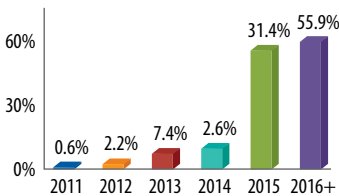
*BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio



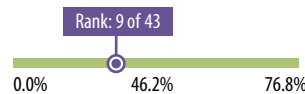
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

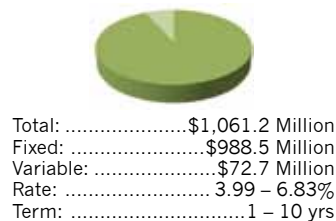


Current Debt Ratio

Debt to Total Assets Ratio: ... 32.7%

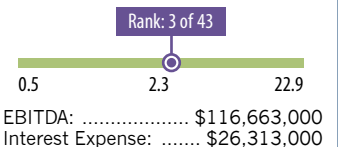


Debt Breakdown



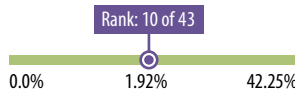
Interest Coverage Ratio

YTD Interest Coverage Ratio: 4.4



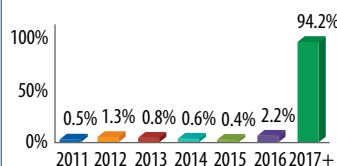
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 3.01%



Redemptions Year to Date: 1,204,239
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 40,060,709

Lease Expirations*



*As a percent of expiring base rent.

Notes

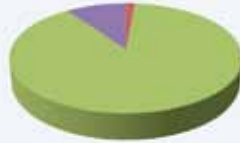
The Company reported 2010 MFFO of \$93,240,000 and does not include (\$13,655,000) in straight-line rent adjustments. Blue Vault Partners has included the adjustments to report MFFO of \$79,765,000. Through three joint venture arrangements, as of December 31, 2010, the Company had interests in seven additional properties comprising 909,000 gross rentable square feet of commercial space and an interest in a land parcel under development comprising 213,000 square feet of land. As of December 31, 2010, the Company had a ratio of debt to total gross real estate assets net of gross intangible lease liabilities of 35% of the original purchase price of our properties. 2010 distributions were funded by net cash provided by operating activities of \$35.8 million, proceeds from the issuance of common stock of \$58.7 million, and borrowings of \$18.1 million.



Nontraded REIT Industry Review: Fourth Quarter 2010

Cornerstone Core Properties REIT, Inc.

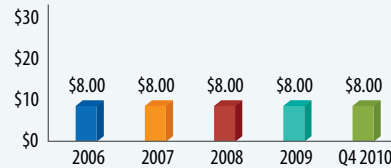
Total Assets.....	\$139.0 Million
Real Estate Assets	\$123.3 Million
Cash	\$2.0 Million
Securities	\$0.0 Million
Other	\$13.7 Million



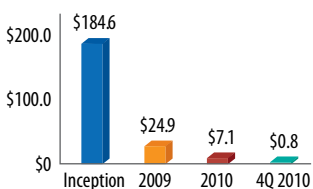
Initial Offering Date:	January 6, 2006
Number of Months Fundraising:	58
Anticipated Offering Close Date:	June 10, 2011
Current Price per Share:	\$8.00
Reinvestment Price per Share:	\$7.60

Cash to Total Assets Ratio:	1.4%
Asset Type:	Diversified
Number of Properties:	13
Square Feet / Units / Rooms / Acres:	1.2 Million
Percent Leased:	70.26%

Historical Price



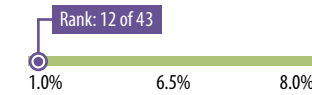
Gross Dollars Raised*



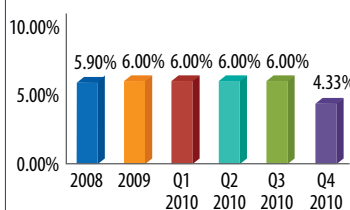
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 1.00%



Historical Distribution



Contact Information

www.CRE Funds.com
Pacific Cornerstone Capital
1920 Main Street, Suite 400
Irvine, CA 92614
877-805-3333

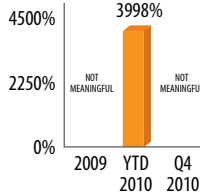
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 3998%



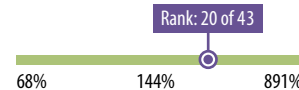
YTD Distributions Paid:.. \$10,994,000
 YTD FFO:

Historical FFO Payout Ratio



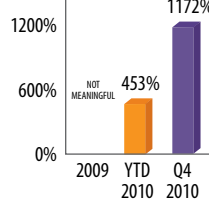
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 453%



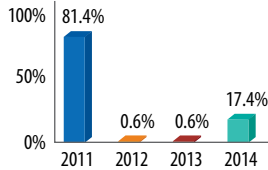
YTD Distributions Paid: \$10,994,000
 YTD MFFO:

Historical MFFO Payout Ratio



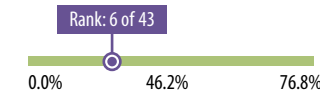
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 25.8%

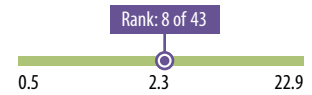


Debt Breakdown

Total:	\$35.9 Million
Fixed:	\$6.9 Million
Variable:	\$29.0 Million
Rate:	1.4 – 5.89%
Term:	<1 – 4 yrs

Interest Coverage Ratio

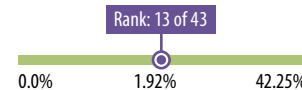
YTD Interest Coverage Ratio: 2.8



EBITDA:

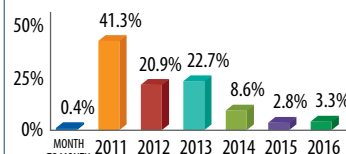
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 4.10%



Redemptions Year to Date: ..894,915
 Wtd. Avg. Shares Outstanding
 as of 12/31/09:

Lease Expirations*



*As a percent of expiring base rent.

Notes

The Company computed MFFO in accordance with the definition suggested by the Investment Program Association (the "IPA"), the trade association for direct investment programs (including non-listed REITs). However, certain adjustments included in the IPA's definition are not applicable and are therefore not included in the foregoing definition. Effective November 23, 2010, the Company stopped making and accepting offers to purchase shares of the stock while the board of directors evaluates strategic alternatives to maximize value. The Company also suspended the distribution reinvestment plan effective on December 14, 2010. All distributions paid after December 14, 2010 have been and will be made in cash. The Company lowered distributions to a current annualized rate of \$0.08 per share (1% based on a share price of \$8.00) from the current annualized rate of \$0.48 per share (6% based on a share price of \$8.00), effective December 1, 2010. The Company noted that it does not have sufficient funds available to prudently fund any redemptions during 2011. Accordingly, the board of directors approved an amendment to the stock repurchase program to suspend redemptions under the program, effective December 31, 2010. For the twelve months ended December 31, 2010, cash distributions to stockholders were paid from a combination of cash flow from operations and net proceeds raised from the offerings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Cornerstone Healthcare Plus REIT, Inc.

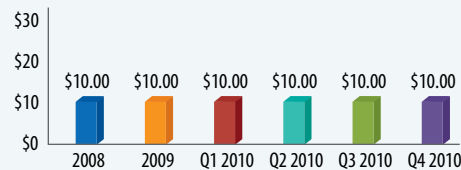
Total Assets.....	\$170.4 Million
Real Estate Assets	\$128.9 Million
Cash	\$29.8 Million
Securities	\$0.0 Million
Other	\$11.7 Million



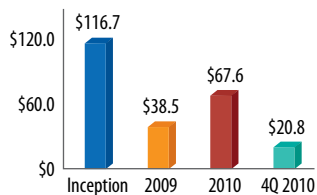
Initial Offering Date:	June 20, 2008
Number of Months Fundraising:	30
Anticipated Offering Close Date:	February 4, 2013
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	17.5%
Asset Type:	Diversified
Number of Properties:	13
Square Feet / Units / Rooms / Acres:	687,483
Percent Leased:	81.1%

Historical Price



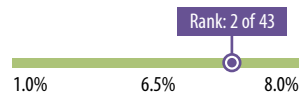
Gross Dollars Raised*



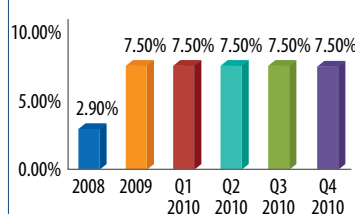
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.50%



Historical Distribution



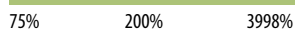
Contact Information

www.CREFund.com
Pacific Cornerstone Capital
1920 Main Street, Suite 400
Irvine, CA 92614
877-805-3333

Year to Date FFO Payout Ratio

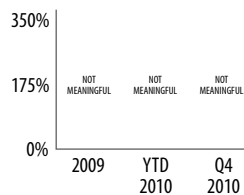
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43



YTD Distributions Paid: ... \$5,693,000
 YTD FFO: ... \$2,247,000

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

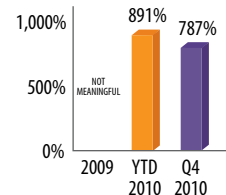
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 891%

Rank: 21 of 43



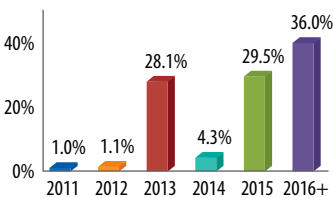
YTD Distributions Paid: .. \$5,693,000
 YTD MFFO: \$639,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



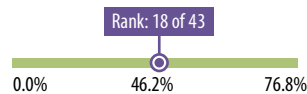
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 47.4%

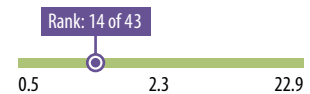


Debt Breakdown

Total:	\$80.8 Million
Fixed:	\$46.0 Million
Variable:	\$34.8 Million
Rate:	2.50 – 6.50%
Term:	2 – 34 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.4



EBITDA: \$3,263,000
 Interest Expense: \$2,373,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 4.75%

Rank: 14 of 43



Redemptions Year to Date: ... 95,087
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 1,999,747

Lease Expirations*

Not Reported

Notes

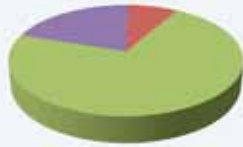
On February 4, 2011, the SEC declared the follow-on offering effective and they commenced our follow-on offering. The Company computed MFFO in accordance with the definition suggested by the Investment Program Association (the "IPA"), but disclosed that certain adjustments included in the IPA's definition are not applicable and were therefore not included in the foregoing definition. For the twelve months ended December 31, 2010, all distributions to stockholders were paid from proceeds of the offering in anticipation of future cash flow.



Nontraded REIT Industry Review: Fourth Quarter 2010

Corporate Property Associates 17 – Global Inc.

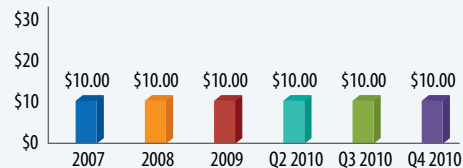
Total Assets.....	\$1,988.3 Million
Real Estate Assets ...	\$1,426.9 Million
Cash.....	\$162.8 Million
Securities	\$3.8 Million
Other.....	\$394.8 Million



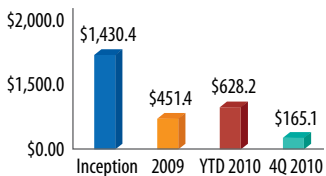
Initial Offering Date:	November 2, 2007
Number of Months Fundraising:	37
Anticipated Offering Close Date:	May 2, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	8.2%
Asset Type:	Diversified
Number of Properties:	135
Square Feet / Units / Rooms / Acres:	15 million
Percent Leased:	100.0%

Historical Price



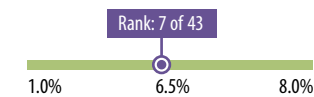
Gross Dollars Raised*



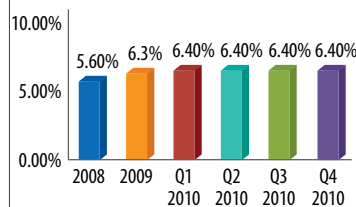
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.40%



Historical Distribution

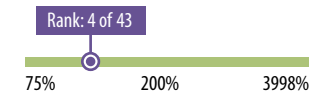


Contact Information

www.WPCarey.com
W.P. Carey & Co. LLC
50 Rockefeller Plaza
New York, NY 10020
800-WPCAREY

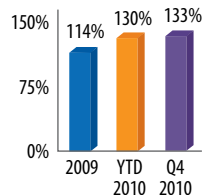
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 130%



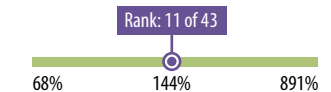
YTD Distributions Paid:..\$60,937,000
YTD FFO:

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

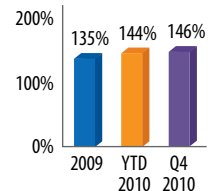
MFFO Payout Ratio:
YTD Distributions/YTD MFFO: ...144%



YTD Distributions Paid:..\$60,937,000
YTD MFFO:

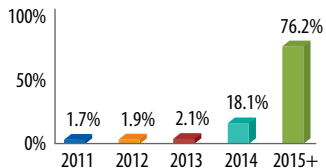
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



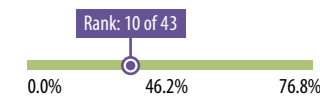
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 33.6%

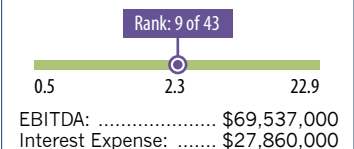


Debt Breakdown

Total:	\$667.5 Million
Fixed:	\$516.1 Million
Variable:	\$151.4 Million
Rate:	4.5% – 8.0%
Term:	4 – 18 yrs

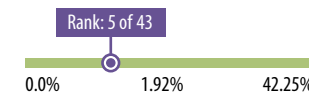
Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.5



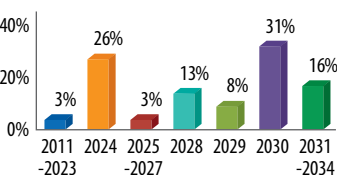
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding:.....1.13%



Redemptions Year to Date:..616,159
Wtd. Avg. Shares Outstanding
as of 12/31/09:

Lease Expirations*



*As a percent of expiring base rent.

Notes

MFFO is company reported AFFO and Blue Vault Partners did not identify additional adjustments. The Company reported AFFO was calculated in accordance with the IPA's guidelines for calculating MFFO. Variable-rate debt at December 31, 2010 consisted of (i) \$116.7 million that is subject to an interest rate cap, but for which the applicable interest rate was below the interest rate cap at December 31, 2010 and (ii) \$34.7 million that has been effectively converted to fixed-rate debt through interest rate swap derivative instruments. In October 2010, the Company filed a registration statement with the SEC for a possible continuous public offering of up to \$1.0 billion of common stock, which is currently expected to commence after the initial public offering terminates. The initial public offering is anticipated to terminate on the earlier of the date on which the registration statement for the follow-on offering becomes effective or May 2, 2011. During the year ended December 31, 2010, the Company used cash flows provided by operating activities of \$68.0 million to fund cash distributions to shareholders of \$30.6 million, which excludes the \$30.3 million in dividends that were reinvested by shareholders through the distribution reinvestment and share purchase plan. The Company funded a portion of the cash distributions to date using net proceeds from the initial public offering and may do so in the future, particularly until it substantially invests the net offering proceeds.



Nontraded REIT Industry Review: Fourth Quarter 2010

GC Net Lease REIT, Inc.

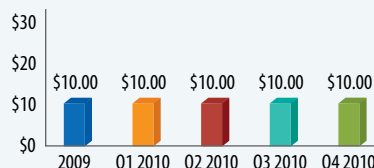
Total Assets.....	\$110.1 Million
Real Estate Assets	\$103.0 Million
Cash	\$1.6 Million
Securities	\$0.0 Million
Other	\$5.5 Million



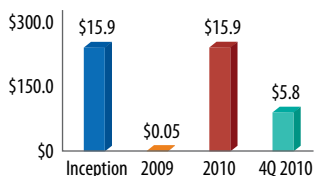
Initial Offering Date: November 6, 2009
 Number of Months Fundraising: 13
 Anticipated Offering Close Date: November 6, 2011
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.50

Cash to Total Assets Ratio: 1.5%
 Asset Type: Diversified
 Number of Properties: 6
 Square Feet / Units / Rooms / Acres: 1,967,600
 Percent Leased: 100%

Historical Price



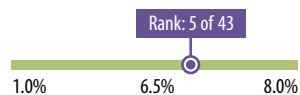
Gross Dollars Raised*



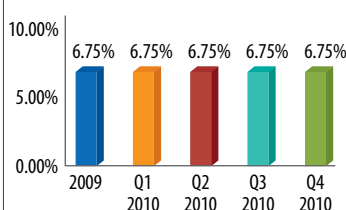
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.75%



Historical Distribution

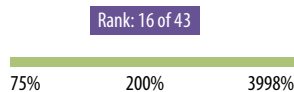


Contact Information

www.GriffinCapital.com
Griffin Capital Securities, Inc.
 2121 Rosencrans Avenue
 Suite 3321
 El Segundo, CA 90245
 (310) 606-5900

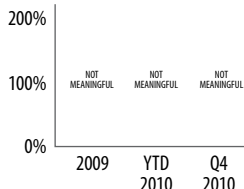
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: *NOT MEANINGFUL*



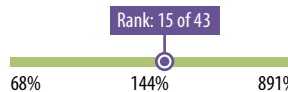
YTD Distributions Paid: ... \$2,276,762
 YTD FFO: (\$867,412)

Historical FFO Payout Ratio



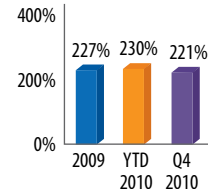
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 230%



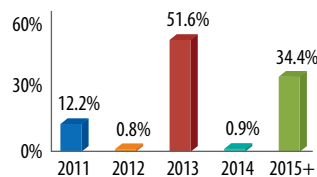
YTD Distributions Paid: ... \$2,276,762
 YTD MFFO: \$988,200
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



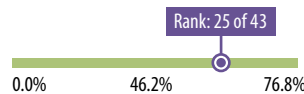
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 62.6%



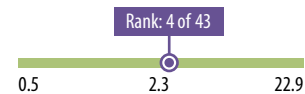
Debt Breakdown



Total: \$69.0 Million
 Fixed: \$26.1 Million
 Variable: \$42.9 Million
 Rate: 5.75 – 6.65%
 Term: <1 – 13 yrs

Interest Coverage Ratio

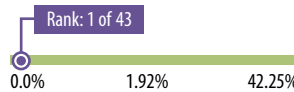
YTD Interest Coverage Ratio: 3.8



EBITDA: \$12,023,927
 Interest Expense: \$3,170,029

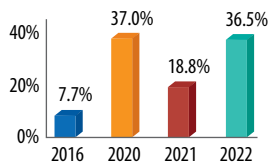
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 0.00%



Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09 137,598

Lease Expirations*



*As a percent of expiring base rent for both consolidated and unconsolidated properties.

Notes

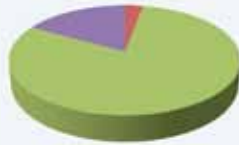
The Company adopted the IPA MFFO Guideline commencing with this annual report. For the year ending December 31, 2010, the primary source of distributions was proceeds from issuance of common stock.



Nontraded REIT Industry Review: Fourth Quarter 2010

Grubb & Ellis Healthcare REIT II, Inc.

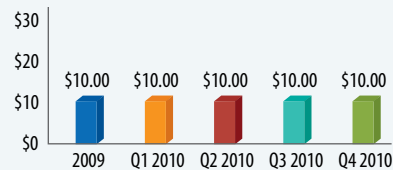
Total Assets.....	\$203.9 Million
Real Estate Assets	\$163.3 Million
Cash	\$6.0 Million
Securities	\$0.0 Million
Other	\$34.6 Million



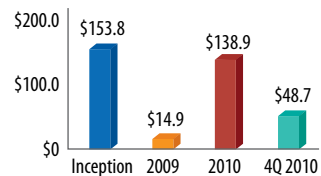
Initial Offering Date:	August 24, 2009
Number of Months Fundraising:	16
Anticipated Offering Close Date:	August 24, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.0%
Asset Type:	Medical Office/Healthcare Related
Number of Properties:	25
Square Feet / Units / Rooms / Acres:	873,000
Percent Leased:	98.3%

Historical Price



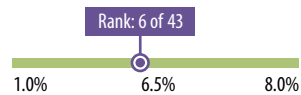
Gross Dollars Raised*



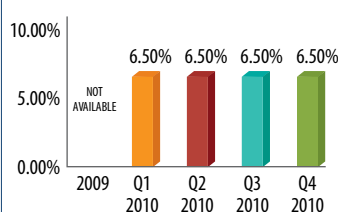
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution



Contact Information

www.GBE-REITS.com
Grubb & Ellis Healthcare REIT II Advisor, LLC
 1551 N. Tustin Avenue,
 Suite 300
 Santa Ana, CA 92705
 877-888-7348 option 2

Year to Date FFO Payout Ratio

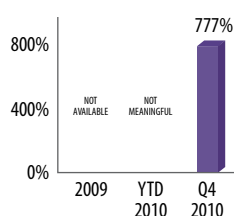
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43

75% 200% 3998%

YTD Distributions Paid: ... \$4,072,000
 YTD FFO: ... (\$3,837,000)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

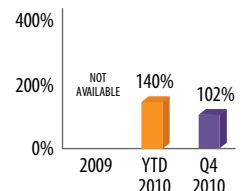
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 140%

Rank: 8 of 43

68% 144% 891%

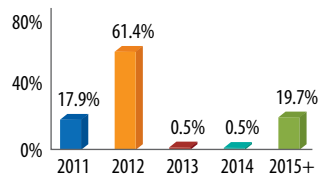
YTD Distributions Paid: ... \$4,072,000
 YTD MFFO: ... \$2,909,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



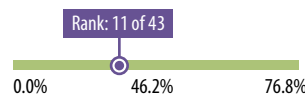
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

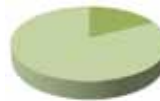


Current Debt Ratio

Debt to Total Assets Ratio: ... 34.4%



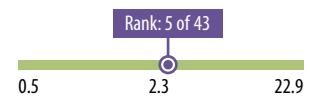
Debt Breakdown



Total: ... \$70.1 Million
 Fixed: ... \$12.3 Million
 Variable: ... \$57.8 Million
 Rate: ... 1.36% – 6.00
 Term: ... 1 – 10 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 3.4



EBITDA: ... \$4,811,000
 Interest Expense: ... \$1,416,000

Redemptions

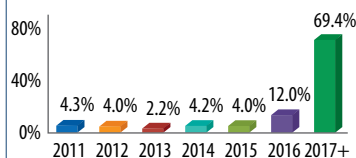
Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: ... 11.27%*

Rank: 20 of 43

0.0% 1.92% 42.25%

Redemptions Year to Date: ... 21,000
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: ... 186,330

Lease Expirations*



*As a percent of expiring base rent.

Notes

The Company defines MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010 – 01, issued by the IPA in November 2010. As of December 31, 2010, the Company had a fixed rate interest rate swap of 6.00% per annum on its variable rate mortgage loan of \$3.2 million and a fixed rate interest swap of 4.41% per annum on its variable rate mortgage loan of \$7.3 million. Assets in the "other" category include \$28.6 million of intangible assets. For the year ending December 31, 2011, the primary source of distributions was proceeds from issuance of common stock. Redemption percentages may reflect a higher percentage than the Company's actual plan as these metrics are calculated for comparison purposes only.



Nontraded REIT Industry Review: Fourth Quarter 2010

Healthcare Trust of America, Inc.

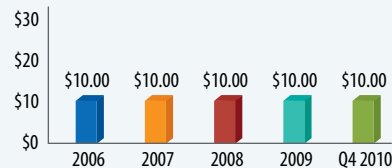
Total Assets.....	\$2,271.8 Million
Real Estate Assets ...	\$1,854.6 Million
Cash.....	\$29.3 Million
Securities	\$0.0 Million
Other.....	\$388.0 Million



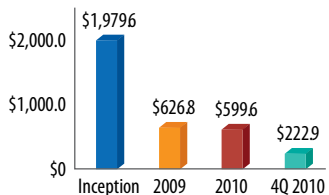
Initial Offering Date:	September 20, 2006
Number of Months Fundraising:	51
Anticipated Offering Close Date:	February 28, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	1.3%
Asset Type:	Medical Office
Number of Properties:	77 acquisitions comprised of 238 buildings
Square Feet / Units / Rooms / Acres:	10.9 million
Percent Leased:	91.1%

Historical Price



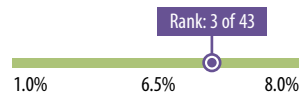
Gross Dollars Raised*



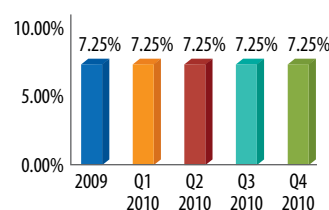
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.25%



Historical Distribution

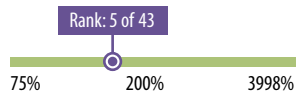


Contact Information

www.HTAREIT.com
Healthcare Trust of America
16427 North Scottsdale Road,
Suite 440
Scottsdale, AZ 85254
480-998-3478

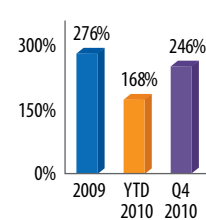
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 168%



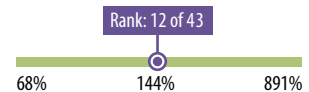
YTD Distributions Paid: \$116,727,000
YTD FFO: \$69,449,000

Historical FFO Payout Ratio



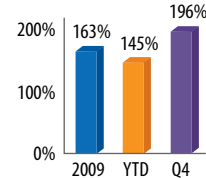
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: 145%



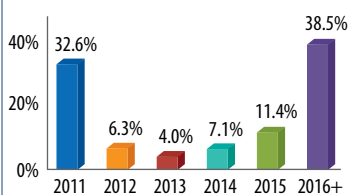
YTD Distributions Paid: .. \$116,727,000
YTD MFFO: \$80,766,000
*BVP adjusted MFFO

Historical MFFO Payout Ratio



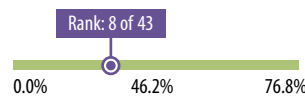
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 31.1%

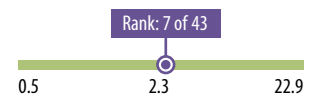


Debt Breakdown

Total:	\$706.5 Million
Fixed:	\$473.8 Million
Variable:	\$232.7 Million
Rate:	1.61 – 12.75%
Term:	2 – 12 yrs

Interest Coverage Ratio

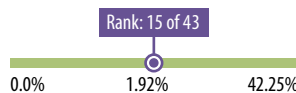
YTD Interest Coverage Ratio: 3.1



EBITDA: \$108,503,000
Interest Expense: \$35,336,000

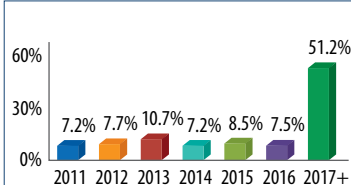
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding: 4.83%



Redemptions Year to Date: 5,448,260
Wtd. Avg. Shares Outstanding
as of 12/31/09: 112,819,638

Lease Expirations*



*As a percent of expiring base rent.

Notes

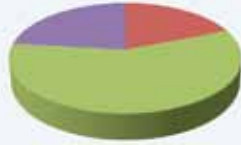
In December 2010, HTA announced the termination of its follow-on offering and stopped offering shares on February 28, 2011, except for shares issued pursuant to the DRIP. The Company reported 2010 MFFO of \$89,166,000 includes \$8,400,000 in transition charges related to the cost of HTA's transition to self-management. Blue Vault Partners has excluded the transition charges to report 2010 MFFO of \$80,776,000. As of December 31, 2010, the Company had variable rate mortgage loans on four properties with fixed rate interest rate swaps and caps, ranging from 2.00% to 5.87%. For the year ended December 31, 2010, the Company paid distributions of \$116,727,000 (\$60,176,000 in cash and \$56,551,000 in shares of common stock pursuant to the DRIP), as compared to cash flows from operations of \$58,503,000. The distributions paid in excess of cash flows from operations in 2010 were paid using proceeds from debt financing.



Nontraded REIT Industry Review: Fourth Quarter 2010

Hines Global REIT, Inc.

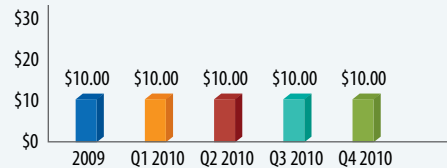
Total Assets.....	\$775.7 Million
Real Estate Assets	\$449.0 Million
Cash	\$147.0 Million
Securities	\$0.0 Million
Other	\$179.7 Million



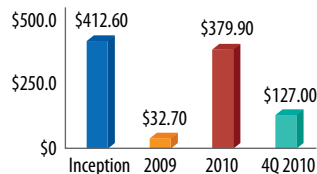
Initial Offering Date:	August 5, 2009
Number of Months Fundraising:	16
Anticipated Offering Close Date:	August 5, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	18.9%
Asset Type:	Office, Industrial & Retail
Number of Properties:	5
Square Feet / Units / Rooms / Acres:	2.1 million
Percent Leased:	97.0%

Historical Price



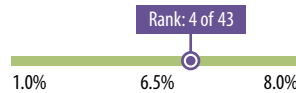
Gross Dollars Raised*



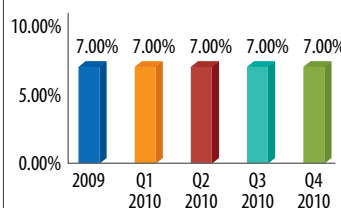
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution



Contact Information

www.HinesREIT.com
Hines Global REIT
c/o DST Systems, Inc.
P.O. Box 219010
Kansas City, MO 64121-9010
888-220-6121

Year to Date FFO Payout Ratio

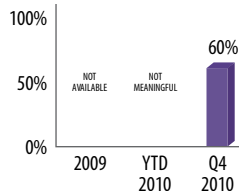
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43



YTD Distributions Paid: \$11,619,000
 YTD FFO:, (\$12,629,000)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

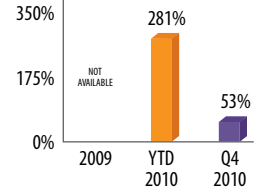
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 281%

Rank: 16 of 43



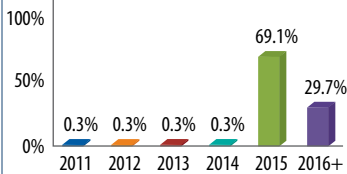
YTD Distributions Paid: \$11,619,000
 YTD MFFO:, \$4,141,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



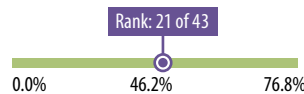
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

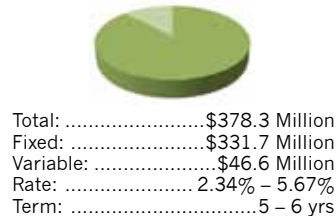


Current Debt Ratio

Debt to Total Assets Ratio: ... 48.8%

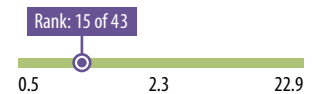


Debt Breakdown



Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.2

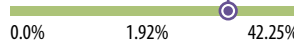


EBITDA:, \$7,425,000
 Interest Expense:, \$6,035,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: ... 27.85%

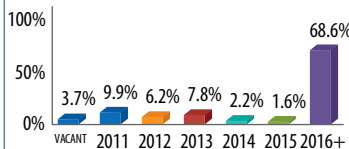
Rank: 22 of 43



Redemptions Year to Date: ... 95,410

*Wtd. Avg. Shares Outstanding
 as of 12/31/09, 342,558
 *See notes

Lease Expirations*



*As a percent of expiring square footage for both consolidated and unconsolidated properties.

Notes

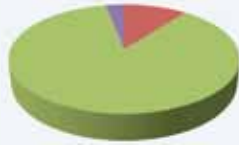
Management uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA") as a non-GAAP supplemental financial performance measure, to evaluate our operating performance. All FFO & MFFO calculations prior to FY2010 were Blue Vault estimates and may understate acquisition costs and other items. Because the Company did not report Q4 information, Q4 metrics are Blue Vault Partners estimates. Redemption percentages may reflect a higher percentage than the Company's actual plan as these metrics are calculated for comparison purposes per the definition on page 3 of this report and may not be the same for all REITs. For the year ended December 2010, 100% of distributions were funded from cash flows from financing activities, which included proceeds from the Offering, equity capital contributions from Moorfield and proceeds from debt financings. Some or all of the distributions may continue to be paid from other sources, such as cash advances by the Advisor, cash resulting from a waiver or deferral of fees, borrowings and/or proceeds from the Offering.



Nontraded REIT Industry Review: Fourth Quarter 2010

Industrial Income Trust Inc.

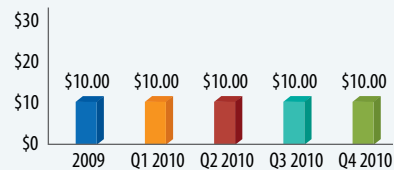
Total Assets.....	\$261.2 Million
Real Estate Assets	\$225.6 Million
Cash	\$27.6 Million
Securities	\$0.0 Million
Other	\$8.0 Million



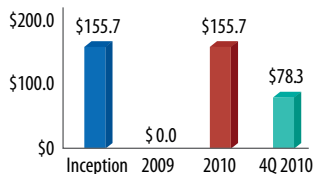
Initial Offering Date:	December 18, 2009
Number of Months Fundraising:	12
Anticipated Offering Close Date:	December 18, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	10.6%
Asset Type:	Industrial
Number of Properties:	25
Square Feet / Units / Rooms / Acres:	3.4 million
Percent Leased:	97.6%

Historical Price



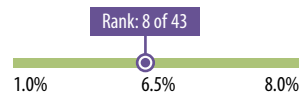
Gross Dollars Raised*



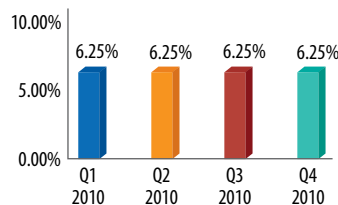
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.25%



Historical Distribution



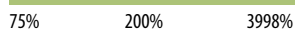
Contact Information

Dividend Capital Securities LLC
 518 Seventeenth Street,
 17th Floor
 Denver, Colorado 80202
 (303) 228-2200

Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43



YTD Distributions Paid: ... \$2,937,254
 YTD FFO: ... (\$6,647,356)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

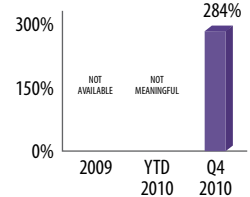
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

Rank: 22 of 43



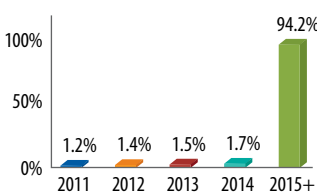
YTD Distributions Paid: ... \$2,937,254
 YTD MFFO: ... (\$252,364)
 *BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio



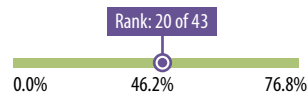
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 48.1%



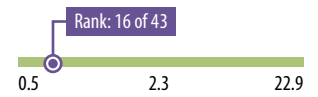
Debt Breakdown



Total: ... \$125.7 Million
 Fixed: ... \$118.1 Million
 Variable: ... \$7.6 Million
 Rate: ... 4.16 – 4.68%
 Term: ... 4 – 10 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 0.8



EBITDA: ... \$781,235
 Interest Expense: ... \$987,683

Redemptions

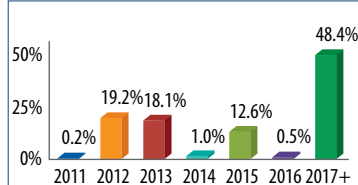
Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: ... 0.0%

Rank: 1 of 43



Redemptions Year to Date: ... 0.0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: ... 2,482,855

Lease Expirations*



*As a percent of expiring base rent.

Notes

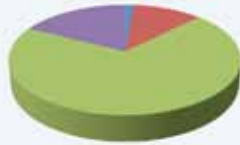
The 2010 Company Defined FFO of (\$206,448) does not include (\$45,916) in amortization of straight-line rent and above- and below-market leases. Blue Vault Partners has included the charge for 2010 MFFO of (\$252,364). For the three months ended March 31, 2010 and June 30, 2010, all cash distributions were funded through offering proceeds. For the three months ended September 30, 2010 and December 31, 2010, all cash distributions were funded through proceeds from debt financings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Inland Diversified Real Estate Trust, Inc.

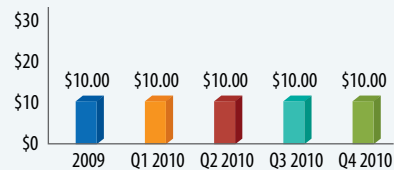
Total Assets.....	\$450.1 Million
Real Estate Assets	\$313.6 Million
Cash	\$40.9 Million
Securities	\$5.8 Million
Other	\$89.8 Million



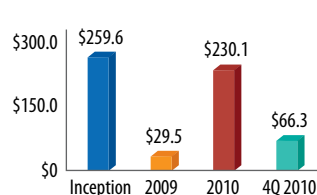
Initial Offering Date:	August 24, 2009
Number of Months Fundraising:	16
Anticipated Offering Close Date:	August 24, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	9.1%
Asset Type:	Diversified
Number of Properties:	28
Square Feet / Units / Rooms / Acres:	2,432,428 sq. ft & 300 units
Percent Leased:	97.0%

Historical Price



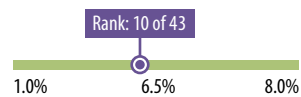
Gross Dollars Raised*



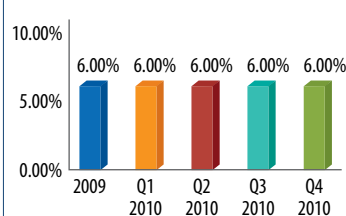
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

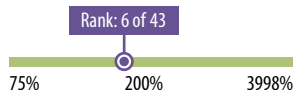


Contact Information

www.InlandDiversified.com
Inland Securities Corporation
 2901 Butterfield Road
 Oak Brook, Illinois 60523
 (800) 826-8228

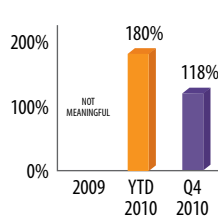
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 180%



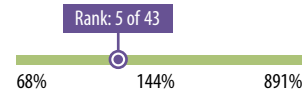
YTD Distributions Paid: ... \$7,031,118
 YTD FFO: \$3,910,770

Historical FFO Payout Ratio



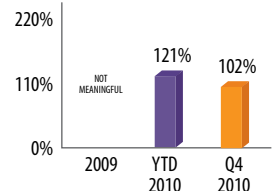
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 121%



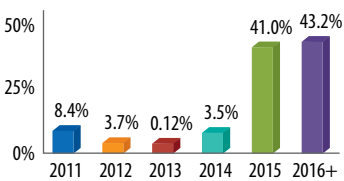
YTD Distributions Paid: .. \$7,031,118
 YTD MFFO: \$5,795,562
 *Blue Vault reported MFFO – see notes

Historical MFFO Payout Ratio



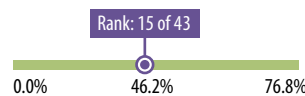
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 42.8%

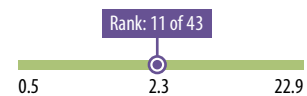


Debt Breakdown



Interest Coverage Ratio

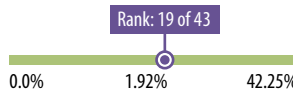
YTD Interest Coverage Ratio: 2.2



EBITDA: \$10,140,180
 Interest Expense: \$4,522,070

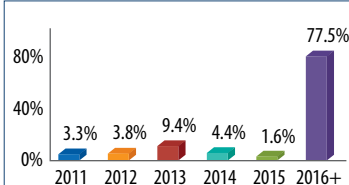
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 8.26%



Redemptions Year to Date: ... 30,387
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 367,888

Lease Expirations*



*As a percent of expiring base rent for both consolidated and unconsolidated properties.

Notes

Because the Company did not report Modified Funds from Operations (MFFO), these figures are Blue Vault estimates. Redemption percentages may reflect a higher percentage than the Company's actual plan as these metrics are calculated for comparison purposes per the definition on page 3 of this report and may not be the same for all REITs. During 2010, IREIC (sponsor) contributed \$2,889,277 to fund payment of distributions. Subsequently, on March 10, 2011, IREIC forgave \$1.5 million in liabilities related to non interest bearing advances that were previously funded to the Company. For U.S. GAAP purposes, this forgiveness of debt will be treated as capital contribution from the Sponsor although the Sponsor has not received, and will not receive, any additional shares of our common stock for making this contribution. The distributions were funded entirely during 2009 and in part during 2010, from capital contributions from the Sponsor.



Nontraded REIT Industry Review: Fourth Quarter 2010

KBS Real Estate Investment Trust II, Inc.

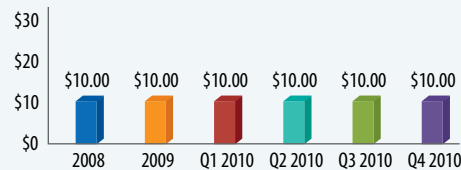
Total Assets.....	\$2,379.6 Million
Real Estate Assets ...	\$1,873.4 Million
Cash.....	\$82.4 Million
Securities	\$0.0 Million
Other.....	\$423.8 Million



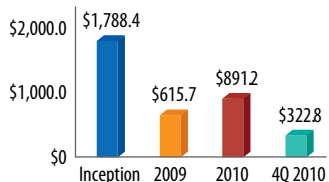
Initial Offering Date:	April 22, 2008
Number of Months Fundraising:	32
Anticipated Offering Close Date:	December 31, 2010
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.5%
Asset Type:	Diversified
Number of Properties: ...	17 properties & 7 Real Estate Related Assets
Square Feet / Units / Rooms / Acres:	7.5 million
Percent Leased:	96%

Historical Price



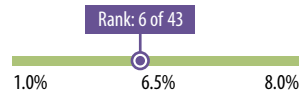
Gross Dollars Raised*



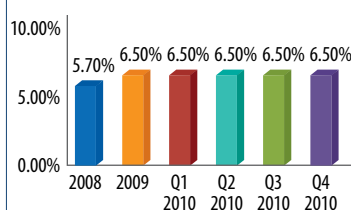
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution

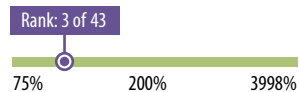


Contact Information

www.KBS-CMG.com
KBS Real Estate Investment Trust II
P.O. Box 219015
Kansas City, MO 64121-9015
866-584-1381

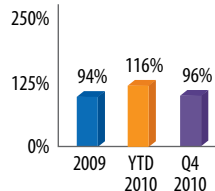
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 116%



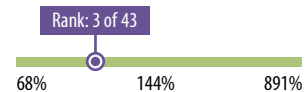
YTD Distributions Paid:..\$77,677,000
YTD FFO:.....\$67,194,000

Historical FFO Payout Ratio



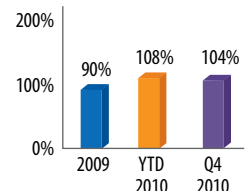
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: .. 108%



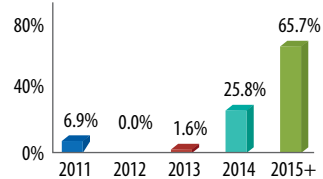
YTD Distributions Paid:..\$77,677,000
YTD MFFO:.....\$72,124,000
*Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



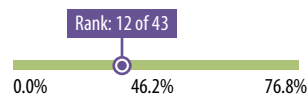
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 34.8%

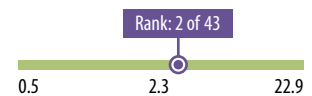


Debt Breakdown

Total:	\$828.1 Million
Fixed:	\$460.7 Million
Variable:	\$367.4 Million
Rate:	2.5 – 7.5%
Term:	<1 – 5 yrs

Interest Coverage Ratio

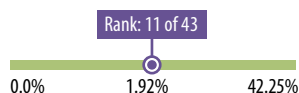
YTD Interest Coverage Ratio: 5.4



EBITDA: \$104,489,000
Interest Expense: \$19,389,000

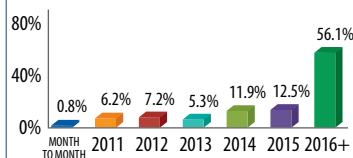
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding:.....3.57%



Redemptions Year to Date: 2,265,921
Wtd. Avg. Shares Outstanding
as of 12/31/09: 63,494,969

Lease Expirations*



*As a percent of expiring base rent.

Notes

Because the Company did not report Modified Funds From Operations (MFFO), these figures are Blue Vault estimates. At December 31, 2010, the Company had \$460.8 million and \$367.4 million of fixed and variable rate debt outstanding, respectively. Of the variable rate debt outstanding, approximately \$316.8 million was effectively fixed through the use of interest rate swap agreements. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$59.5 million of current period operating cash flows and \$18.2 million of debt financing.



Nontraded REIT Industry Review: Fourth Quarter 2010

Lightstone Value Plus Real Estate Investment Trust II, Inc.

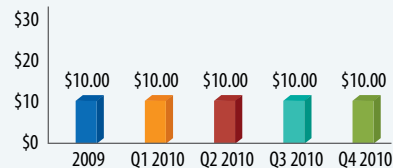
Total Assets.....	\$29.5 Million
Real Estate Assets	\$10.2 Million
Cash.....	\$18.2 Million
Securities	\$0.0 Million
Other.....	\$1.1 Million



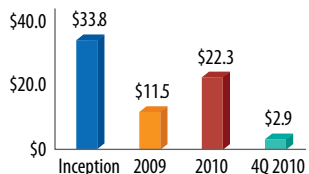
Initial Offering Date:	February 17, 2009
Number of Months Fundraising:	22
Anticipated Offering Close Date:	February 17, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	61.5%
Asset Type:	Diversified
Number of Properties:	See Notes
Square Feet / Units / Rooms / Acres:	See Notes
Percent Leased:	See Notes

Historical Price



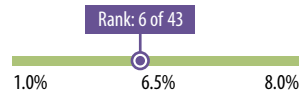
Gross Dollars Raised*



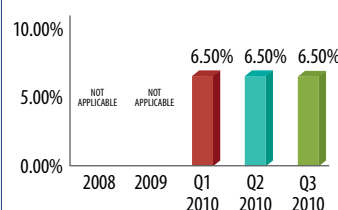
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution

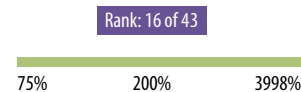


Contact Information

www.LightstoneREIT.com
Lightstone Value Plus Real Estate Investment Trust II, Inc.
 1985 Cedar Bridge Avenue
 Lakewood, NJ 08701
 (732) 367-0129

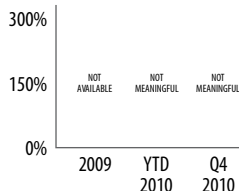
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL



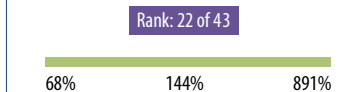
YTD Distributions Paid: ... \$1,628,165
 YTD FFO: ... (\$391,411)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

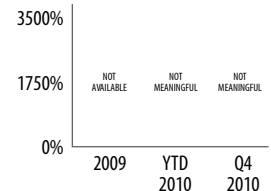
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



YTD Distributions Paid: ... \$1,628,165
 YTD MFFO: ... (\$309,852)

*Company reported MFFO - see notes

Historical MFFO Payout Ratio



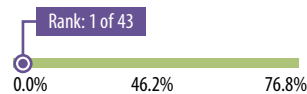
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

NO DEBT @ 12/31/10

Current Debt Ratio

Debt to Total Assets Ratio:0.0%



Debt Breakdown

Total: \$0 Million
 Fixed: \$0 Million
 Variable: \$0 Million
 Rate: 0
 Term: 0

Interest Coverage Ratio

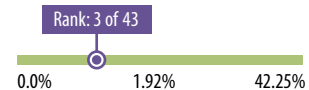
YTD Interest Coverage Ratio: NOT APPLICABLE



EBITDA: (\$627,384)
 Interest Expense: . NO DEBT @ 12/31/10

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:1.05%



Redemptions Year to Date: 2,675
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 254,632

Lease Expirations

Not Reported

Notes

The Company reported that its MFFO has been determined in accordance with the Investment Program Association ("IPA") definition of MFFO. As of December 31, 2010, the Company owned three real estate related assets: 1) a 32.42% Class D Member Interest in HG CMBS Finance, LLC, a real estate limited liability company that primarily invests in CMBS; 2) a mortgage loan collateralized by a limited service hotel; and 3) an aggregate 34.413% equity interest in Brownmill LLC, which owns two retail properties totalling 156,002 sq. ft. and 90.3% occupied. For the year ended December 31, 2010, the primary source of funds for distributions was from \$16.7 million of proceeds from the public offering.



Nontraded REIT Industry Review: Fourth Quarter 2010

Moody National REIT I, Inc.

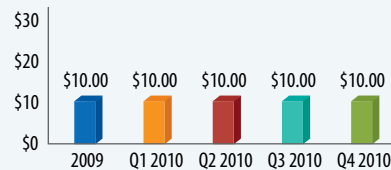
Total Assets.....	\$9.2 Million
Real Estate Assets	\$7.3 Million
Cash	\$0.9 Million
Securities	\$0.0 Million
Other	\$1.0 Million



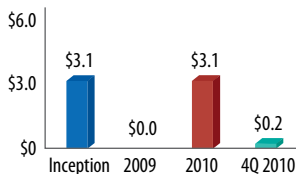
Initial Offering Date:	April 15, 2009
Number of Months Fundraising:	20
Anticipated Offering Close Date:	April 15, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	10.0%
Asset Type:	Hotels
Number of Properties:	1
Square Feet / Units / Rooms / Acres:	128 rooms
Percent Leased:	Not Reported

Historical Price



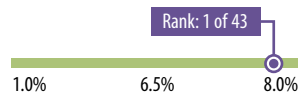
Gross Dollars Raised*



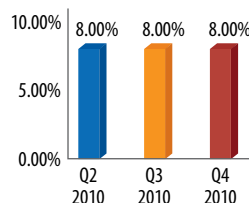
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 8.00%



Historical Distribution

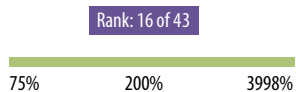


Contact Information

Moody National REIT I, Inc.
Attn: Investor Relations
6363 Woodway Drive
Suite 110
Houston, Texas 77057
(713) 977-7500

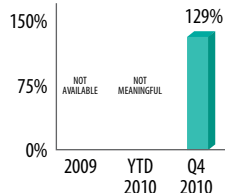
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL



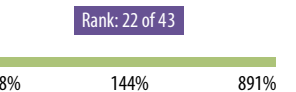
YTD Distributions Paid:..... \$127,303
 YTD FFO:..... (\$109,745)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

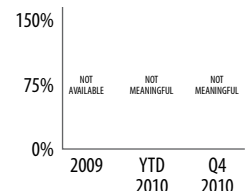
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



YTD Distributions Paid:..... \$127,303
 YTD MFFO*:..... (\$17,987)

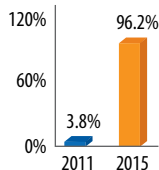
*Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



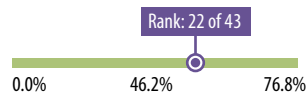
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 56.4%

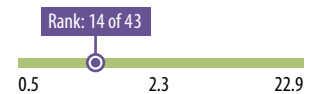


Debt Breakdown

Total:\$5.2 Million
 Fixed:\$5.2 Million
 Variable:\$0 Million
 Rate: 1.25 – 6.5%
 Term: 1 – 5 yrs

Interest Coverage Ratio

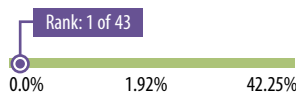
YTD Interest Coverage Ratio: 1.4



EBITDA:\$309,530
 Interest Expense:\$215,320

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%



Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 22,222

Lease Expirations

Not Reported

Notes

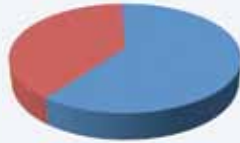
The Company reported Modified Funds from Operations (MFFO) for 2010 of \$113,011, which included \$106,803 of stock-based/unit compensation; \$16,112 amortized deferred financing costs; and \$28,083 organization expense. Blue Vault Partners has excluded those items to report 2010 MFFO of (\$17,987) per the IPA Guidelines. As of December 31, 2010, the Company had a 75% indirect joint venture interest in one real property.



Nontraded REIT Industry Review: Fourth Quarter 2010

Northstar Real Estate Income Trust, Inc.

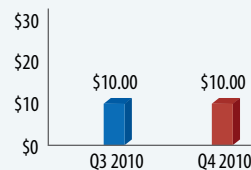
Total Assets.....	\$52.1 Million
Real Estate Assets	\$0.0 Million
Cash	\$20.4 Million
Securities	\$31.3 Million
Other	\$0.4 Million



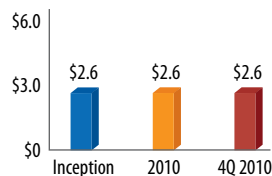
Initial Offering Date:	July 19, 2010
Number of Months Fundraising:	5
Anticipated Offering Close Date:	July 19, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	39.2%
Asset Type:	Securities
Number of Properties:	NA
Square Feet / Units / Rooms / Acres:	NA
Percent Leased:	NA

Historical Price



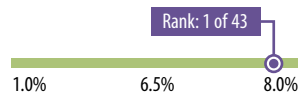
Gross Dollars Raised*



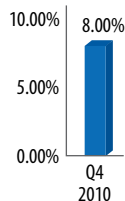
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 8.00%



Historical Distribution

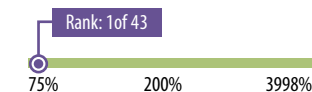


Contact Information

www.NorthstarREIT.com
**NorthStar Real Estate
 Income Trust, Inc.**
399 Park Avenue, 18th floor
New York, NY 10022
P (212) 547-2600

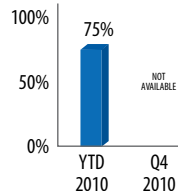
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 75%



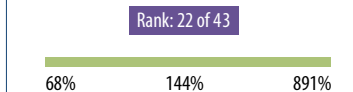
YTD Distributions Paid:.... \$1,227,605
 YTD FFO: \$1,629,920

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

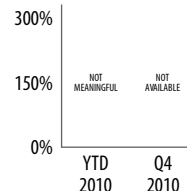
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



YTD Distributions Paid:.... \$1,227,605
 YTD MFFO: (\$94,717)

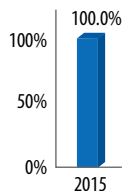
*Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



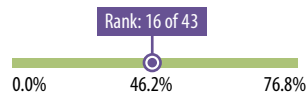
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 46.2%

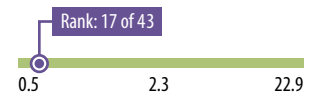


Debt Breakdown

Total:	\$24.1 Million
Fixed:	\$24.1 Million
Variable:	\$0.0 Million
Rate:	3.69% – 3.73%
Term:	4 yrs

Interest Coverage Ratio

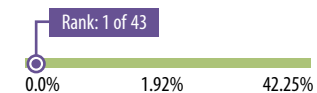
YTD Interest Coverage Ratio: 0.6



EBITDA: \$505,590
 Interest Expense: \$799,911

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%



Redemptions Year to Date: 0.0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 113,828

Lease Expirations*

Not Applicable

Notes

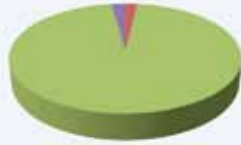
The Company reported 2010 Adjusted Funds from Operations (AFFO) of (\$86,378) includes \$8,349 Amortization of Equity Based Compensation. Blue Vault Partners has excluded the Amortization of Equity Based Compensation to report Modified Funds From Operations (MFFO) of (\$94,717) per IPA guidelines. On October 18, 2010, the Company completed a merger with NorthStar Income Opportunity REIT I, Inc., also sponsored by the Sponsor. The Sponsor has committed to purchase up to \$10 million of shares of the Company's common stock during the two-year period following commencement of its continuous, public offering under certain circumstances in which the Company's distributions exceed its AFFO in order to provide additional funds to support distributions to stockholders.



Nontraded REIT Industry Review: Fourth Quarter 2010

Paladin Realty Income Properties, Inc.

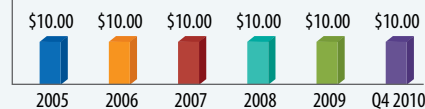
Total Assets.....	\$157.7 Million
Real Estate Assets	\$151.1 Million
Cash	\$3.1 Million
Securities	\$0.0 Million
Other	\$3.5 Million



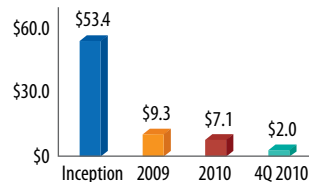
Initial Offering Date:	February 25, 2005
Number of Months Fundraising:	70
Anticipated Offering Close Date:	July 28, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	2.0%
Asset Type:	Diversified
Number of Properties:	12
Square Feet / Units / Rooms / Acres:	131,854 sq ft & 2,162 units
Percent Leased:	Not Reported

Historical Price



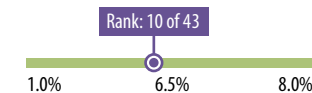
Gross Dollars Raised*



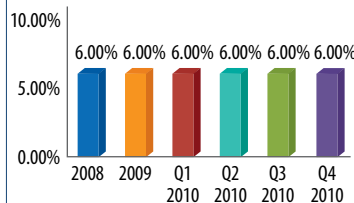
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

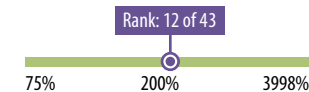


Contact Information

www.PaladinREIT.com
Paladin Realty Advisors
10880 Wilshire Boulevard,
Suite 1400
Los Angeles, CA 90024
866-725-7348

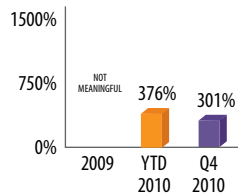
Year to Date FFO Payout Ratio

FFO Payout Ratio:
YTD Distributions/YTD FFO: 376%



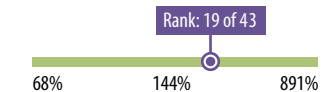
YTD Distributions Paid: ... \$2,843,351
YTD FFO: \$755,538

Historical FFO Payout Ratio



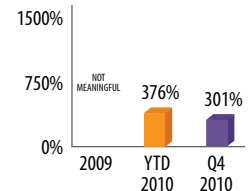
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
YTD Distributions/YTD MFFO: .. 376%



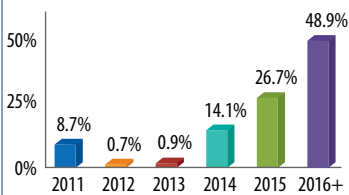
YTD Distributions Paid: .. \$2,843,351
YTD MFFO: \$755,538
*Company reported MFFO - see notes

Historical MFFO Payout Ratio



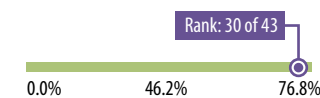
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 76.8%

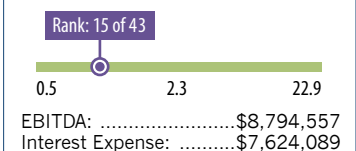


Debt Breakdown

Total:	\$121.1 Million
Fixed:	\$121.1 Million
Variable:	\$0 Million
Rate:	5.49 – 7.0%
Term:	1 – 10 yrs

Interest Coverage Ratio

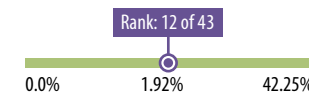
YTD Interest Coverage Ratio: 1.2



EBITDA: \$8,794,557
Interest Expense: \$7,624,089

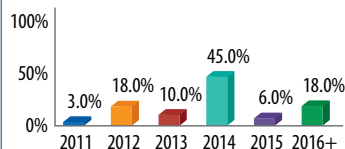
Redemptions

Ratio of Shares Redeemed to Wtd.
Avg. Shares Outstanding: 3.80%



Redemptions Year to Date: .. 155,469
Wtd. Avg. Shares Outstanding
as of 12/31/09: 4,086,673

Lease Expirations



Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. As of December 31, 2010, the Company has acquired interests in 12 properties through 11 joint venture investments. Each of the existing joint venture investments is with unaffiliated third parties. In order to permit the Company to pay distributions declared to date, (1) the Company has used cash distributions from investments as well as offering proceeds and (2) Paladin Advisors has deferred the reimbursement of certain general & administrative expense payments and its receipt of asset management and acquisition fees. For the year ended December 31, 2010, distributions paid to stockholders of \$2,843,351 exceeded cash distributions from the investments of \$2,553,418 as well as net cash provided by operating activities of \$296,878. As a result, portions of the cumulative distributions paid as of December 31, 2010 have been paid with offering proceeds. All of the distributions declared and paid to date have constituted a return of capital.



Nontraded REIT Industry Review: Fourth Quarter 2010

Phillips Edison – ARC Shopping Center REIT Inc.

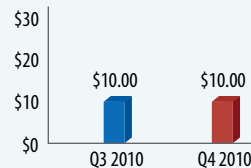
Total Assets.....	\$22.7 Million
Real Estate Assets	\$19.1 Million
Cash	\$0.7 Million
Securities	\$0.0 Million
Other	\$2.9 Million



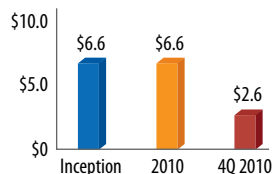
Initial Offering Date:	August 12, 2010
Number of Months Fundraising:	4
Anticipated Offering Close Date:	August 12, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	3.1%
Asset Type:	Retail
Number of Properties:	2
Square Feet / Units / Rooms / Acres:	182,493 sq. ft.
Percent Leased:	98.9% and 98.0%

Historical Price



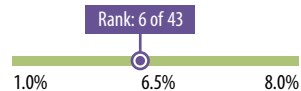
Gross Dollars Raised*



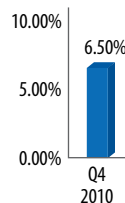
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 6.50%



Historical Distribution



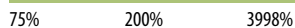
Contact Information

www.phillipsedison-arc.com
Phillips Edison –
ARC Shopping Center REIT, Inc.
11501 Northlake Drive
Cincinnati, OH 45249
(513) 554-1110

Year to Date FFO Payout Ratio

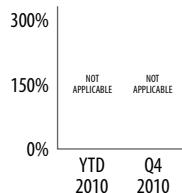
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT APPLICABLE

Not Ranked



YTD Distributions Paid:..... \$0
 YTD FFO:, (\$666,000)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

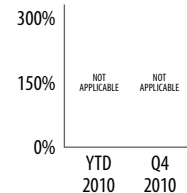
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT APPLICABLE

Not Ranked



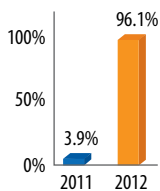
YTD Distributions Paid:..... \$0
 YTD MFFO:, (\$182,000)
 *Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



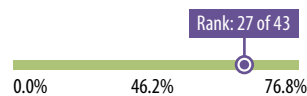
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 67.4%



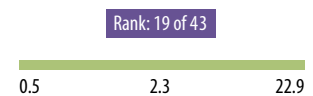
Debt Breakdown



Total: \$15.3 Million
 Fixed: \$0.0 Million
 Variable: \$15.3 Million
 Rate: 3.25% – 3.51%
 Term: <1 – 2 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



EBITDA: (\$162,000)
 Interest Expense: \$38,000

Redemptions

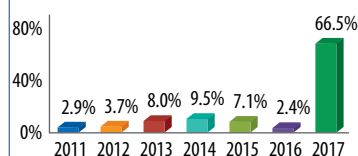
Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%

Rank: 1 of 43



Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 20,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

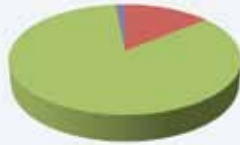
6.5% distribution was paid on January 5, 2011 for shareholders of record between 12/1/10-12/31/10. No distributions were actually paid in 2010. The Company reported MFFO of (\$42,000) and \$38,000 for 2010 and 4Q 2010, respectively, include a \$140,000 contribution from the sponsor. Blue Vault Partners has eliminated the contribution from the sponsor to report 2010 MFFO of (\$182,000) and 4Q 2010 MFFO of (\$102,000). Distributions have been funded with advances from the Sponsor.



Nontraded REIT Industry Review: Fourth Quarter 2010

Steadfast Income REIT, Inc.

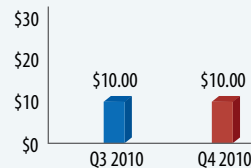
Total Assets.....	\$20.2 Million
Real Estate Assets	\$17.0 Million
Cash	\$2.9 Million
Securities	\$0.0 Million
Other	\$0.3 Million



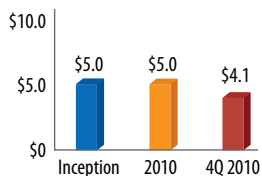
Initial Offering Date:	July 19, 2010
Number of Months Fundraising:	5
Anticipated Offering Close Date:	July 19, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	14.2%
Asset Type:	Multifamily
Number of Properties:	2
Square Feet / Units / Rooms / Acres:	337 units, 99,700 sq feet
Percent Leased:	86% & 87%

Historical Price



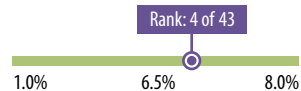
Gross Dollars Raised*



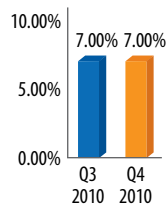
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution



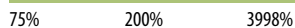
Contact Information

www.SteadfastREITs.com
Steadfast Capital Markets Group, LLC
18100 Von Karman Avenue
Suite 500
Irvine, California 92612
(949) 852-0700

Year to Date FFO Payout Ratio

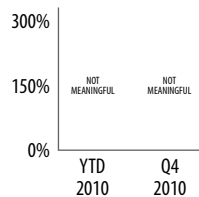
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43



YTD Distributions Paid:..... \$166,838
 YTD FFO:, (\$1,623,009)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

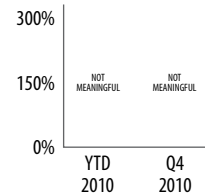
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

Rank: 22 of 43



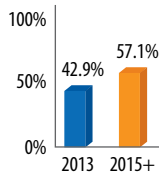
YTD Distributions Paid:..... \$166,838
 YTD MFFO:, (\$941,466)
 *Blue Vault calculated MFFO – see notes

Historical MFFO Payout Ratio



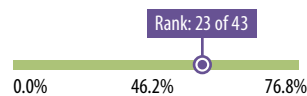
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 57.8%



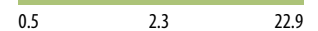
Debt Breakdown

Total:	\$11.65 Million
Fixed:	\$11.65 Million
Variable:	\$0.00 Million
Rate:	5.25% – 6%
Term:	4 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL

Rank: 19 of 43



EBITDA:, (\$777,479)
 Interest Expense:, \$56,799

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%

Rank: 1 of 43



Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 365,924

Lease Expirations

Not Available

*As a percent of expiring base rent.

Notes

The Company did not report MFFO for FY2010. MFFO calculations are Blue Vault Partners' estimates. The Company began a private offering of shares on October 13, 2009 and raised \$5.8 million as of July 9, 2010. The private offering ended on July 9, 2010. Company declared distributions for each day during the period commencing August 12, 2010 through December 31, 2010 at an annualized rate of 7%. For the year ended December 31, 2010, all distributions paid were funded from offering proceeds. During the year ended December 31, 2010, the Company paid distributions of \$166,836; therefore, as of December 31, 2010, \$166,836 of fees earned by the Advisor have been deferred, comprising of \$134,995 of acquisition fees and \$31,841 of investment management fees.



Nontraded REIT Industry Review: Fourth Quarter 2010

Strategic Storage Trust, Inc.

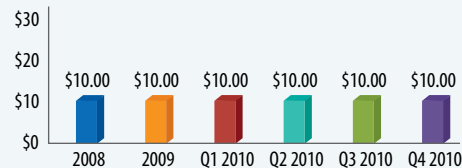
Total Assets.....	\$307.4 Million
Real Estate Assets	\$280.0 Million
Cash	\$6.4 Million
Securities	\$0.0 Million
Other	\$21.0 Million



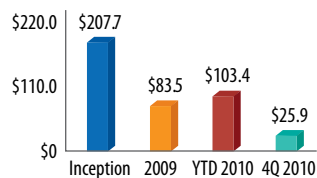
Initial Offering Date:	March 17, 2008
Number of Months Fundraising:	30
Anticipated Offering Close Date:	September 17, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	2.1%
Asset Type:	Storage
Number of Properties:	45
Square Feet / Units / Rooms / Acres:	3.9 million sq ft
Percent Leased:	76.3%

Historical Price



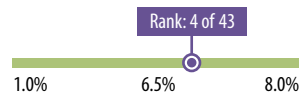
Gross Dollars Raised*



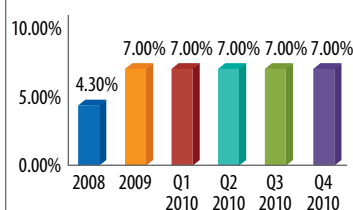
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution



Contact Information

www.StrategicStorageTrust.com
Strategic Storage Trust
 111 Corporate Drive, Suite 120
 Ladera Ranch, CA 92694
 (877) 327-3485

Year to Date FFO Payout Ratio

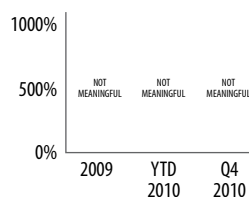
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43

75% 200% 3998%

YTD Distributions Paid: \$14,612,179
 YTD FFO: (\$440,807)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

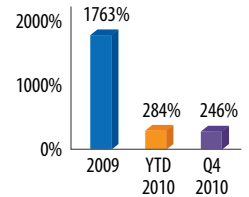
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 284%

Rank: 17 of 43

68% 144% 891%

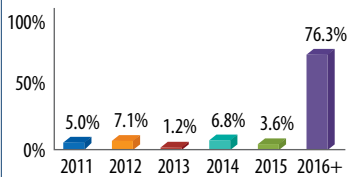
YTD Distributions Paid: ..\$14,612,179
 YTD MFFO: ..\$5,139,641
 *BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio



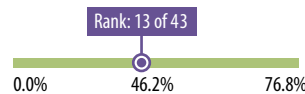
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 39.0%

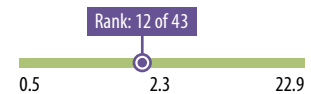


Debt Breakdown

Total:	\$119.8 Million
Fixed:	\$114.9 Million
Variable:	\$4.9 Million
Rate:	4 – 6.50%
Term:	1 – 10 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.0



EBITDA:

Interest Expense:

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:.....5.25%

Rank: 17 of 43

0.0% 1.92% 42.25%

Redemptions Year to Date: 381,834
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 7,272,042
 Ratio calculated on a cash basis.
 5.00% on an accrual basis.

Lease Expirations

Not Reported

*As a percent of expiring base rent.

Notes

Because the Company did not report 2010 Modified Funds From Operations (MFFO), these figures are Blue Vault estimates. As of December 31, 2010, the Company wholly-owned 45 self storage facilities, interests in 19 additional facilities and an interest in a net leased industrial property. Distributions have been paid in part from debt financing or from proceeds from the issuance of common stock.



Nontraded REIT Industry Review: Fourth Quarter 2010

TNP Strategic Retail Trust, Inc.

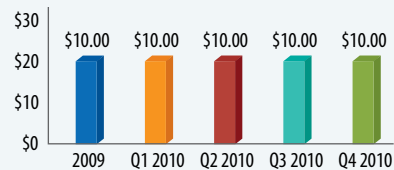
Total Assets.....	\$58.7 Million
Real Estate Assets	\$45.8 Million
Cash	\$1.5 Million
Securities	\$0.0 Million
Other	\$11.4 Million



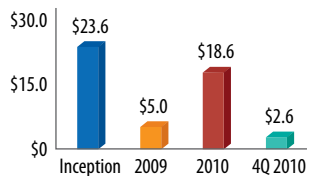
Initial Offering Date:	August 7, 2009
Number of Months Fundraising:	16
Anticipated Offering Close Date:	August 7, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	2.5%
Asset Type:	Retail
Number of Properties:	4
Square Feet / Units / Rooms / Acres:	408,000
Percent Leased:	83.0%

Historical Price



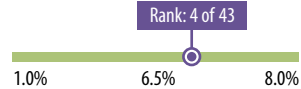
Gross Dollars Raised*



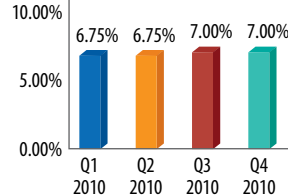
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution



Contact Information

www.tnpre.com
TNP Strategic Retail Trust, Inc.
 1900 Main Street
 Suite 700
 Irvine, CA 92614
 877-982-7846

Year to Date FFO Payout Ratio

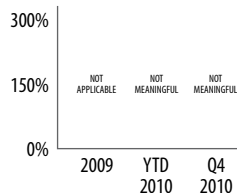
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 43

75% 200% 3998%

YTD Distributions Paid:..... \$921,000
 YTD FFO:, (\$2,321,000)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

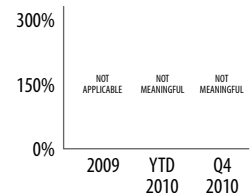
Rank: 22 of 43

68% 144% 891%

YTD Distributions Paid:..... \$921,000
 YTD MFFO:, (\$1,317,000)

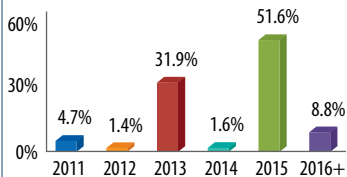
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



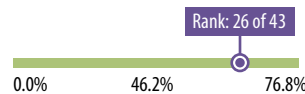
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

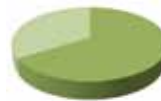


Current Debt Ratio

Debt to Total Assets Ratio: ... 66.7%



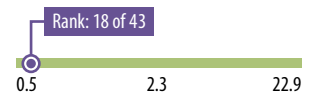
Debt Breakdown



Total:\$39.2 Million
 Fixed:\$25.9 Million
 Variable:\$13.3 Million
 Rate: 5.50 – 6.25%
 Term: <1 – 17 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 0.5



EBITDA:\$1,041,000
 Interest Expense:\$2,009,000

Redemptions

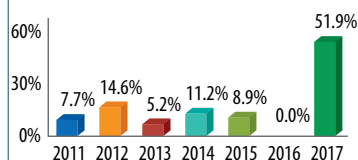
Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:.....42.25%

Rank: 23 of 43

0.0% 1.92% 42.25%

Redemptions Year to Date: ... 30,200
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 71,478

Lease Expirations*



*As a percent of expiring base rent for both consolidated and unconsolidated properties.

Notes

The Company reported MFFO in accordance with the IPA guidelines. Until the Company generates sufficient cash flow from operations to fully fund the payment of distributions, some or all of the Company's distributions will be paid from other sources, including proceeds from the Offering. Redemption percentages may reflect a higher percentage than the Company's actual plan as these metrics are calculated for comparison purposes.



Nontraded REIT Industry Review: Fourth Quarter 2010

United Development Funding IV

Total Assets.....	\$79.6 Million
Real Estate Assets	\$65.6 Million
Cash	\$2.5 Million
Securities	\$0.0 Million
Other	\$11.4 Million



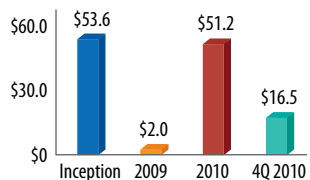
Initial Offering Date:	November 12, 2009
Number of Months Fundraising:	13
Anticipated Offering Close Date:	November 12, 2011
Current Price per Share:	\$20.00
Reinvestment Price per Share:	\$20.00

Cash to Total Assets Ratio: 3.2%
 Asset Type: Mortgage Loans
 Number of Properties: 7 participation agreements, 16 notes
 Square Feet / Units / Rooms / Acres: NA
 Percent Leased: NA

Historical Price



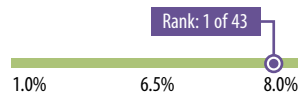
Gross Dollars Raised*



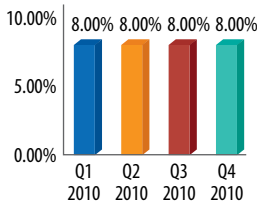
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 8.00%



Historical Distribution

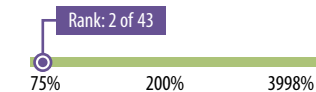


Contact Information

www.umth.com
**United Development
 Funding IV Investor Services**
**The United Development
 Funding Building, Suite 100**
1301 Municipal Way
Grapevine, Texas 76051
Telephone: (214) 370-8960

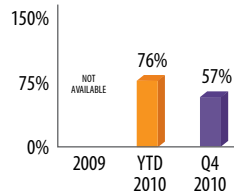
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 76%



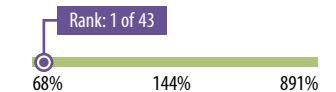
YTD Distributions Paid: ... \$1,886,044
 YTD FFO: \$2,486,847

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

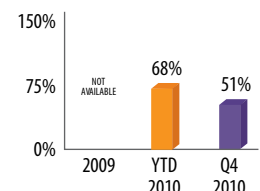
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 68%



YTD Distributions Paid: .. \$1,886,044
 YTD MFFO: \$2,773,139

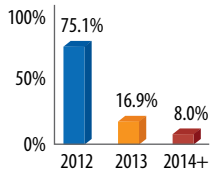
*Company reported MFFO – see notes

Historical MFFO Payout Ratio



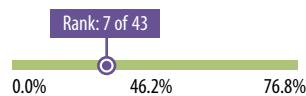
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 30.4%



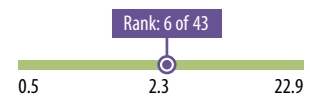
Debt Breakdown



Total: \$24.2 Million
 Fixed: \$18.2 Million
 Variable: \$6.0 Million
 Rate: 5.5 – 8.5%
 Term: 2– 4 yrs

Interest Coverage Ratio

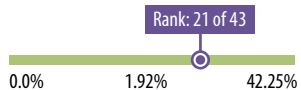
YTD Interest Coverage Ratio: 3.3



EBITDA: \$3,202,078
 Interest Expense: \$976,141

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding: 18.82%



Redemptions Year to Date: 2,500
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 13,285

Lease Expirations

Not Reported

Notes

The company reported MFFO calculation complies with the IPA's Practice Guideline. On September 8, 2010, our board of trustees authorized a special distribution to our shareholders of record as of the close of business on December 15, 2010. This special distribution was paid in cash pro rata over all common shares of beneficial interest outstanding as of September 15, 2010 in an amount equal to \$0.15 per common share of beneficial interest. This special distribution was paid in cash and DRP shares in February 2011. On March 10, 2011, the board of trustees authorized a special distribution to its shareholders of record as of the close of business on April 30, 2011. This special distribution will be paid pro rata over all common shares of beneficial interest outstanding as of April 30, 2011 in an amount equal to \$0.10 per common share of beneficial interest. This special distribution will be paid in May 2011 either in cash or DRIP shares. 100% of 2010 distributions were funded with borrowings under the credit facility.



Nontraded REIT Industry Review: Fourth Quarter 2010

Wells Core Office Income REIT, Inc.

Total Assets.....	\$35.4 Million
Real Estate Assets	\$28.0 Million
Cash	\$4.4 Million
Securities	\$0.0 Million
Other	\$3.0 Million



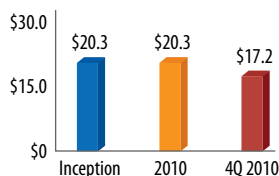
Initial Offering Date:	June 10, 2010
Number of Months Fundraising:	6
Anticipated Offering Close Date:	June 10, 2012
Current Price per Share:	\$25.00
Reinvestment Price per Share:	\$23.75

Cash to Total Assets Ratio:	12.5%
Asset Type:	Office
Number of Properties:	2
Square Feet / Units / Rooms / Acres:	190,600
Percent Leased:	99.2%

Historical Price



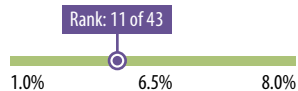
Gross Dollars Raised*



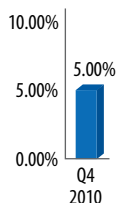
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... 5.00%



Historical Distribution

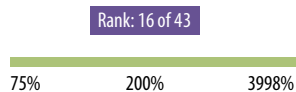


Contact Information

www.Wellscorereit.com
Wells Real Estate Funds
P.O. Box 926040
Norcross, GA 30010
800-557-4830

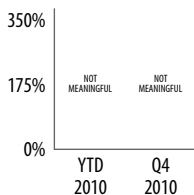
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL



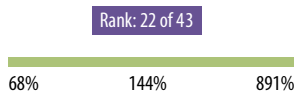
YTD Distributions Paid:..... \$86,367
 YTD FFO:, (\$1,202,603)

Historical FFO Payout Ratio



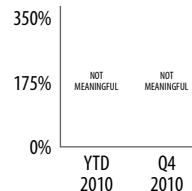
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



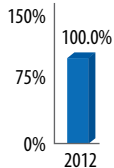
YTD Distributions Paid:..... \$86,367
 YTD MFFO:, (\$397,273)
 *Blue Vault reported MFFO

Historical MFFO Payout Ratio



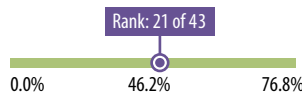
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 48.8%



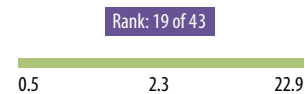
Debt Breakdown



Total: \$17.3 Million
 Fixed: \$0.0 Million
 Variable: \$17.3 Million
 Rate: 3.26% - 4%
 Term: 1 yr

Interest Coverage Ratio

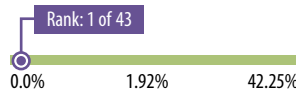
YTD Interest Coverage Ratio: NOT MEANINGFUL



EBITDA: (\$210,171)
 Interest Expense: \$319,956

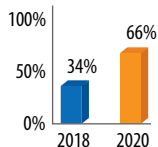
Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:..... 0.00%



Redemptions Year to Date: 0.00
 Wtd. Avg. Shares Outstanding
 as of 12/31/09: 8,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

The Company reported 2010 Adjusted Funds From Operations (AFFO) of (\$27,265) which includes changes in assets and liabilities of \$370,008. Blue Vault Partners has excluded changes in assets and liabilities to report 2010 MFFO of (\$397,273). Acquisition-related costs will be funded with cash generated from the sale of common stock in the Initial Offering and, therefore, will not be funded with cash generated from operations. During 2010, the Company paid total distributions to common stockholders, including amounts reinvested in common stock, of \$86,367 which were funded with borrowings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Wells Timberland REIT, Inc.

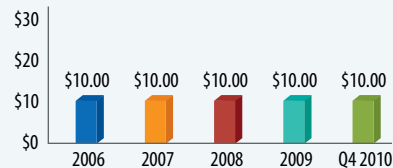
Total Assets.....	\$360.5 Million
Real Estate Assets	\$340.0 Million
Cash	\$8.8 Million
Securities	\$0.0 Million
Other	\$11.7 Million



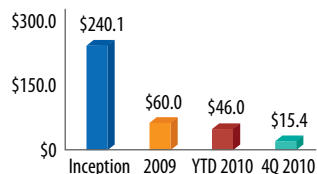
Initial Offering Date:	August 11, 2006
Number of Months Fundraising:	52
Anticipated Offering Close Date:	August 6, 2011
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.55

Cash to Total Assets Ratio:	2.4%
Asset Type:	Timberland
Number of Properties:	1
Square Feet / Units / Rooms / Acres:	304,500 acres
Percent Leased:	Not Applicable

Historical Price



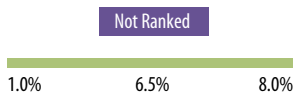
Gross Dollars Raised*



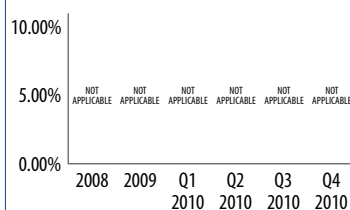
*Includes reinvested distributions (in millions)

Current Distribution

Current Distribution Yield: ... NOT APPLICABLE



Historical Distribution



Contact Information

Wells Timberland REIT, Inc.
Wells Real Estate Funds, Inc.
P.O. Box 926040
Norcross, GA 30010-6040
800-557-4830

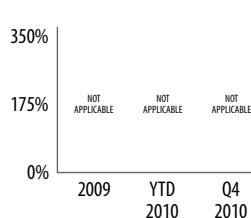
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT APPLICABLE



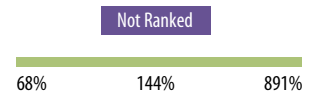
YTD Distributions Paid:..... \$0
 YTD FFO:

Historical FFO Payout Ratio



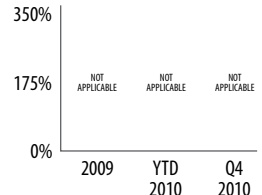
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT APPLICABLE



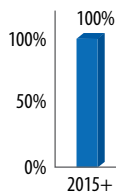
YTD Distributions Paid:..... \$0
 YTD MFFO:

Historical MFFO Payout Ratio



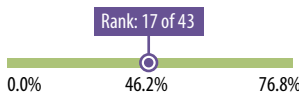
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 46.8%

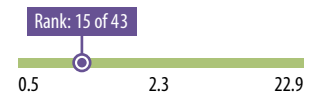


Debt Breakdown

Total:	\$168.8 Million
Fixed:	\$49.5 Million
Variable:	\$119.3 Million
Rate:	3.77% - 5.59%
Term:	1 - 5+ yrs

Interest Coverage Ratio

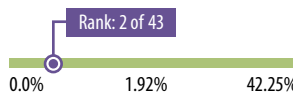
YTD Interest Coverage Ratio: 1.2



EBITDA:

Redemptions

Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:.....0.53%



Redemptions Year to Date: ... 86,888
 Wtd. Avg. Shares Outstanding as of 12/31/09:

Lease Expirations

Not Applicable

Notes

On August 9, 2010, the board of directors authorized and declared (1) a 2% common stock dividend to stockholders of record as of August 9, 2010; (2) a common stock dividend in an amount that annualizes to a 2% rate to stockholders of record during the period commencing on August 10, 2010 and continuing through and including September 15, 2010 and (3) a common stock dividend in an amount that annualizes to a 2% rate to stockholders of record during the period commencing on September 16, 2010 and continuing through and including December 15, 2010. On December 14, 2010, the board of directors declared a common stock dividend in an amount that annualizes to a 2% rate to stockholders of record during the period commencing on December 16, 2010 and continuing through and including March 15, 2011. As of December 31, 2010, the debt-to-net assets ratio, defined as the total debt as a percentage of the total gross assets (other than intangibles) less total liabilities, was approximately 78%, and the leverage ratio, or the ratio of total debt to total purchase price of timber assets plus cash and cash equivalents, was approximately 41%.



Effective Nontraded REITs with Limited Operating Results

Carey Watermark Investors Inc. became effective with the SEC on September 15, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

Carter Validus Mission Critical REIT, Inc. became effective with the SEC on December 10, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

CNL Macquarie Global Growth Trust, Inc. commenced its initial public offering October 20, 2009. On April 23, 2010, the Company received aggregate subscription proceeds in excess of the minimum offering amount of \$2.0 million in shares of common stock and the subscription proceeds were subsequently released from escrow. For the period July 1, 2010 through December 31, 2010, the Company declared total distributions of 33,416 shares of common stock and distributed 12,514 shares of common stock on October 18, 2010. The remaining shares were distributed on January 14, 2011. For the year ending December 31, 2010, the Company did not have distributable earnings and received aggregate subscription proceeds of approximately \$12.6 million. Because the REIT did not own any properties and had not begun operations, an individual product report was not created for this REIT.

FundCore Institutional Income Trust Inc. became effective with the SEC on October 20, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

Green Realty Trust, Inc. became effective with the SEC on December 9, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

Hartman Short Term Income Properties XX, Inc. became effective with the SEC on February 9, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT. As of December 31, 2010, the Company raised gross offering proceeds of \$2,474,178 and declared an annualized distribution yield of 7.0%. While the Company made an investment in unconsolidated joint venture that owns one multi-tenant property in December 2010, because the firm did not report any revenues for the period ending December 31, 2010, an individual product report was not created for this REIT.

Independence Realty Trust (formerly known as Empire American Realty Trust, Inc.) became effective with the SEC on May 18, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

KBS Legacy Partners Apartment REIT, Inc. became effective with the SEC on March 12, 2010. On December 9, 2010, the Company broke escrow and through December 31, 2010 raised gross offering proceeds of \$3.4 million. Because this REIT had not begun operations as of December 31, 2010, an individual product report was not created for this REIT.

KBS Real Estate Investment Trust III, Inc. became effective with the SEC on October 26, 2010. Because this REIT had not broken escrow or begun operations as of December 31, 2010, an individual product report was not created for this REIT.

KBS Strategic Opportunity REIT, Inc. became effective with the SEC on November 20, 2009 and broke escrow on April 19, 2010. Since inception, the Company has raised \$50.4 million. As of December 31, 2010, the Company owned four non-performing first mortgage loans and two office properties. As of December 31, 2010, no distributions have been declared and the Company has no debt on its balance sheet. Because the REIT had limited operating information to report for the period ending December 31, 2010, an individual product report was not created for this REIT.

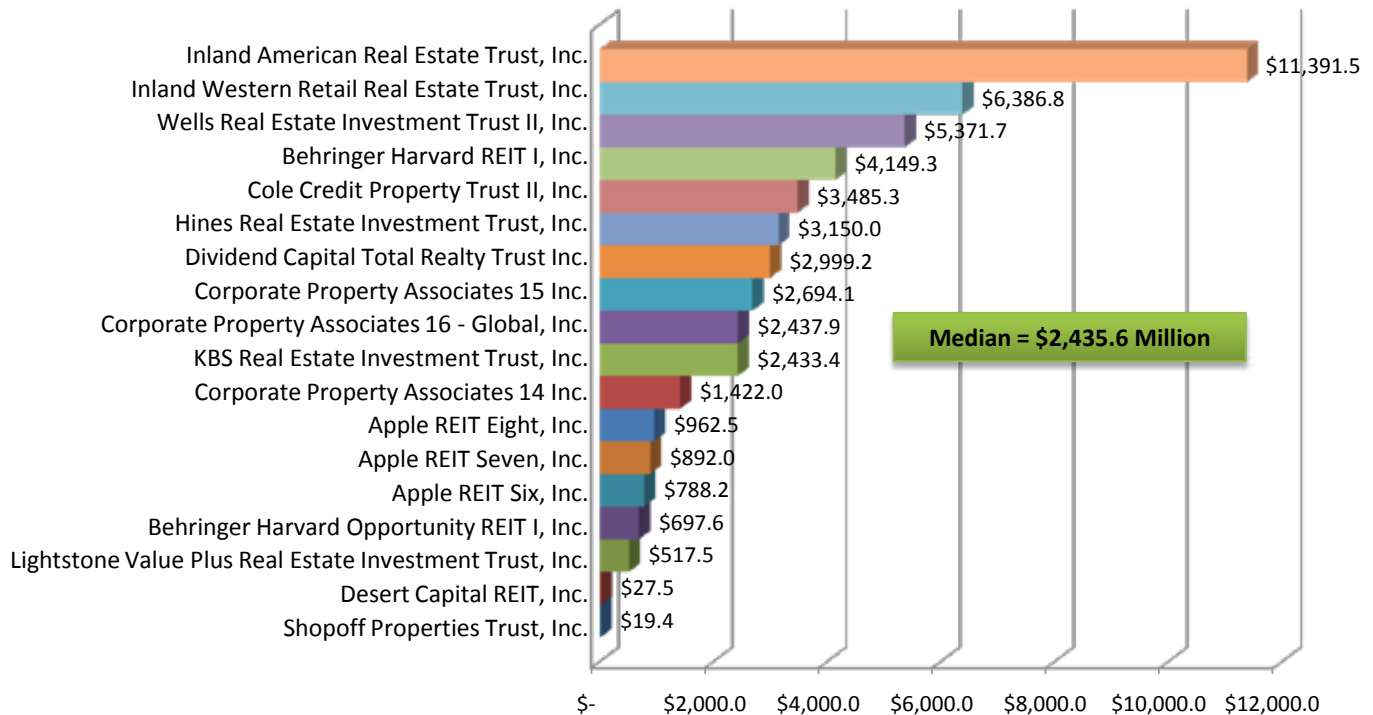
Macquarie CNL Global Income Trust, Inc. became effective with the SEC on April 23, 2010. On October 6, 2010, the Company received aggregate subscription proceeds in excess of the minimum offering amount of \$2.0 million in shares of common stock, and on October 8, 2010, the subscription proceeds of approximately \$2.4 million were released from escrow. As of December 31, 2010, the Company had received aggregate offering proceeds of approximately \$8.1 million but had not owned any properties and had not commenced operations. As a result, an individual product report was not created for this REIT.

Resource Real Estate Opportunity REIT, Inc. On September 15, 2009, the Company commenced a private placement offering to accredited investors for the sale of up to 5,000,000 shares of common stock at a price of \$10 per share, with discounts available to certain categories of purchasers. The offering closed on June 9, 2010, at which time \$12.8 million of gross proceeds was raised. On June 16, 2010, the primary public offering of up to 75,000,000 shares of common stock was declared effective by the SEC. On September 7, 2010, the Company raised the minimum offering amount and broke escrow in its public offering with respect to subscriptions. As of December 31, 2010, a total of \$11.6 million in gross offering proceeds has been raised and the Company owned one multifamily property, two non-performing loans and one insignificant multifamily property. The Company did not declare any distributions to our stockholders, had negative operating cash flow, and did not have any outstanding debt for the period ending December 31, 2010. As a result, an individual product report was not created.

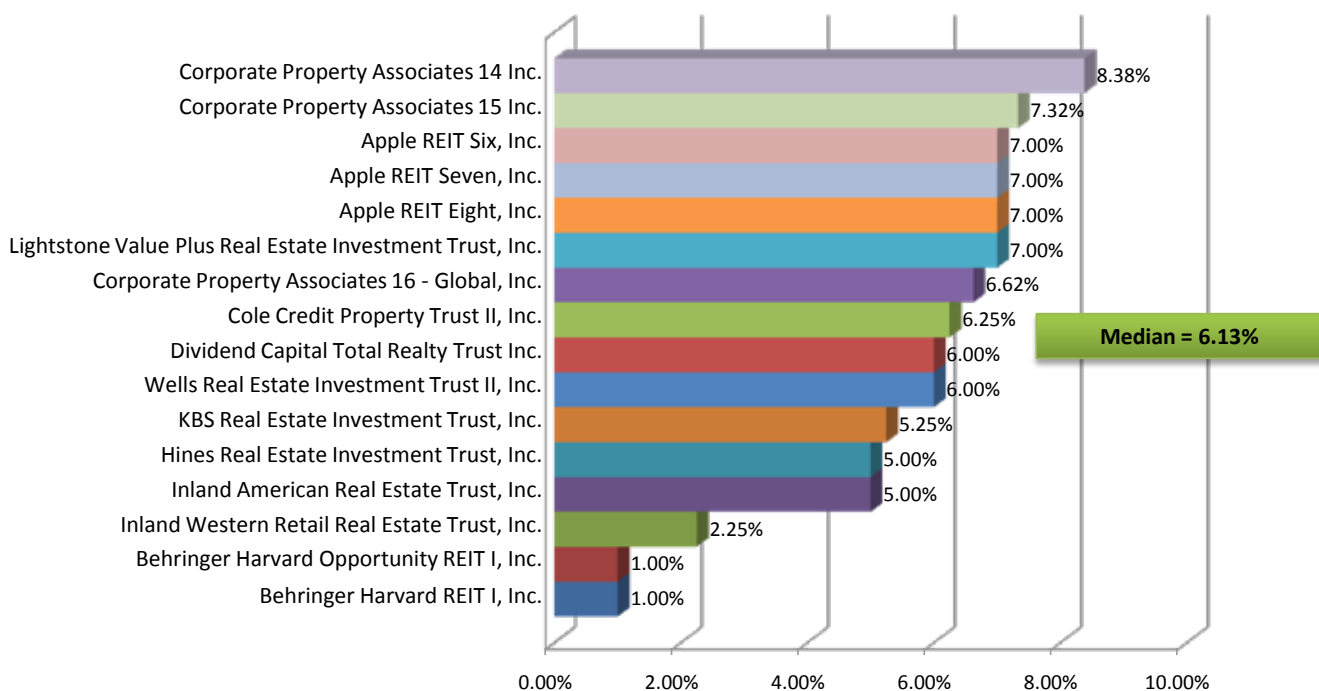
Nontraded REIT Industry Review: Fourth Quarter 2010



Total Assets (\$ Millions) – Closed Nontraded REITs



Current Distribution Yield – Closed Nontraded REITs

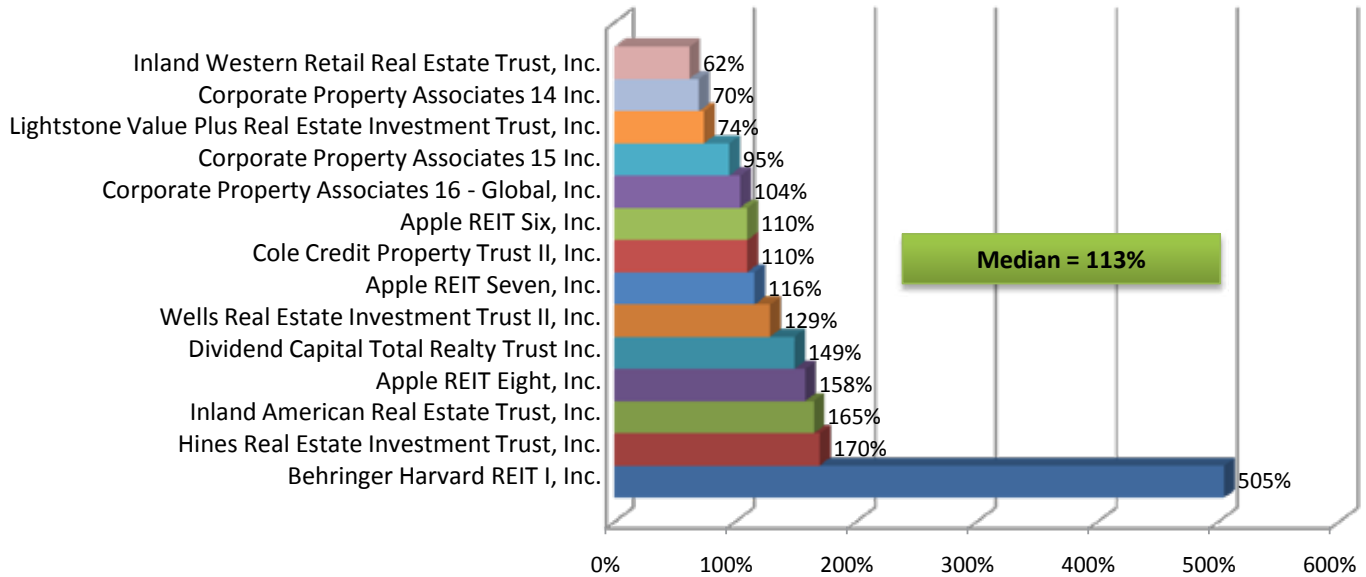


Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

Nontraded REIT Industry Review: Fourth Quarter 2010

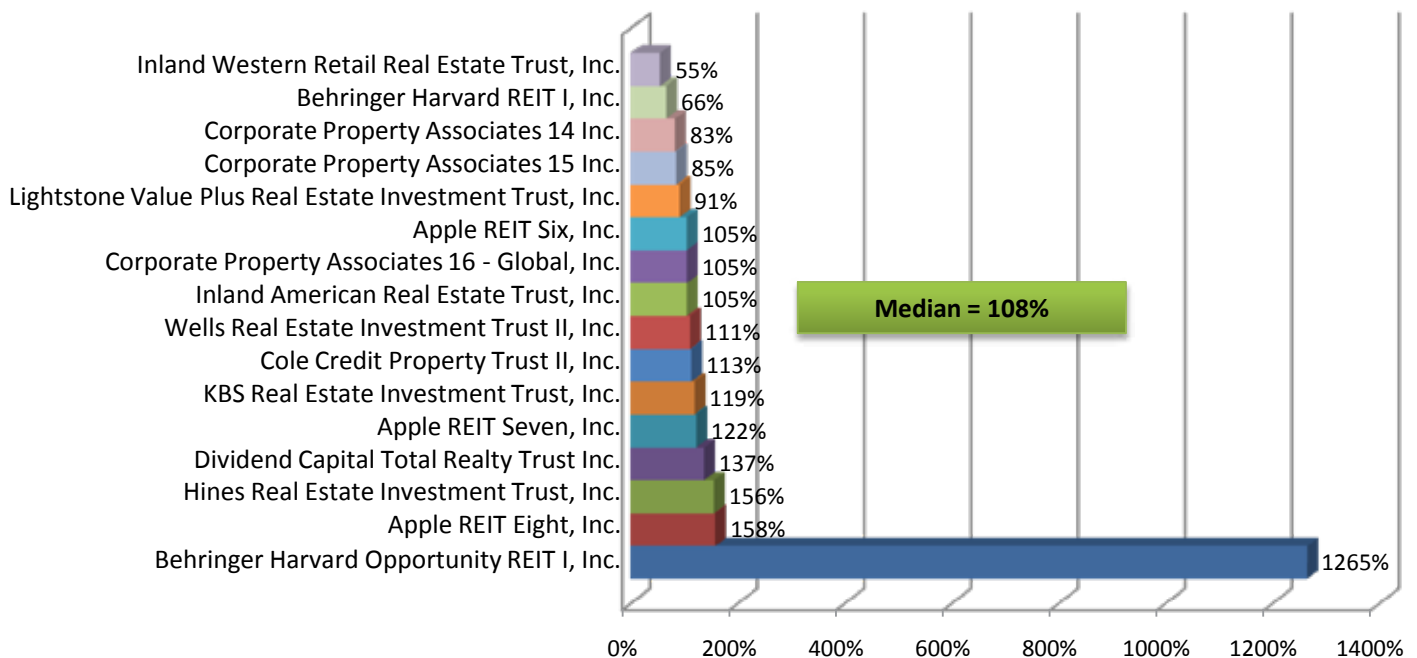


2010 Year to Date Distribution / FFO Payout Ratio – Closed Nontraded REITs



Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

2010 Year to Date Distribution / MFFO Payout Ratio – Closed Nontraded REITs

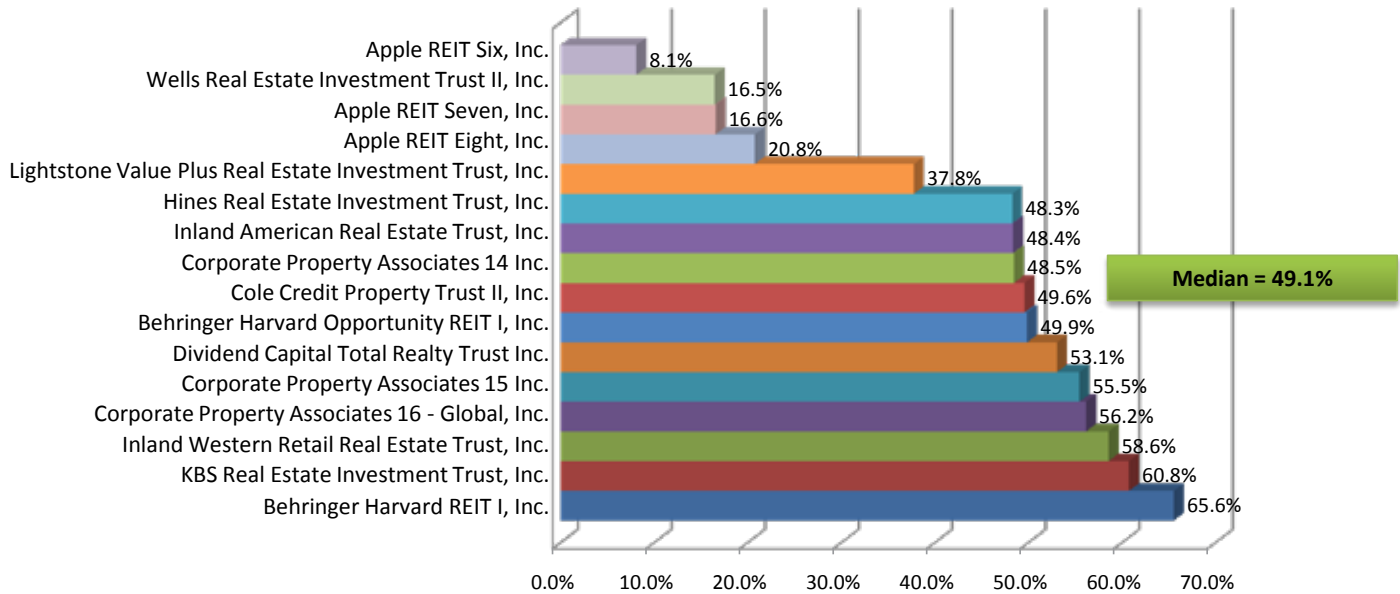


Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

Nontraded REIT Industry Review: Fourth Quarter 2010

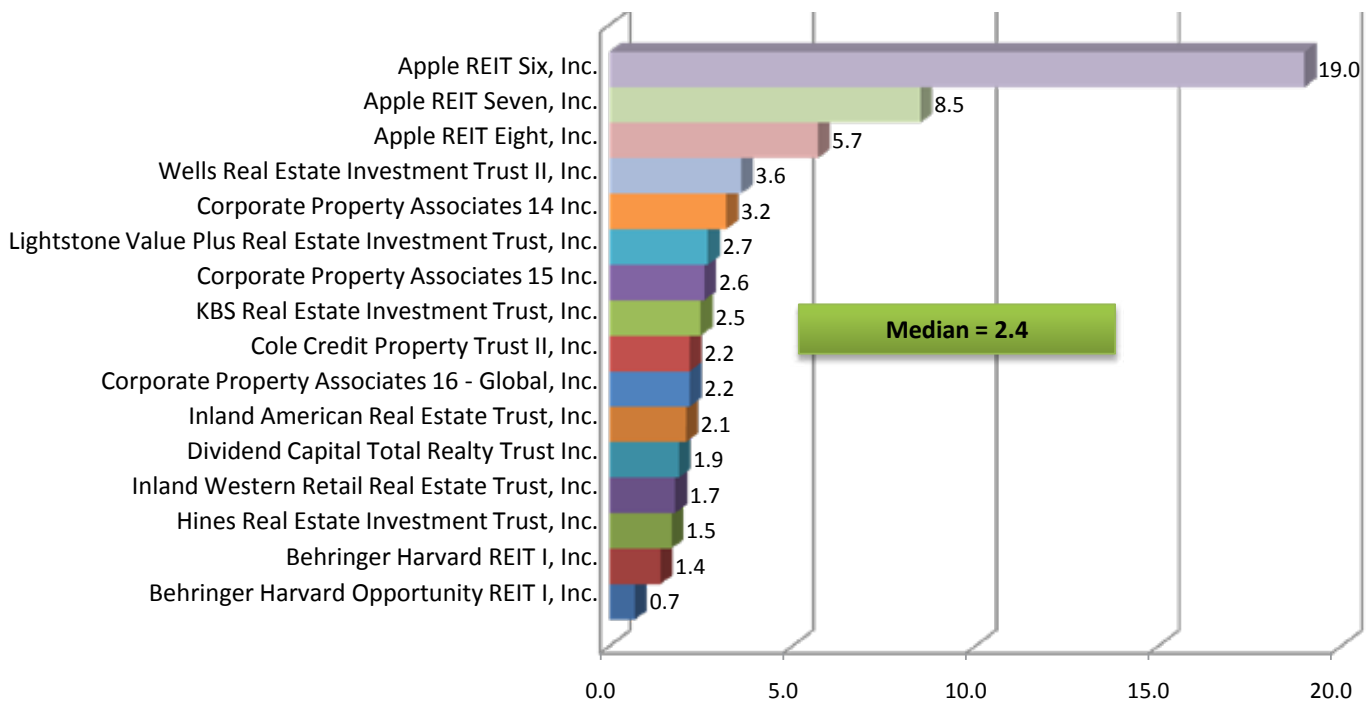


Debt to Total Assets Ratio – Closed Nontraded REITs



Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

2010 Year to Date Interest Coverage Ratio – Closed Nontraded REITs

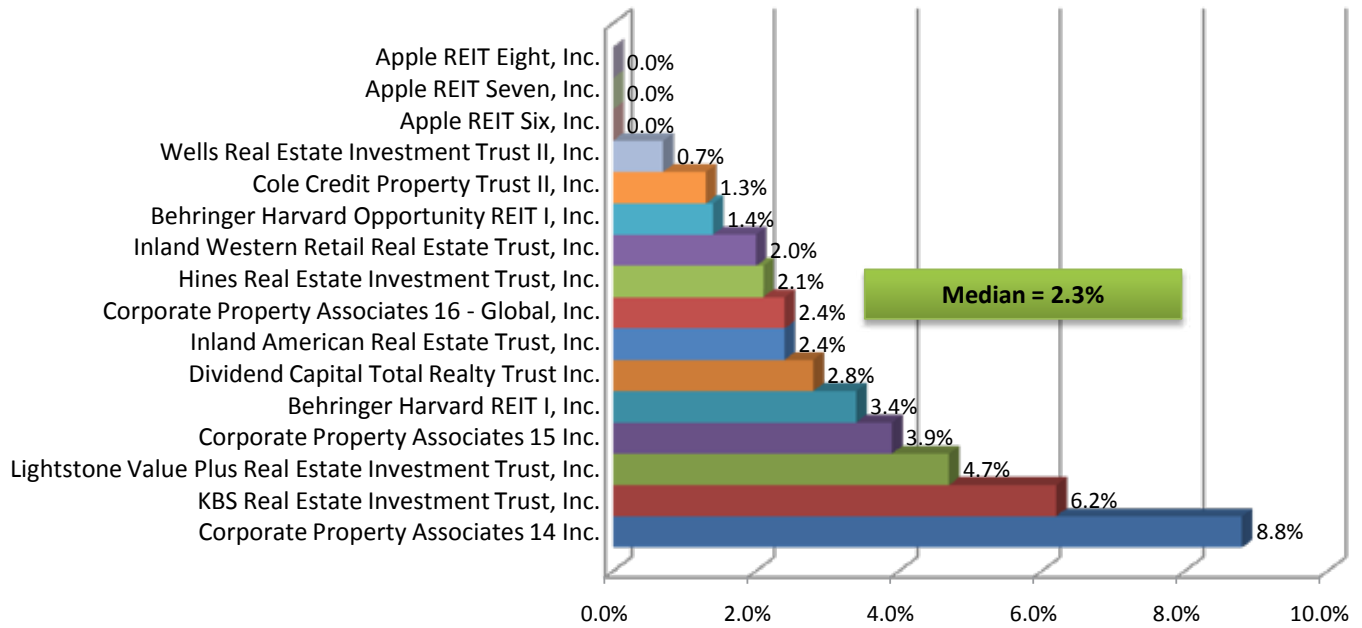


Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

Nontraded REIT Industry Review: Fourth Quarter 2010



Cash to Total Assets Ratio – Closed Nontraded REITs



Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.



Nontraded REIT Industry Review: Fourth Quarter 2010

Apple REIT Six, Inc.

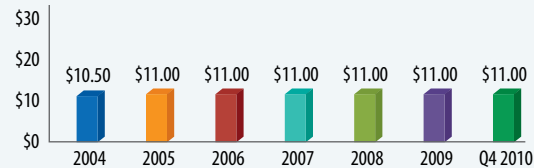
Total Assets.....	\$788.2 Million
Real Estate Assets	\$775.3 Million
Cash	\$0.0 Million
Securities	\$0.0 Million
Other	\$12.9 Million



Initial Offering Date: January 23, 2004
 Offering Close Date: March 3, 2006
 Current Price per Share: \$11.00
 Reinvestment Price per Share: \$11.00

Cash to Total Assets Ratio: 0.00%
 Asset Type: Hotels
 Number of Properties: 68
 Square Feet / Units / Rooms / Acres: 7,897 rooms
 Percent Leased: 71.0%

Historical Price



Redemptions

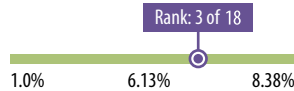
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 3.04%

Program Open

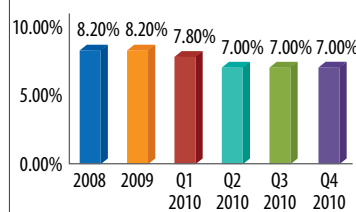
Redemptions Year to Date: 2,768,356
 Wtd. Avg. Shares Outstanding as of 12/31/09: 91,178,000

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

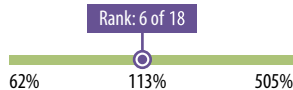


Contact Information

www.AppleREITCompanies.com
814 E. Main Street
Richmond, VA 23219
804-727-6321

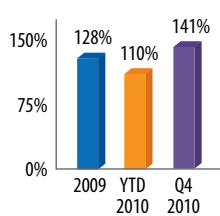
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 110%



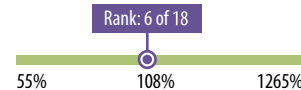
YTD Distributions Paid: \$72,301,000
 YTD FFO: \$65,583,000

Historical FFO Payout Ratio



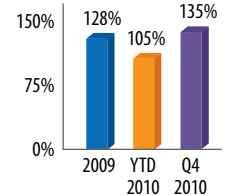
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 105%



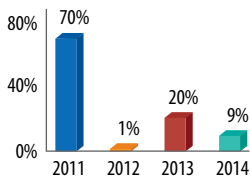
YTD Distributions Paid: \$72,301,000
 YTD MFFO: \$69,150,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



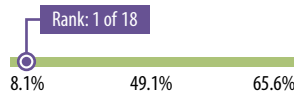
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: 8.1%

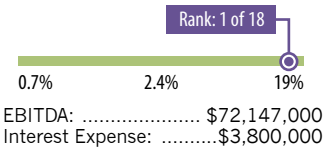


Debt Breakdown

Total: \$63.7 Million
 Fixed: \$24.1 Million
 Variable: \$39.6 Million
 Rate: 5 – 8.52%
 Term: <1 – 4 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 19.0



Lease Expirations

Not Reported

Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. In January 2010 the Board of Directors reduced the Company's annual distribution rate from \$0.90 to \$0.77 per common share. The reduction was effective March 2010. The distribution continues to be paid monthly. Distributions in 2010 totaled \$72.3 million. For the same period the Company's cash generated from operations was \$71.0 million. The shortfall was funded primarily by borrowing on the line of credit.



Nontraded REIT Industry Review: Fourth Quarter 2010

Apple REIT Seven, Inc.

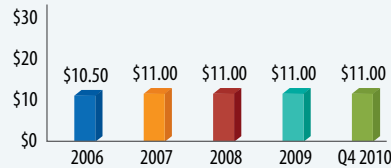
Total Assets.....	\$892.0 Million
Real Estate Assets	\$872.2 Million
Cash	\$0.0 Million
Securities	\$0.0 Million
Other	\$19.8 Million



Initial Offering Date: March 15, 2006
 Offering Close Date: July 16, 2007
 Current Price per Share: \$11.00
 Reinvestment Price per Share: \$11.00

Cash to Total Assets Ratio: 0.00%
 Asset Type: Hotels
 Number of Properties: 51
 Square Feet / Units / Rooms / Acres: 6,426 rooms
 Percent Leased: 71.0%

Historical Price



Redemptions

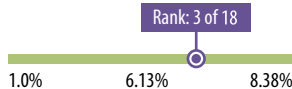
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 3.99%

Program Open

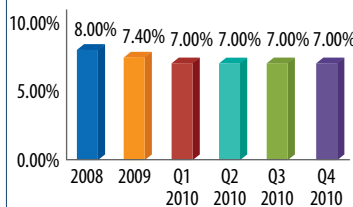
Redemptions Year to Date: 3,732,649
 Wtd. Avg. Shares Outstanding as of 12/31/09: 93,472,000

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

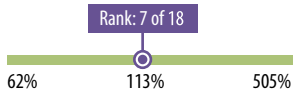


Contact Information

www.AppleREITCompanies.com
 814 E. Main Street
 Richmond, VA 23219
 804-727-6321

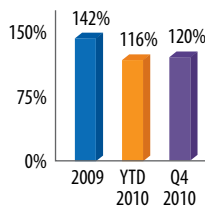
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 116%



YTD Distributions Paid: \$71,340,000
 YTD FFO: \$61,492,000

Historical FFO Payout Ratio



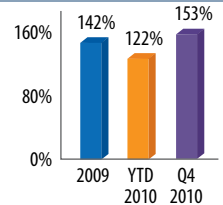
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 122%



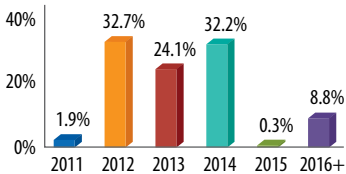
YTD Distributions Paid: \$71,340,000
 YTD MFFO: \$58,393,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



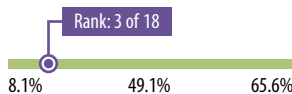
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 16.6%

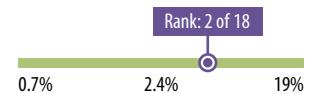


Debt Breakdown



Interest Coverage Ratio

YTD Interest Coverage Ratio: 8.5



EBITDA: \$66,230,000
 Interest Expense: \$7,837,000

Lease Expirations

Not Reported

Notes

MFFO is company reported and Blue Vault Partners did not identify additional adjustments. Distributions in 2010 totaled \$71.3 million and were paid monthly at a rate of \$0.064167 per common share. For the same period the Company's cash generated from operations was approximately \$59.9 million. As a result, the difference between distributions paid and cash generated from operations has been funded primarily from borrowings under its unsecured credit facilities.



Nontraded REIT Industry Review: Fourth Quarter 2010

Apple REIT Eight, Inc.

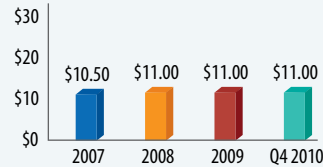
Total Assets.....	\$962.5 Million
Real Estate Assets	\$945.3 Million
Cash	\$0.0 Million
Securities	\$0.0 Million
Other	\$17.2 Million



Initial Offering Date: July 19, 2007
 Offering Close Date: April 30, 2008
 Current Price per Share: \$11.00
 Reinvestment Price per Share: \$11.00

Cash to Total Assets Ratio: 0.00%
 Asset Type: Hotels
 Number of Properties: 51
 Square Feet / Units / Rooms / Acres: 5,909 rooms
 Percent Leased: 70.0%

Historical Price



Redemptions

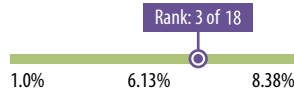
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 1.51%

Program Open

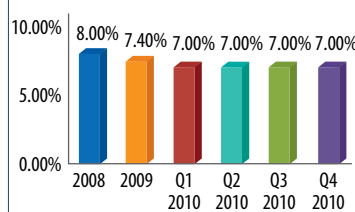
Redemptions Year to Date: 1,399,661
 Wtd. Avg. Shares Outstanding as of 12/31/09: 92,963,000

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

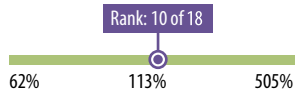


Contact Information

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 814 E. Main Street
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 804-727-6321

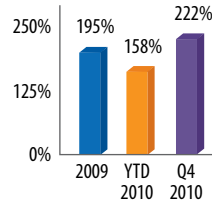
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 158%



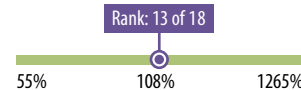
YTD Distributions Paid: \$72,465,000
 YTD FFO: \$45,854,000

Historical FFO Payout Ratio



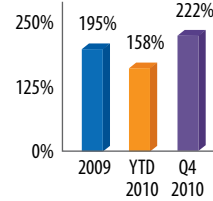
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 158%



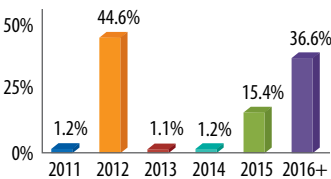
YTD Distributions Paid: \$72,465,000
 YTD MFFO: \$45,854,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



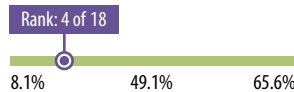
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 20.8%

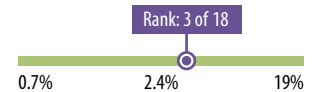


Debt Breakdown

Total: \$200.4 Million
 Fixed: \$148.5 Million
 Variable: \$51.9 Million
 Rate: 3.5 – 6.29%
 Term: 1 – 7 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 5.7



EBITDA: \$51,944,000
 Interest Expense: \$9,166,000

Lease Expirations

Not Reported

Notes

The Company did not report MFFO for 2010. MFFO calculations are Blue Vault estimates. Distributions in 2010 totaled \$72.5 million and were paid monthly at a rate of \$0.064167 per common share. For the same period the Company's cash generated from operations was approximately \$44.2 million. This shortfall includes a return of capital and was funded primarily by additional borrowings under the Company's line of credit facility.



Nontraded REIT Industry Review: Fourth Quarter 2010

Behringer Harvard Opportunity REIT I, Inc.

Total Assets.....	\$697.6 Million
Real Estate Assets	\$620.2 Million
Cash	\$9.8 Million
Securities	\$0.0 Million
Other	\$67.6 Million

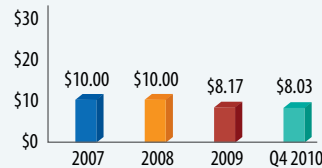


Initial Offering Date: September 20, 2005
 Offering Close Date: December 28, 2007
 Current Price per Share*: \$8.03
 Reinvestment Price per Share: \$8.03

*See notes

Cash to Total Assets Ratio: 1.4%
 Asset Type: Diversified
 Number of Properties: 21
 Square Feet / Units / Rooms / Acres: 3.2 Million Square Feet
 Percent Leased: Not Reported

Historical Price



Redemptions

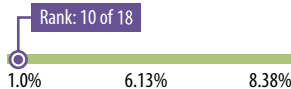
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.27%

Suspended

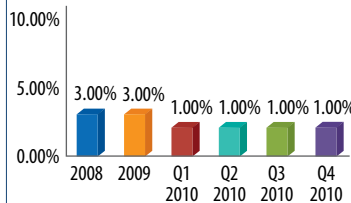
Redemptions Year to Date: . 152,108
 Wtd. Avg. Shares Outstanding as of 12/31/09: 55,352,000

Current Distribution

Current Distribution Yield: ... 1.00%



Historical Distribution



Contact Information

www.BehringerHarvard.com
Behringer Harvard Investment Services
 15601 Dallas Pkwy, Suite 600
 Addison, TX 75001
 866-655-3600

Year to Date FFO Payout Ratio

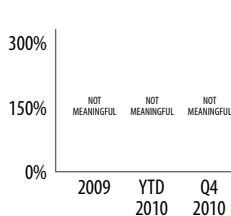
FFO Payout Ratio:
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 14 of 18

62% 113% 505%

YTD Distributions Paid: \$8,402,000
 YTD FFO: (\$39,376,000)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

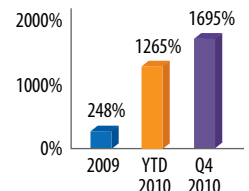
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 1265%

Rank: 14 of 18

55% 108% 1265%

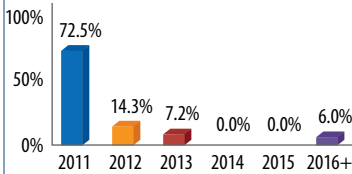
YTD Distributions Paid: \$8,402,000
 YTD MFFO: \$664,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 49.9%

Rank: 10 of 18

8.1% 49.1% 65.6%

Debt Breakdown



Total: \$347.8 Million
 Fixed: \$27.7 Million
 Variable: \$320.1 Million
 Rate: 2.0 – 9.5%
 Term: <1 – 5 yrs

Interest Coverage Ratio

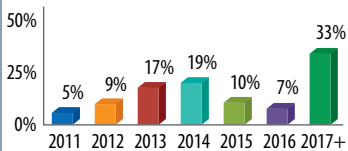
YTD Interest Coverage Ratio: 0.7

Rank: 15 of 18

0.7% 2.4% 19%

EBITDA: \$9,953,000
 Interest Expense: \$14,707,000

Lease Expirations*



*As a percent of expiring base rent for both consolidated office and industrial properties.

Notes

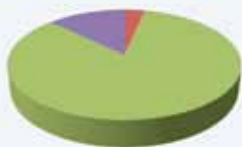
As of December 31, 2010, the Company calculates Modified Funds from Operations or "MFFO" as defined by the Investment Program Association ("IPA"). The distribution yield is based on a \$10 share price. During the year ended December 31, 2010, pursuant to a deed-in-lieu of foreclosure, the Company transferred ownership of Ferncroft Corporate Center, located in Middleton, Massachusetts, to the lender associated with this property. On January 10, 2011, pursuant to the Company's Estimated Valuation Policy, the board established an estimated per share value of common stock as of December 31, 2010 of \$7.66, adjusted from the previous estimated per share value of \$8.03 established on January 8, 2010. On March 28, 2011, the board of directors determined to terminate the Secondary Distribution Reinvestment Plan effective April 15, 2011. On January 10, 2011, the board of directors suspended our entire share redemption program. On March 28, 2011, the board of directors determined to cease regular, quarterly distributions in favor of those that may arise from proceeds available to be distributed from the sale of assets. As of December 31, 2010, the Company had invested in 21 assets including 11 wholly owned properties and four consolidated properties through investments in joint ventures. In addition, the Company is the mezzanine lender for one multifamily property. The Company also has noncontrolling, unconsolidated ownership interests in three properties and one investment in a joint venture consisting of 22 properties that are accounted for using the equity method. Asset management fees owed to Behringer Opportunity Advisors I and property management fees owed to BH Property Management that have been incurred for various periods in 2010 and into 2011 have been deferred. If the sponsor, the Advisor or its affiliates choose to no longer waive or defer such fees and incentives, the results of operations will be lower than in previous periods and returns on investments could be negatively affected.



Nontraded REIT Industry Review: Fourth Quarter 2010

Behringer Harvard REIT I, Inc.

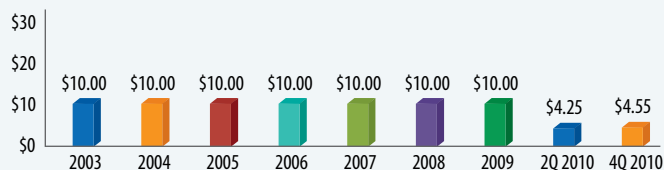
Total Assets.....	\$4,149.3 Million
Real Estate Assets ...	\$3,478.4 Million
Cash.....	\$139.1 Million
Securities	\$0.0 Million
Other.....	\$531.8 Million



Initial Offering Date:February 19, 2003
 Offering Close Date: December 31, 2008
 Current Price per Share: \$4.55
 Reinvestment Price per Share: \$4.55

Cash to Total Assets Ratio: 3.4%
 Asset Type: Office
 Number of Properties: 66
 Square Feet / Units / Rooms / Acres: 23.8 million
 Percent Leased: 84.0%

Historical Price



Redemptions

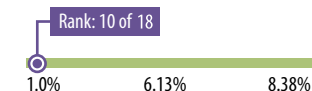
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.35%

Suspended – death and disability redemptions only

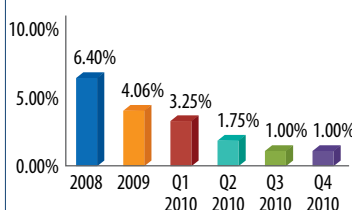
Redemptions Year to Date: 1,017,258
 Wtd. Avg. Shares Outstanding as of 12/31/09: 291,738,617

Current Distribution

Current Distribution Yield: ... 1.00%



Historical Distribution



Contact Information

www.BehringerHarvard.com
Behringer Harvard Investment Services
 c/o DST Systems, Inc.
 430 West 7th Street
 Kansas City, MO 64015-1407
 866-655-3600

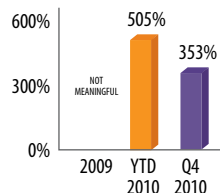
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 505%



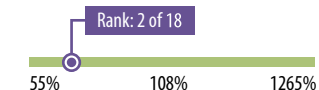
YTD Distributions Paid: \$56,987,000
 YTD FFO: \$11,291,000

Historical FFO Payout Ratio



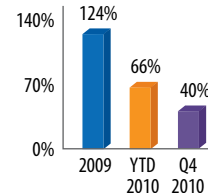
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 66%



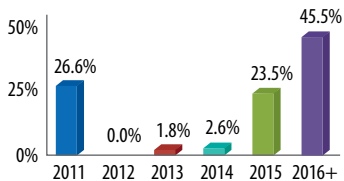
YTD Distributions Paid: \$56,987,000
 YTD MFFO: \$86,748,000
 *BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio



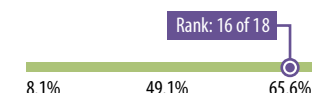
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 65.6%

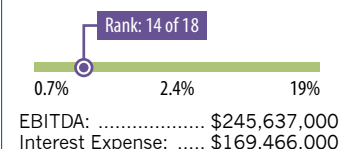


Debt Breakdown

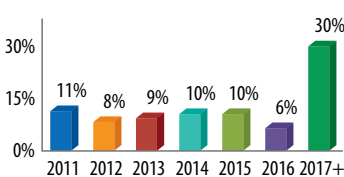
Total: \$2,720.9 Million
 Fixed: \$2,571.2 Million
 Variable: \$149.7 Million
 Rate: 3.01 – 13.3%
 Term: <1 – 7 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.4



Lease Expirations*



*As a percentage of total square feet

Notes

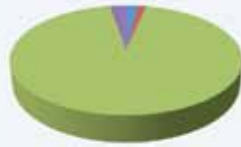
The Company reported 2010 MFFO of \$110,248,000 includes a \$23.5M gain on the extinguishment of debt. Blue Vault Partners has eliminated the gain to report 2010 MFFO of approximately \$86,748,000. The Company has approximately 2.6 million square feet of scheduled lease expirations in 2011. Given the amount of scheduled lease expirations, the Company expects occupancy levels and property net operating income to decline on a comparative and absolute basis. In 2009, the board determined to suspend until further notice redemptions other than "exceptional redemptions." In November 2010, the board set a funding limit of \$4.25 million for exceptional redemptions considered in 2011 proportional to each redemption period, or \$1,062,500 per period. The Company had approximately \$8.9 million of asset management fees waived for the year ended December 31, 2010. The properties required approximately \$44.0 million for capital expenditures (excluding real estate under development) and the net cash required to fund distributions to common stockholders was approximately \$30.4 million, but cash flow from operating activities was only \$49.3 million. As a result, a portion of the net cash required for distributions and capital expenditures was funded from cash on hand. Distribution yields are based on a \$10 price per share.



Nontraded REIT Industry Review: Fourth Quarter 2010

Cole Credit Property Trust II, Inc.

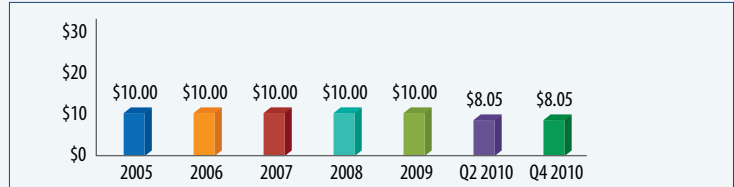
Total Assets.....	\$3,485.3 Million
Real Estate Assets ...	\$3,272.8 Million
Cash.....	\$45.8 Million
Securities	\$70.8 Million
Other.....	\$96.0 Million



Initial Offering Date: June 27, 2005
 Offering Close Date: January 2, 2009
 Current Price per Share: \$8.05
 Reinvestment Price per Share: \$8.05

Cash to Total Assets Ratio: 1.3%
 Asset Type: Retail
 Number of Properties: 725
 Square Feet / Units / Rooms / Acres: 20.6 million
 Percent Leased: 94.0%

Historical Price



Redemptions

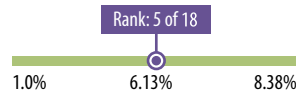
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 1.18%

Program open with certain funding limitations

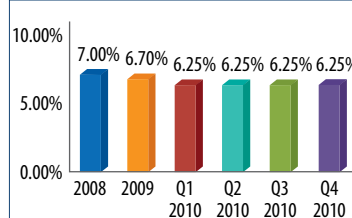
Redemptions Year to Date: 2,382,328
 Wtd. Avg. Shares Outstanding as of 12/31/09: 202,686,670

Current Distribution

Current Distribution Yield: ... 6.25%



Historical Distribution

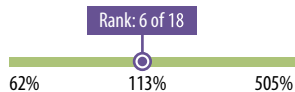


Contact Information

www.ColeCapital.com
Cole Capital Corporation
 2555 E. Camelback Road
 Suite 400
 Phoenix, AZ 85016
 866-341-2653

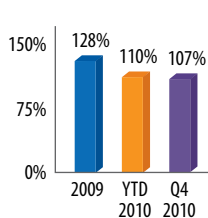
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 110%



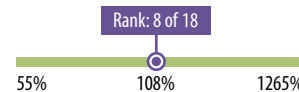
YTD Distributions Paid: \$129,251,000
 YTD FFO: \$117,939,000

Historical FFO Payout Ratio



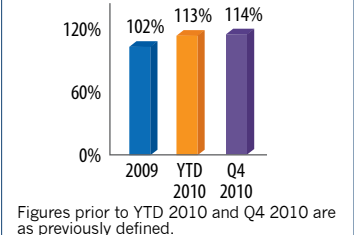
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 113%

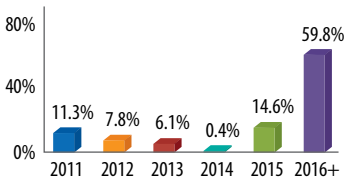


YTD Distributions Paid: \$129,251,000
 YTD MFFO: \$113,990,000
 *BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio

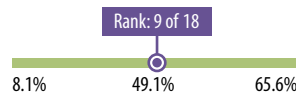


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 49.6%

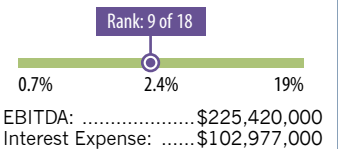


Debt Breakdown

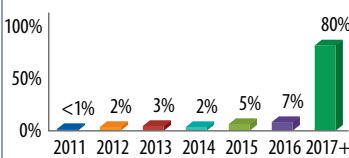
Total: \$1,727.6 Million
 Fixed: \$1,601.4 Million
 Variable: \$138.3 Million
 Rate: 1.68 – 7.22%
 Term: <1 – 20 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.2



Lease Expirations*



*As a percent of expiring base rent.

Notes

Distribution yields are based on a \$10 price per share. The Company reported 2010 MFFO of \$125,880,000. Blue Vault Partners has included straight-line rent and market-to-market adjustments to estimate 2010 MFFO of approximately \$113,990,000. As of December 31, 2010, the Company also owned 69 mortgage notes receivable; six commercial mortgage-backed securities ("CMBS") bonds; a majority indirect interest in a 386,000 square foot multi-tenant retail building; and a majority indirect interest in a ten-property storage facility portfolio. As of December 31, 2010, \$1.5 billion Fixed Rate Debt included \$122.5 million of variable rate mortgage loans has been swapped to fixed rates.



Nontraded REIT Industry Review: Fourth Quarter 2010

Corporate Property Associates 14 Inc.

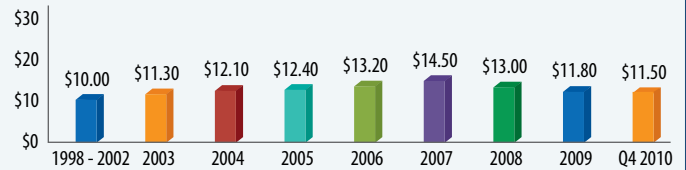
Total Assets.....	\$1,422.0 Million
Real Estate Assets ...	\$1,171.4 Million
Cash.....	\$124.7 Million
Securities	\$0.0 Million
Other.....	\$125.9 Million



Initial Offering Date: November 1, 1997
 Offering Close Date: November 2, 2001
 Current Price per Share: \$11.50
 Reinvestment Price per Share: \$11.50

Cash to Total Assets Ratio: 8.8%
 Asset Type: Diversified
 Number of Properties: 304
 Square Feet / Units / Rooms / Acres: 28 million
 Percent Leased: 94.0%

Historical Price



Redemptions

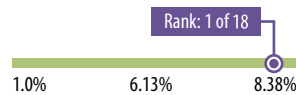
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.21%

Suspended – death and disability redemptions only

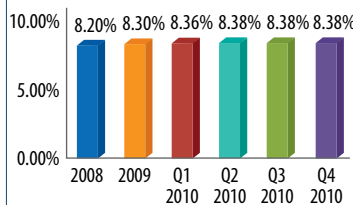
Redemptions Year to Date: 178,584
 Wtd. Avg. Shares Outstanding as of 12/31/09: 87,078,468

Current Distribution

Current Distribution Yield: ... 8.38%



Historical Distribution

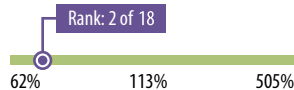


Contact Information

www.WPCarey.com
W.P. Carey & Co. LLC
 50 Rockefeller Plaza
 New York, NY 10020
800-WPCAREY

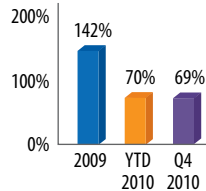
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 70%



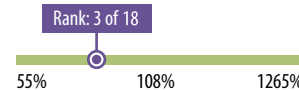
YTD Distributions Paid: \$69,155,000
 YTD FFO: \$98,495,000

Historical FFO Payout Ratio



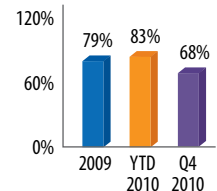
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 83%



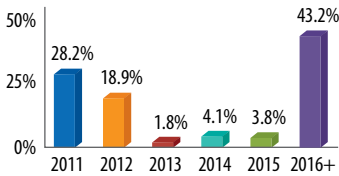
YTD Distributions Paid: \$69,155,000
 YTD MFFO: \$83,773,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



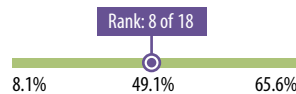
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 48.5%

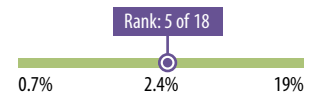


Debt Breakdown



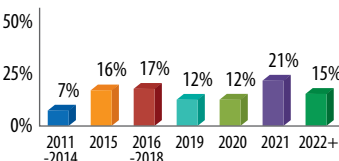
Interest Coverage Ratio

YTD Interest Coverage Ratio: 3.2



EBITDA: \$161,532,000
 Interest Expense: \$50,998,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

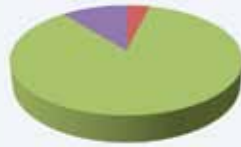
The MFFO figures reported above are the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. As of June 30, 2006, yields are based on a \$9.55 per share investment value after adjusting for the \$0.45 per share special distribution paid on July 14, 2006. On December 13, 2010, the Company and CPA[®]:16 – Global entered into a definitive agreement pursuant to which the Company will merge with and into a subsidiary of CPA[®]:16 – Global, subject to the approval of the shareholders. The Company's NAV per share at September 30, 2010, which was calculated in connection with the Proposed Merger, decreased to \$11.50, a 2.5% decline from the Company's December 31, 2009 NAV per share of \$11.80. In December 2010, the DRIP was suspended by the board of directors in connection with the Proposed Merger. The board of directors suspended the redemption plan, effective for all redemption requests received subsequent to September 1, 2009, with limited exceptions in cases of death or disability. The suspension will remain in effect until the board of directors, in its discretion, determines to reinstate the plan. Variable-rate debt at December 31, 2010 included (i) \$18.1 million that was effectively converted to fixed-rate debt through interest rate swap derivative instruments and (ii) \$80.6 million in mortgage obligations that bore interest at fixed rates but that convert to variable rates during their term. During 2010, the Company returned a property to the lender in exchange for release from all related non-recourse mortgage loan obligations. Also during 2010, the Company recognized a gain on the deconsolidation of a subsidiary in connection with its property entering into receivership.



Nontraded REIT Industry Review: Fourth Quarter 2010

Corporate Property Associates 15 Inc.

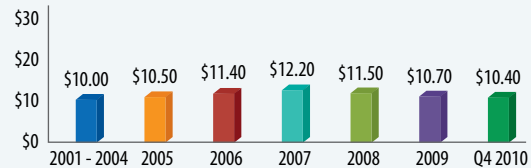
Total Assets.....	\$2,694.1 Million
Real Estate Assets ...	\$2,297.8 Million
Cash.....	\$104.7 Million
Securities	\$0.0 Million
Other.....	\$291.6 Million



Initial Offering Date: November 7, 2001
 Offering Close Date: August 7, 2003
 Current Price per Share: \$10.40
 Reinvestment Price per Share: \$10.40

Cash to Total Assets Ratio: 3.9%
 Asset Type: Diversified
 Number of Properties: 347
 Square Feet / Units / Rooms / Acres: 30 million
 Percent Leased: 97.0%

Historical Price



Redemptions

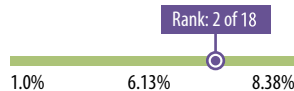
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.21%

Suspended – death and disability redemptions only

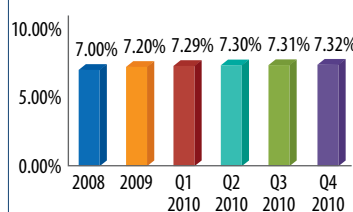
Redemptions Year to Date: 268,626
 Wtd. Avg. Shares Outstanding as of 12/31/09: 125,834,605

Current Distribution

Current Distribution Yield: ... 7.32%



Historical Distribution

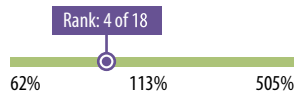


Contact Information

www.WPCarey.com
W.P. Carey & Co. LLC
50 Rockefeller Plaza
New York, NY 10020
800-WPCAREY

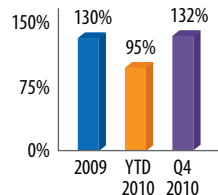
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 95%



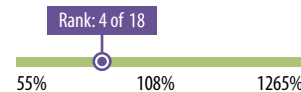
YTD Distributions Paid: \$91,743,000
 YTD FFO: \$96,327,000

Historical FFO Payout Ratio



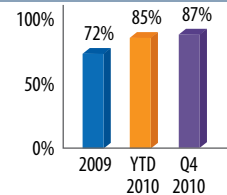
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 85%



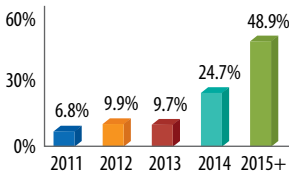
YTD Distributions Paid: \$91,743,000
 YTD MFFO: \$108,029,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



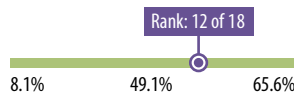
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 55.5%

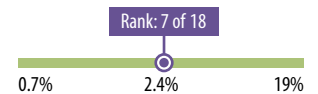


Debt Breakdown

Total: \$1,494.6 Million
 Fixed: \$1,229.4 Million
 Variable: \$265.2 Million
 Rate: 4.3 – 10%
 Term: 1 – 16 yrs

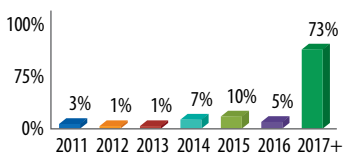
Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.6



EBITDA: \$234,603,000
 Interest Expense: \$91,812,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

The MFFO figures reported above are the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. As of December 31, 2007, yields are based on a \$9.92 per share investment value after adjusting for the \$.08 per share special distribution paid on January 16, 2008. The share redemption plan was suspended on June 1, 2009, with limited exceptions in cases of death or qualifying disability. Variable-rate debt at December 31, 2010 included (i) \$158.7 million that was effectively converted to fixed rates through interest rate swap derivative instruments and (ii) \$106.5 million in non-recourse mortgage loan obligations that bore interest at fixed rates but that convert to variable rates during their term.



Nontraded REIT Industry Review: Fourth Quarter 2010

Corporate Property Associates 16 - Global, Inc.

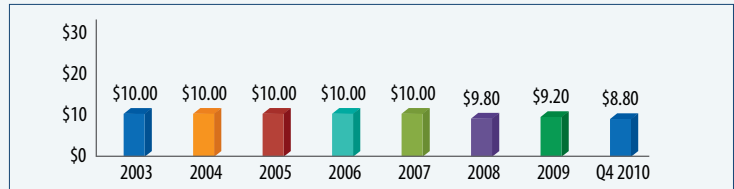
Total Assets	\$2,438.0 Million
Real Estate Assets.....	\$2,127.9 Million
Cash	\$59.0 Million
Securities.....	\$0.0 Million
Other	\$251.1



Initial Offering Date: December 1, 2003
 Offering Close Date: December 1, 2006
 Current Price per Share: \$8.80
 Reinvestment Price per Share: \$8.80

Cash to Total Assets Ratio: 2.4%
 Asset Type: Diversified
 Number of Properties: 384
 Square Feet / Units / Rooms / Acres: 27 million
 Percent Leased: 99.0%

Historical Price



Redemptions

Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 1.48%

Program Open

Redemptions Year to Date: 1,818,246
 Wtd. Avg. Shares Outstanding as of 12/31/09: 122,824,957

Current Distribution

Current Distribution Yield: ... 6.62%

Rank: 4 of 18

Historical Distribution

Year	2008	2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Yield	6.60%	6.60%	6.62%	6.62%	6.62%	6.62%

Contact Information

www.WPCarey.com
W.P. Carey & Co. LLC
50 Rockefeller Plaza
New York, NY 10020
800-WPCAREY

Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 104%

Rank: 5 of 18

YTD Distributions Paid: \$82,013,000
 YTD FFO: \$78,559,000

Historical FFO Payout Ratio

Year	2009	YTD 2010	Q4 2010
Ratio	349%	104%	99%

Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 105%

Rank: 6 of 18

YTD Distributions Paid: \$82,013,000
 YTD MFFO: \$78,349,000
 *Company reported MFFO - see notes

Historical MFFO Payout Ratio

Year	2009	YTD 2010	Q4 2010
Ratio	101%	105%	101%

Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity

Year	2011	2012	2013	2014	2015	2016+
Percentage	1.9%	2.0%	2.3%	6.9%	9.0%	77.9%

Current Debt Ratio

Debt to Total Assets Ratio: ... 56.2%

Rank: 13 of 18

Debt Breakdown

Total: \$1,369.2 Million
 Fixed: \$1,331.8 Million
 Variable: \$37.4 Million
 Rate: 4.4 - 7.7%
 Term: 4 - 21 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.2

Rank: 9 of 18

EBITDA: \$175,036,000
 Interest Expense: \$79,225,000

Lease Expirations*

Year	2016	2017-2018	2019	2020-2023	2024+
Percentage	1%	1%	3%	26%	69%

*As a percent of expiring base rent.

Notes

The MFFO figures reported above are the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. Distribution yields are based on a \$10.00 share price. On December 13, 2010, The Company and CPA[®]:14 entered into a definitive merger agreement. In connection with the Proposed Merger, interim NAV as of September 30, 2010 was \$8.80 per share, a 4.3% decline from December 31, 2009 NAV of \$9.20 per share. Variable-rate debt at December 31, 2010 included (i) \$3.8 million that has been effectively converted to a fixed rate through an interest rate swap derivative instrument and (ii) \$33.6 million in non-recourse mortgage loan obligations that bore interest at fixed rates but that have interest rate reset features that may change the interest rates to then-prevailing market fixed rates (subject to specific caps) at certain points during their term. At December 31, 2010, the Company has one non-recourse mortgage loan obligation with an interest reset feature that is scheduled to reset to 5.32% in the first quarter of 2011. No other interest rate resets or expirations of interest rate swaps or caps are scheduled to occur during the next twelve months.



Nontraded REIT Industry Review: Fourth Quarter 2010

Dividend Capital Total Realty Trust Inc.

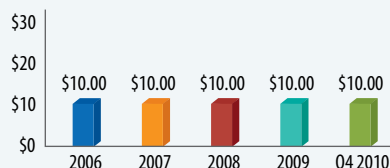
Total Assets.....	\$2,999.2 Million
Real Estate Assets ...	\$2,828.2 Million
Cash.....	\$83.6 Million
Securities	\$4.0 Million
Other.....	\$83.4 Million



Initial Offering Date: January 27, 2006
 Offering Close Date: September 30, 2009
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.50

Cash to Total Assets Ratio: 2.8%
 Asset Type: Diversified
 Number of Properties: 99
 Square Feet / Units / Rooms / Acres: 19.1 million
 Percent Leased: 94.0%

Historical Price



Redemptions

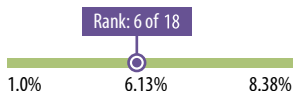
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 3.25%

Program Open

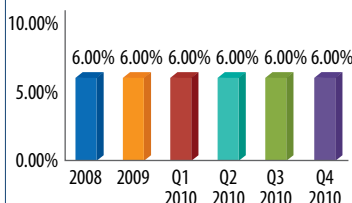
Redemptions Year to Date: 5,649,000
 Wtd. Avg. Shares Outstanding as of 12/31/09: 174,006,000

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

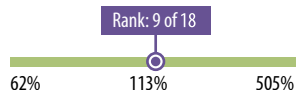


Contact Information

www.DividendCapital.com
Dividend Capital Securities
518 Seventeenth St.
17th Floor
Denver, CO 80202
866-324-7348

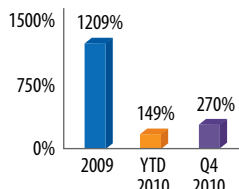
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 149%



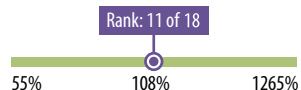
YTD Distributions Paid: \$110,430,000
 YTD FFO: \$73,994,000

Historical FFO Payout Ratio



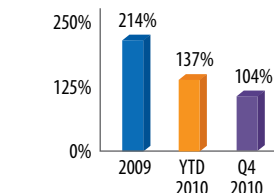
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: ... 137%



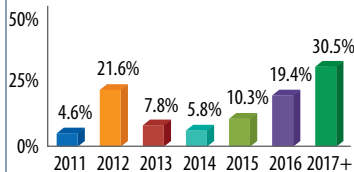
YTD Distributions Paid: \$110,430,000
 YTD MFFO: \$80,665,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



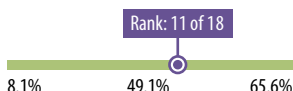
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 53.1%

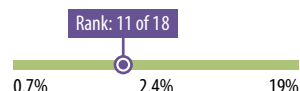


Debt Breakdown

Total: \$1,592.8 Million
 Fixed: \$1,114.2 Million
 Variable: \$478.6 Million
 Rate: 1.4 – 10.5%
 Term: 1 – 10 yrs

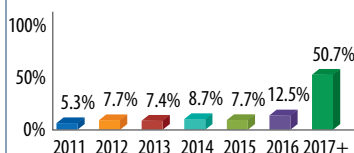
Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.9



EBITDA: \$152,088,000
 Interest Expense: \$78,946,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

The MFFO figures reported above are the same as the "Company Defined FFO" figures noted on page 55 of the 2010 10-K and Blue Vault Partners did not identify additional adjustments. The MFFO figures reported above are the same as the "Company Defined FFO" figures noted on page 55 of the 2010 10-K. The Percentage Leased for the portfolio as reported in the third quarter 2010 report was incorrectly reported as 91.7%. The correct percentage was 94.4% for the period ending Sept. 30, 2010. On March 11, 2011, the board of directors established an estimated per value share of the Company's common stock of \$8.45. Effective March 11, 2011, participants in the DRIP Plan may, subject to certain exceptions described in the DRIP Plan, acquire shares of the Company's common stock at a price per share equal to the estimated value per share of \$8.45. Effective March 11, 2011, any shares of common stock redeemed by the Company will be redeemed, subject to certain restrictions, at a price per share equal to the estimated value per share of \$8.45. The distributions declared payable to common stockholders for the year ended December 31, 2010 were funded with approximately \$68.4 million from our operating activities, and the remaining amount of approximately \$42.0 million was funded from the borrowings.



Nontraded REIT Industry Review: Fourth Quarter 2010

Hines Real Estate Investment Trust, Inc.

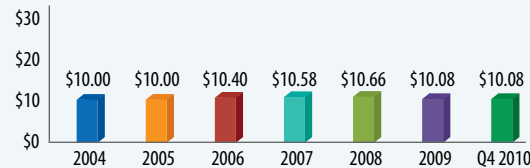
Total Assets.....	\$3,150.0 Million
Real Estate Assets ...	\$2,587.0 Million
Cash.....	\$64.6 Million
Securities	\$0.0 Million
Other.....	\$498.4 Million



Initial Offering Date: June 18, 2004
 Offering Close Date: December 31, 2009
 Current Price per Share: \$10.08
 Reinvestment Price per Share: \$9.58

Cash to Total Assets Ratio: 2.1%
 Asset Type: Office
 Number of Properties: 59
 Square Feet / Units / Rooms / Acres: 29.2 million
 Percent Leased: 89.0%

Historical Price



Redemptions

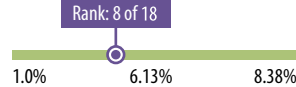
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.53%

Suspended – death and disability redemptions only

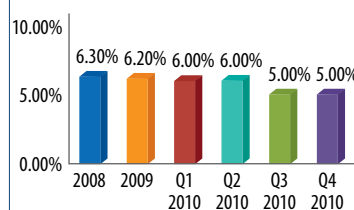
Redemptions Year to Date: 1,100,000
 Wtd. Avg. Shares Outstanding as of 12/31/09: 207,807,000

Current Distribution

Current Distribution Yield: ... 5.00%



Historical Distribution

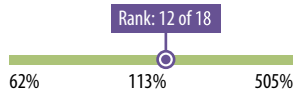


Contact Information

www.HinesREIT.com
Hines REIT
 P.O. Box 219010
 Kansas City, MO 64121-9010
 888-220-6121

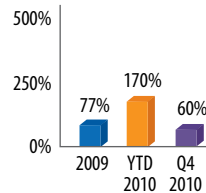
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 170%



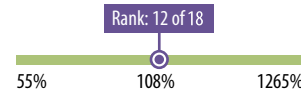
YTD Distributions Paid: \$131,337,000
 YTD FFO: \$77,070,000

Historical FFO Payout Ratio



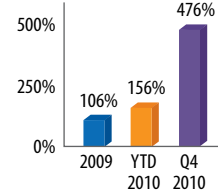
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 156%



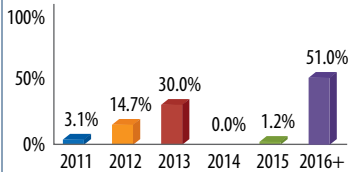
YTD Distributions Paid: \$131,337,000
 YTD MFFO: \$84,174,000
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



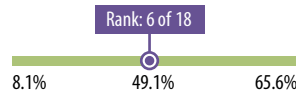
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 48.3%

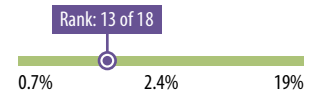


Debt Breakdown

Total: \$1,521.5 Million
 Fixed: \$1,457.1 Million
 Variable: \$64.4 Million
 Rate: 5.25 – 7.39%
 Term: <1 – 7 yrs

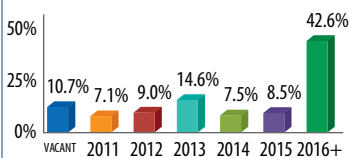
Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.5



EBITDA: \$136,944,000
 Interest Expense: \$90,992,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

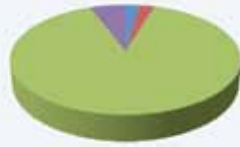
The Company did not report MFFO for 2010. MFFO calculations are Blue Vault estimates. The portfolio was 59% leveraged as of December 31, 2010, with 96% of their debt in the form of fixed-rate mortgage loans (some of which are effectively fixed through the use of interest rate swaps) which expire in more than one year. This leverage percentage is calculated using the estimated aggregate value of the real estate investments (including the pro rata share of real estate assets and related debt owned through their investments in other entities such as the Core Fund). For the years ended December 31, 2010 and 2009, they funded the cash distributions with cash flows from operating activities, distributions received from their unconsolidated investments, proceeds from the sales of their real estate investments and cash generated during prior periods, in which cash flows from operating activities and distributions received from the their unconsolidated investments exceeded distributions. The Company suspended the share redemption plan in November 30, 2009, except for cases of death or disability.



Nontraded REIT Industry Review: Fourth Quarter 2010

Inland American Real Estate Trust, Inc.

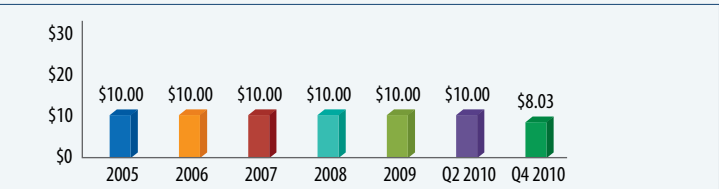
Total Assets	\$11,391.5 Million
Real Estate Assets ..	\$10,190.3 Million
Cash	\$267.7 Million
Securities	\$268.7 Million
Other	\$664.8 Million



Initial Offering Date: August 31, 2005
 Offering Close Date: April 6, 2009
 Current Price per Share: \$8.03
 Reinvestment Price per Share: \$8.03

Cash to Total Assets Ratio: 2.4%
 Asset Type: Diversified
 Number of Properties: 980
 Square Feet / Units / Rooms / Acres: 48,221,342
 Percent Leased: See notes

Historical Price



Redemptions

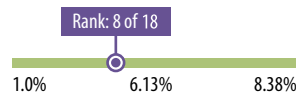
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 0.00%



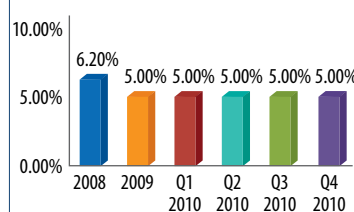
Redemptions Year to Date:..... 0.00
 Wtd. Avg. Shares Outstanding as of 12/31/09:821,020,633

Current Distribution

Current Distribution Yield: ... 5.00%



Historical Distribution

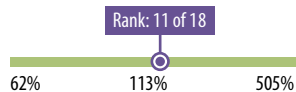


Contact Information

www.Inland-American.com
Inland American Real Estate Trust Inc.
 2901 Butterfield Road
 Oak Brook, IL 60523
 800-826-8228

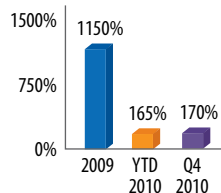
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 165%



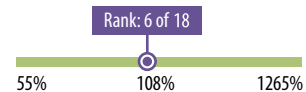
YTD Distributions Paid: \$416,935,000
 YTD FFO:\$252,592,000

Historical FFO Payout Ratio



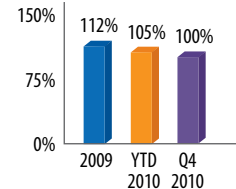
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: .. 105%



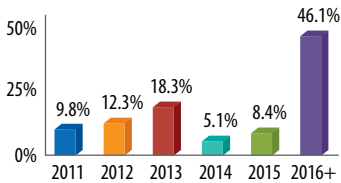
YTD Distributions Paid: \$416,935,000
 YTD MFFO:\$397,613,000
 *BVP adjusted MFFO – see notes

Historical MFFO Payout Ratio



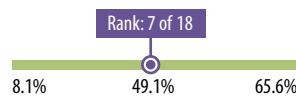
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 48.4%

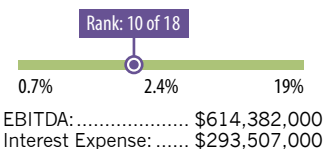


Debt Breakdown

Total:\$5,508.7 Million
 Fixed:\$3,908.4 Million
 Variable:\$1,600.3 Million
 Rate: 0.63 – 6.21%
 Term: 1 – 37 years

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.1



Lease Expirations



Notes

The Company did not report MFFO for 2010. MFFO calculations are Blue Vault estimates. Distribution yields are based on a \$10.00 share price. The Company has entered into nine interest rate swap agreements that have converted \$355.5 million or 22.2% of variable rate mortgage loans from variable to fixed rates. Effective as of September 21, 2010, the Company adopted a Second Amended and Restated Distribution Reinvestment Plan (the "Plan"). Under the Plan, beginning with reinvestments made after September 21, 2010, and until a new estimated value per share has been established, distributions may be reinvested in shares of the common stock at a price equal to \$8.03 per share. The Company established an estimated value per share of common stock equal to \$8.03 as of September 21, 2010. Effective March 30, 2009, the board of directors voted to suspend the share repurchase program and in April 2011, began offering redemptions upon death. No shares were repurchased during 2010. As of December 31, 2010, the retail properties, the industrial properties, the multi-family properties, lodging properties and the office properties were 93%, 95%, 90%, 69% and 93% occupied based on a weighted average basis, respectively. From time to time, the business manager has determined, in its sole discretion, to either forgo or defer a portion of the business management fee, which has had the effect of increasing cash flow from operations. For the year ended December 31, 2010, the Company paid a business management fee of \$36 million, or approximately 0.32% of the average invested assets on an annual basis, as well as an investment advisory fee of approximately \$1.4 million, together which are less than the full 1% fee that the business manager could be paid.



Nontraded REIT Industry Review: Fourth Quarter 2010

Inland Western Retail Real Estate Trust, Inc.

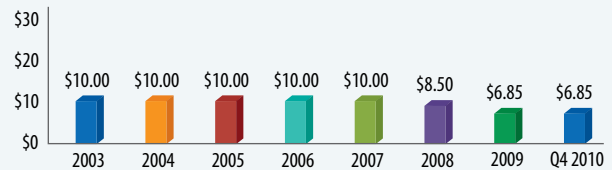
Total Assets.....	\$6,386.8 Million
Real Estate Assets ...	\$5,832.9 Million
Cash.....	\$130.2 Million
Securities	\$34.2 Million
Other.....	\$389.5 Million



Initial Offering Date: September 15, 2003
 Offering Close Date: September 9, 2005
 Current Price per Share: \$6.85
 Reinvestment Price per Share: \$6.85

Cash to Total Assets Ratio: 2.0%
 Asset Type: Retail
 Number of Properties: 284
 Square Feet / Units / Rooms / Acres: 42.5 million
 Percent Leased: 88.6%

Historical Price



Redemptions

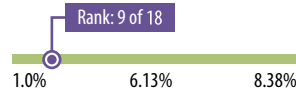
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.00%

Suspended

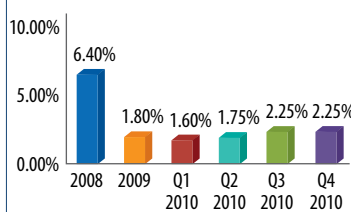
Redemptions Year to Date: 0
 Wtd. Avg. Shares Outstanding as of 12/31/09: 480,310,000

Current Distribution

Current Distribution Yield: ... 2.25%



Historical Distribution

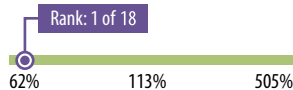


Contact Information

www.Inland-Western.com
Inland Western Retail Real Estate Trust Inc.
 2901 Butterfield Road
 Oak Brook, IL 60523
 800-541-7661

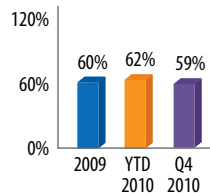
Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: 62%



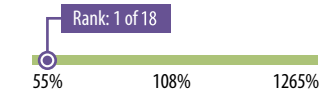
YTD Distributions Paid: .. \$83,385,000
 YTD FFO: \$135,170,000

Historical FFO Payout Ratio



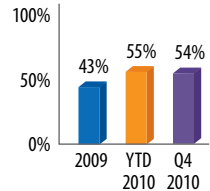
Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: 55%



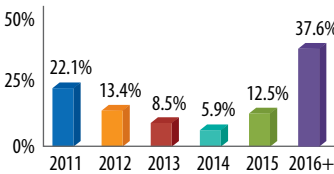
YTD Distributions Paid: .. \$83,385,000
 YTD MFFO: \$150,827,000
 *BVP calculated MFFO – see notes

Historical MFFO Payout Ratio



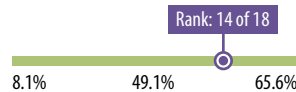
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 58.6%

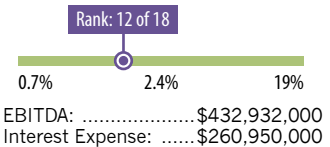


Debt Breakdown

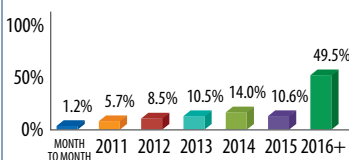


Interest Coverage Ratio

YTD Interest Coverage Ratio: 1.7



Lease Expirations*



*As a percent of expiring base rent.

Notes

The Company did not report MFFO for 2010. MFFO calculations are Blue Vault estimates. As of December 31, 2010, the Company had approximately \$3,757,237 of aggregate consolidated indebtedness outstanding, including equity interests in joint ventures. The fixed rate debt includes \$67,504,000 of variable rate debt that was swapped to a fixed rate. In 2011, the Company filed a registration statement on Form S-11 with the SEC regarding a proposed public offering of common stock. The board of directors suspended the share repurchase program effective November 19, 2008. As of December 31, 2010, the Company was in default on \$76,057,000 of mortgage loans secured by a total of seven properties with 680,929 square feet of GLA representing \$4,721,000 of Annualized Base Rent as of December 31, 2010. The Company expects to repay a \$21,715,000 mortgage loan with borrowings under a senior secured revolving line of credit in March 2011. The Company is currently in active negotiations with the lenders regarding an appropriate course of action, including the potential for a discounted payoff with respect to the remaining \$54,342,000 of mortgages payable. As of December 31, 2009, the value for shares was estimated for ERISA purposes to be \$6.85 per share. The Company currently intends to pursue the initial listing of the existing common stock on a national securities exchange within the next 12 months, it is not planning to publish an estimated annual statement of value of common stock as of December 31, 2010.



Nontraded REIT Industry Review: Fourth Quarter 2010

KBS Real Estate Investment Trust, Inc.

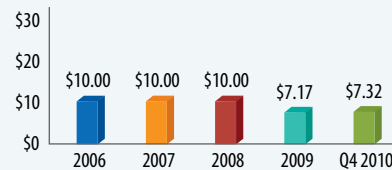
Total Assets.....	\$2,433.4 Million
Real Estate Assets ...	\$2,185.9 Million
Cash.....	\$151.9 Million
Securities	\$18.3 Million
Other.....	\$77.3 Million



Initial Offering Date: January 13, 2006
 Offering Close Date: May 30, 2008
 Current Price per Share: \$7.32
 Reinvestment Price per Share: \$7.32

Cash to Total Assets Ratio: 6.2%
 Asset Type: Diversified
 Number of Properties: 64 properties, 16 real estate related assets
 Square Feet / Units / Rooms / Acres: 20.4 million
 Percent Leased: 82.0%

Historical Price



Redemptions

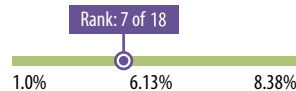
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.33%

No Funds Available except for death and disability redemptions

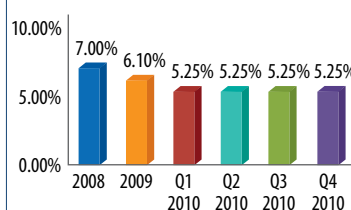
Redemptions Year to Date: ..590,925
 Wtd. Avg. Shares Outstanding as of 12/31/09: 177,959,297

Current Distribution

Current Distribution Yield: ... 5.25%



Historical Distribution

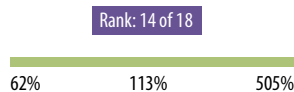


Contact Information

www.KBS-CMG.com
KBS Real Estate Investment Trust I
 P.O. Box 219015
 Kansas City, MO 64121
 866-584-1381

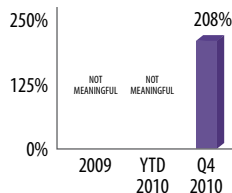
Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: NOT MEANINGFUL



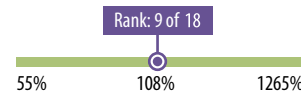
YTD Distributions Paid: ..\$95,498,000
 YTD FFO: (\$20,344,000)

Historical FFO Payout Ratio



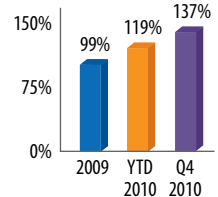
Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: .. 119%



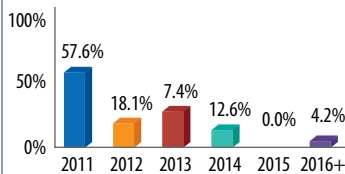
YTD Distributions Paid: \$95,498,000
 YTD MFFO: \$80,075,000
 *BVP calculated MFFO – see notes

Historical MFFO Payout Ratio



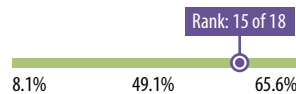
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 60.8%

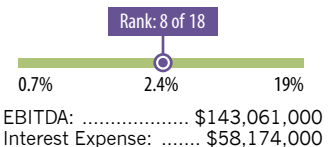


Debt Breakdown

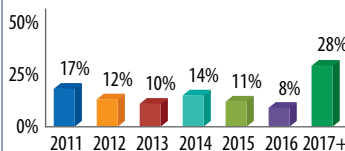


Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.5



Lease Expirations*



*As a percent of expiring base rent.

Notes

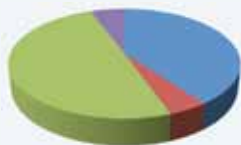
The Company did not report 2010 MFFO. MFFO calculations are Blue Vault Partners' estimates. The EBITDA reported in the third quarter 2010 report was incorrectly published as \$11,051,000. The correct figure was \$111,051,000. The Interest Coverage Ratio of 2.5 reported as of September 30, 2010 was correct. Distribution yields are based on \$10.00 share price. On December 10, 2010, the Company announced that, based on 2011 budgeted expenditures, and except with respect to redemptions sought upon a stockholder's death, "qualifying disability" or "determination of incompetence," the Company does not expect to have funds available for the redemption program in 2011. Of the \$921.5 million of variable rate notes payable and repurchase agreements, \$164.7 million are effectively fixed through interest rate swaps and \$439.5 million are subject to interest rate caps. On December 2, 2010, the board of directors approved an estimated value per share of common stock of \$7.32. Effective for the December 2010 redemption date and until the estimated value per share is updated, the redemption price for all stockholders is \$7.32 per share. Generally, the Company pays distributions from cash flow from operations, principal repayments on its real estate loans receivable, proceeds from asset sales and funds available under the revolving credit facility. Through March 31, 2011, the advisor had advanced an aggregate of \$1.6 million to the Company for cash distributions and expenses in excess of revenues, all of which is outstanding. No amount has been advanced since January 2007. In addition to the advances to the Company from the advisor in the amount of \$1.6 million, at December 31, 2010, the Company has incurred but unpaid performance fees totaling \$5.4 million. Although performance fees of \$5.4 million have been incurred as of December 31, 2010, the advisory agreement further provides that the payment of the performance fee shall only be made after the repayment of advances from the advisor discussed above. The amount of cash available for distributions in future periods will be decreased by the repayment of the advance from the advisor and the payment of the advisor's unpaid performance fees.



Nontraded REIT Industry Review: Fourth Quarter 2010

Lightstone Value Plus Real Estate Investment Trust, Inc.

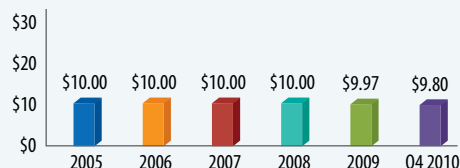
Total Assets.....	\$517.5 Million
Real Estate Assets	\$257.4 Million
Cash.....	\$24.3 Million
Securities	\$206.3 Million
Other.....	\$29.5 Million



Initial Offering Date: May 23, 2005
 Offering Close Date: October 10, 2008
 Current Price per Share: \$9.80
 Reinvestment Price per Share: \$9.50

Cash to Total Assets Ratio: 4.7%
 Asset Type: Diversified
 Number of Properties: 30
 Square Feet / Units / Rooms / Acres: 3.1
 Percent Leased: See notes

Historical Price



Redemptions

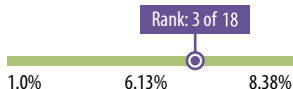
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 1.87%

Program Open

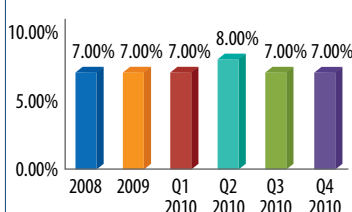
Redemptions Year to Date: .. 583,579
 Wtd. Avg. Shares Outstanding as of 12/31/09: 31,276,697

Current Distribution

Current Distribution Yield: ... 7.00%



Historical Distribution

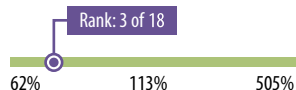


Contact Information

www.LightstoneGroup.com
The Lightstone Group
 460 Park Avenue, 13th Floor
 New York, NY 10022
 212-616-9969

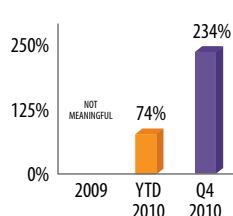
Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: 74%



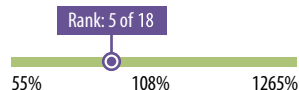
YTD Distributions Paid: .. \$23,085,705
 YTD FFO: \$31,244,754

Historical FFO Payout Ratio



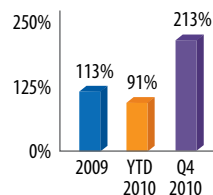
Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: 91%



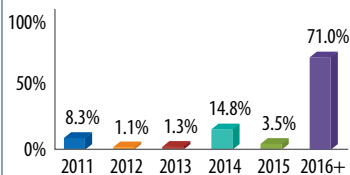
YTD Distributions Paid: \$23,085,705
 YTD MFFO: \$25,436,152
 *Company reported MFFO – see notes

Historical MFFO Payout Ratio



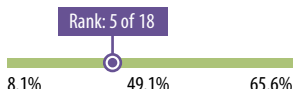
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 37.8%

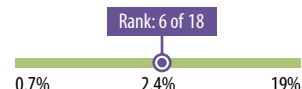


Debt Breakdown

Total: \$195.5 Million
 Fixed: \$175.1 Million
 Variable: \$20.4 Million
 Rate: 4.81 – 6.75%
 Term: <1 – 6 yrs

Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.7



EBITDA: \$30,769,971
 Interest Expense: \$11,589,231

Lease Expirations

Not Reported

Notes

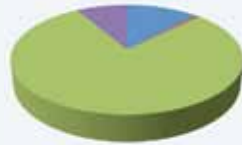
The MFFO was calculated in accordance with the Investment Program Association (“IPA”) definition of MFFO. As of December 31, 2010, the retail properties, the industrial properties, the multi-family residential properties and the office property were 84%, 61%, 92% and 79% occupied based on a weighted-average basis, respectively. Its hotel hospitality properties’ average revenue per available room was \$28 and occupancy was 72% for the year. As of December 31, 2010, the share price determined by the Board of Directors for the share redemption program is \$9.00 per share. During the year ended December 31, 2010, as a result of the defaulting on the debt related to three properties within the Multi-Family Residential Segment due to the properties no longer being economically beneficial, the lender foreclosed on these three properties. As a result of the foreclosure transactions, the debt associated with these three properties of \$51.4 million was extinguished and the obligations were satisfied with the transfer of the properties’ assets and working capital and the Company no longer has any ownership interests in these three properties. The operating results of these three properties through their respective dates of disposition have been classified as discontinued operations on a historical basis for all periods presented. The transactions resulted in a gain on debt extinguishment of \$19.9 million, of which \$17.2 million was recorded during the three months ended June 30, 2010 and \$2.7 million was recorded during the three months ended December 31, 2010, and is included in discontinued operations for the year ended December 31, 2010. In connection with the closing of the Simon Transaction, the Company recognized a gain on disposition of approximately \$142.7 million. The Company also deferred an additional \$32.2 million of gain consisting of the total of the (i) \$1.9 million of Escrowed Cash and (ii) \$30.3 million of Restricted Marco OP Units received as part of the Aggregate Consideration Value because realization of these items is subject to the final adjustment.



Nontraded REIT Industry Review: Fourth Quarter 2010

Wells Real Estate Investment Trust II, Inc.

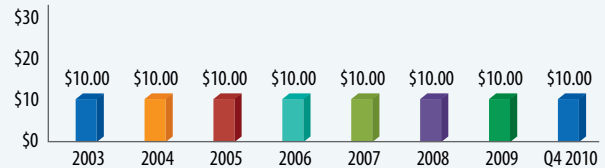
Total Assets.....	\$5,371.7 Million
Real Estate Assets ...	\$4,230.0 Million
Cash.....	\$38.9 Million
Securities	\$646.0 Million
Other.....	\$456.8 Million



Initial Offering Date: December 1, 2003
 Offering Close Date: June 30, 2010
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.55

Cash to Total Assets Ratio: 0.7%
 Asset Type: Office
 Number of Properties: 71
 Square Feet / Units / Rooms / Acres: 22.1 million
 Percent Leased: 94.4%

Historical Price



Redemptions

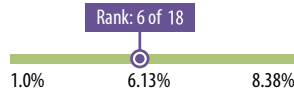
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 1.74%

Program Open

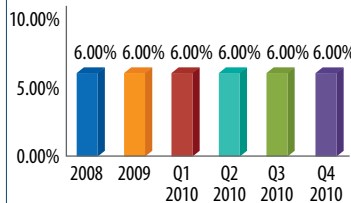
Redemptions Year to Date: 8,151,000
 Wtd. Avg. Shares Outstanding as of 12/31/09: 467,922,000

Current Distribution

Current Distribution Yield: ... 6.00%



Historical Distribution

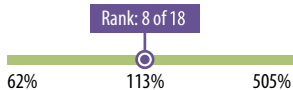


Contact Information

www.WellsREITii.com
Wells Real Estate Funds
 P.O. Box 926040
 Norcross, GA 30010
 800-557-4830

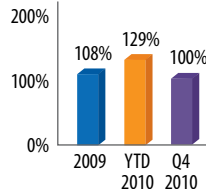
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 129%



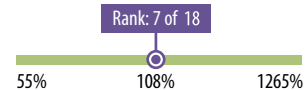
YTD Distributions Paid: \$313,815,000
 YTD FFO: \$243,628,000

Historical FFO Payout Ratio



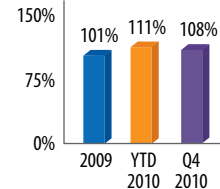
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 111%



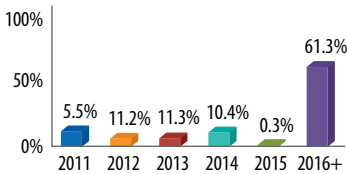
YTD Distributions Paid: \$313,815,000
 YTD MFFO: \$283,528,000
 *Blue Vault adjusted MFFO – see notes

Historical MFFO Payout Ratio



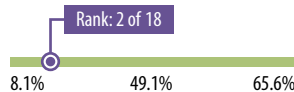
Figures prior to YTD 2010 and Q4 2010 are as previously defined.

Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 16.5%

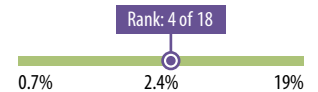


Debt Breakdown

Total: \$886.9 Million
 Fixed: \$751.5 Million
 Variable: \$135.4 Million
 Rate: 4.62 – 14.0%
 Term: <1 – 8 yrs

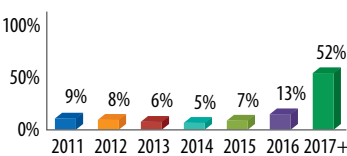
Interest Coverage Ratio

YTD Interest Coverage Ratio: 3.6



EBITDA: \$319,489,000
 Interest Expense: \$88,914,000

Lease Expirations*



*As a percent of expiring base rent.

Notes

Company reported 2010 AFFO of \$280,885,000 includes (-\$2,643,000) changes in assets and liabilities. Blue Vault Partners has eliminated the charge to report 2010 MFFO of \$283,528,000. The board of directors elected to reduce the quarterly stockholder distribution rate from \$0.15 per share (or, a 6.0% annualized yield on a \$10.00 original share price) to \$0.125 per share (or, a 5.0% annualized yield on a \$10.00 original share price) beginning with the first quarter of 2011. Approximately \$751.5 million of total debt outstanding as of December 31, 2010 is subject to fixed rates, either directly or when coupled with an interest rate swap agreement. On April 4, 2011, the Company sold \$250,000,000 aggregate principal amount of 5.875% unsecured senior notes due in 2018 at 99.295 percent of their face value in a private offering. The rating agencies have assigned ratings to the Notes of BBB- (Standard & Poor's Ratings Services) and Baa3 (Moody's Investors Service). In September 2010, the Company resumed Ordinary Redemptions (i.e., redemptions other than those made in connection with a "qualifying disability" or within two years of a stockholder's death) under the program at a redemption price equal to 60% of the price at which the share was originally issued. In October 2010, the Company amended the SRP to provide that if a stockholder (or a stockholder's spouse) is seeking to qualify for federal or state assistance in connection with the payment of the costs of confinement to a long-term care facility, that stockholder may redeem his or her shares on the same special terms that are generally available for redemptions sought within two years of a stockholder's death or qualifying disability, including a redemption price equal to the amount at which the shares were issued. During 2010, the Company paid total distributions to common stockholders, including \$163.6 million reinvested in common stock pursuant to the DRP, of \$313.8 million. During this period, the Company generated net cash from operating activities of \$270.1 million, which has been reduced by \$10.8 million for acquisition-related costs that were funded with cash generated from the sale of common stock under the public offerings. Of the remaining \$32.9 million of distributions paid to stockholders in 2010, \$28.1 million was funded with cumulative operating cash flows generated in prior periods, and the remaining \$4.8 million was funded with borrowings.



Closed Nontraded REITs with Limited Operating Results

Desert Capital REIT, Inc. was formed in December 2003. For the period ending December 31, 2010, the Company did not pay distributions to stockholders, had \$27.5 million in total assets and reported limited operating results. As a result, an individual product report was not created.

Shopoff Properties Trust, Inc. became effective with the SEC in 2007, raised \$18.2 million since inception and terminated its public offering on August 29, 2010. Because the Company has not yet filed financial statements for the period ending December 31, 2010, an individual product report was not created.



Publication Schedule

	SEC 10Q/10K Release Date	Report Publication Date
First Quarter 2011 (10Q)	May 16, 2011	June 16, 2011
Second Quarter 2011 (10Q)	August 15, 2011	September 15, 2011
Third Quarter 2011 (10Q)	November 14, 2011	December 14, 2011
Special Supplement	Year End 2011 Estimates	March 1, 2012
Fourth Quarter 2011 (10K)	March 30, 2012	April 30, 2012



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