

**PREMIUM CONTENT**



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

# Nontraded REIT Industry Review

## FIRST QUARTER 2011

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June 16, 2011

We are pleased to provide you with the “premium” edition of the Blue Vault Partners Nontraded REIT Industry Review – First Quarter 2011 report. Within this issue, you will find individual data reports on 63 nontraded REITs in addition to commentary on nine offerings for the period ending March 31, 2011.

The main focus of the commentary this quarter is both the commercial retail sector as well as a discussion of valuations. The REITs for which we have provided expanded coverage in this report were chosen based on either their focus on acquiring properties within the retail sector and / or whether or not they recently experienced a portfolio valuation.

Key highlights and events that occurred during the quarter include:

- Five new nontraded REITs were declared effective during the first three months of 2011 compared to only two new offerings that were introduced during the first quarter of 2010.
- As for fundraising, approximately \$2.2 billion was raised in Q1 2011, a 22% increase over the \$1.8 billion raised in Q1 2010.
- Total assets under management for the industry as a whole grew to \$73.5 billion, which represents an increase of 14% when compared to assets under management for the period ending March 31, 2010.
- Greater acquisition volume and debt payoffs combined with higher capital costs have contributed to a reduction in the amount of cash nontraded REITs have on their balance sheets, as “Cash and Equivalents” totaled \$2.7 billion for the period ending March 31, 2011 compared to \$3.6 billion for the same period in 2010.
- As a result of credit easing, the debt to total assets ratio for all nontraded REITs has begun to trend upward as the median ratio for all REITs was 47.6% for Q1 2011 compared to 35.5% for Q1 2010.

In addition to the positive growth trends noted above, the industry also experienced a major milestone as one of the oldest closed nontraded REITs, Corporate Property Associates 14, Inc., experienced a full-cycle event during the quarter. This marks the first of two full-cycle events we are expecting during 2011.

Thank you for your continued support and the confidence you have placed in us. We truly appreciate your business and as always, encourage your feedback.

Our Best Regards,

  
Stacy Chitty  
Managing Partner

  
Vee Kimbrell  
Managing Partner

# Nontraded REIT Industry Review: First Quarter 2011



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# Nontraded REIT Industry Review: First Quarter 2011



## 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.

# Nontraded REIT Industry Review: First Quarter 2011



## 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:

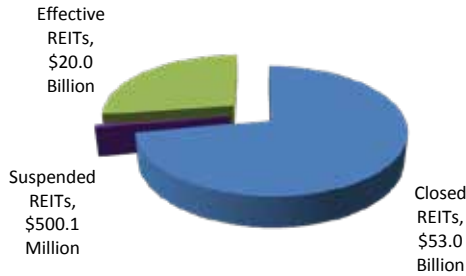
Summary rankings are provided as a simple way to compare metrics for each individual nontraded REIT and will change from quarter to quarter. In circumstances where a particular metric may not be calculated due to missing or unavailable information, those REITs have been excluded from the rankings.

# Nontraded REIT Industry Review: First Quarter 2011

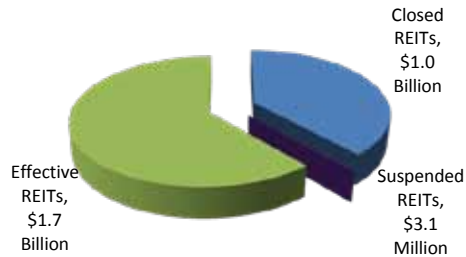


## Overall Industry Summary

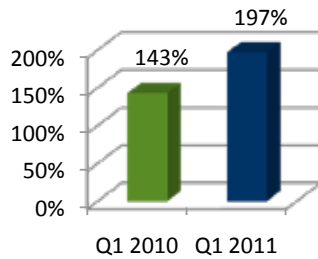
**Total Nontraded REIT Industry Assets: \$73.5 Billion**



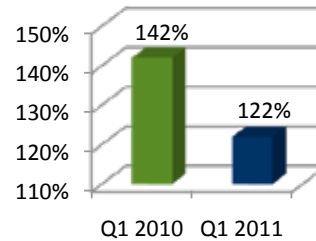
**Total Nontraded REIT Industry Cash & Equivalents: \$2.7 Billion**



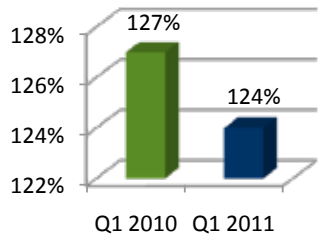
**Effective Nontraded REITs: Median Distribution / FFO Payout Ratio**



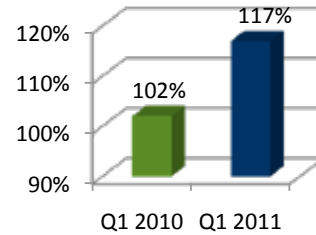
**Closed Nontraded REITs: Median Distribution / FFO Payout Ratio**



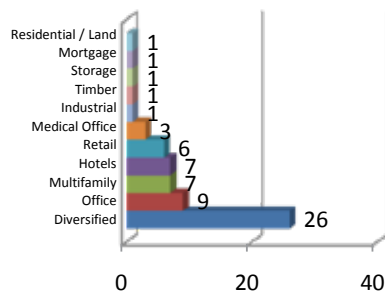
**Effective Nontraded REITs: Median Distribution / MFFO Payout Ratio**



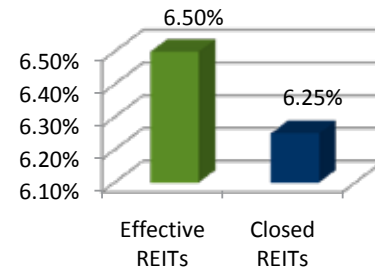
**Closed Nontraded REITs: Median Distribution / MFFO Payout Ratio**



**Breakdown of Nontraded REIT Asset Types: 63 Total Programs**



**Effective vs. Closed Nontraded REITs: Median Distribution Yield Comparison – Q1 2011**



**Average Number of Months Fundraising for Effective REITs: 20.5**

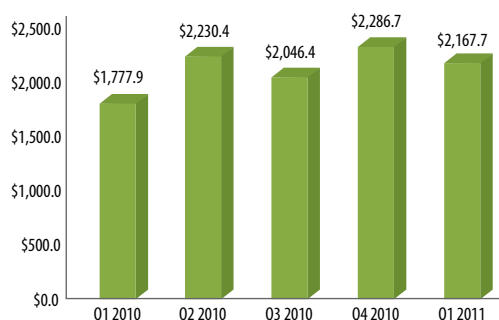


## Top-Line Assessment of the Nontraded REIT Industry — 1st Quarter 2011

Two consistent themes continue to run through the commercial real estate industry that have direct impact on nontraded REITs. First, a supply-constrained acquisition market is considerably increasing prices for stabilized core properties across all asset classes. Second, an overhang of debt maturities, tougher lending standards, and weaker market fundamentals create future uncertainty for property and portfolio-level cash flows.

In this market dynamic, the nontraded REIT industry continues to raise significant capital. During the first quarter, approximately \$2.2 billion was raised, thanks in part to the closing of Healthcare Trust of America in February 2011 and CNL Lifestyle Properties in April 2011. Typically, fundraising for a nontraded REIT that has announced the closing of an offering accelerates during the last few months of the offering. Five new offerings became effective during the first quarter, which should make it possible for the industry to meet or exceed the over \$8 billion that was raised during 2010. Increased FINRA scrutiny of capital-raising practices may dampen some of the upward trend, however.

Capital Raised Per Quarter



Nontraded REIT Industry Total Real Property Acquisitions as of March 31, 2010 (in \$ Billions)



## Top Ten Nontraded REITs Ranked by Acquisitions

(in \$ Millions)	Q1 2011
1. Wells Real Estate Investment Trust II, Inc	\$603.4
2. American Realty Capital Trust, Inc.	\$392.8
3. Corporate Property Associates 17 – Global, Inc	\$340.0
4. Cole Credit Property Trust III, Inc	\$329.9
5. CB Richard Ellis Realty Trust	\$274.2
6. KBS Real Estate Investment Trust II, Inc	\$270.8
7. Inland Diversified Real Estate Trust, Inc.	\$177.3
8. Industrial Income Trust Inc.	\$158.2
9. Hines Global REIT, Inc.	\$146.3
10. CNL Lifestyle Properties, Inc.	\$134.3

Total nontraded REIT acquisition volume for the first quarter was approximately \$3.4 billion compared to \$47.86 billion in total commercial real estate transactions for the broader market.

Effective REITs still raising capital purchased \$2.3 billion while closed REITs completed the balance. Among all nontraded REITs, the top-ten most active acquired roughly \$2.8 billion with the remaining 34 completing over \$500 million.

Challenging the real estate market is the continued slow economic recovery. Among the property sectors, multifamily and lodging have shown the strongest turnaround, yet both are still pricing significantly below market highs. The lack of job growth and subsequent lack of buying by corporations and individuals have hampered the return of the office, retail, and industrial markets. While the longer-term leases in these property types tend to ameliorate some of the harshness of the downturn, these property types are also slower to show a recovery once positive economic trends return.

## Key Nontraded REIT Trends

Emerging during the first three months of 2011 are the following trends:

- **Valuations** – \$10 per share is the standard offering price for effective nontraded REITs raising



capital. Within 18 months of closing their offerings, nontraded REITs must begin valuations of their shares. Current values are dispersed across a wide range per share depending on the property type and operational savvy of the sponsor.

- **Capital Raise** – Approximately \$2.2 billion was raised during the first three months of 2011, representing a 4.2% decrease compared to the fourth quarter of 2010.
- **Debt Strategies** – A growing number of nontraded REITs are dealing with loan maturity and ongoing payment issues with a variety of creative strategies. Those with strong operating properties are finding inexpensive debt but many others are struggling.
- **New Offering** – A nontraded REIT sponsored by Clarion Partners and targeted at fee-based advisors was declared effective by the SEC.
- **Operating Metrics** – Median distribution levels for effective nontraded REITs during the first quarter of 2011 remain relatively unchanged compared to the same period in 2010. However, modified funds from operations metrics for effective REITs have moved lower compared to the previous year as a result of more REITs trending closer to a payout ratio of 100%.

## Retail Sector Overview

**Retail** – The property sector touches many parts of our lives from the buying of necessities such as groceries and clothes, to electronics, banking, and other services. There are many types of retail facilities and as a result, there are many REITs that invest and specialize in each subset of the sector. Due to its broad-based reach, the retail sector is also directly tied to the economic health of the country. Volatility in buying choices and style changes can lead to the dramatic disappearance of everyday brands — Circuit City, Borders Books, Mervyns, Blockbuster, Harry & David, are but a few of the bankruptcies of large merchants over the past few years.

Successful retail centers play off the draw of their anchor tenant to attract smaller tenants. Weakness in either portion will impact the other which ultimately impacts the property owner. The constant evolution of the retail market and influence of the Internet create a dynamic real estate investment market that is always changing.

Here is a quick overview of the basic retail property types:

- **Mall** – the largest properties with multiple anchors and a broad assortment of shops. Mostly enclosed with designs that place the large anchors (Nordstrom, Macy's, JC Penney, Sears) at the ends of multilevel connecting corridors lined with retailers of all types. Malls are predominately owned by a few traded REITs and institutional owners.

- **Big Box** – large shopping centers with only a few — three to seven — very large retailers. Tenants usually include Linens 'n Things; Borders; Circuit City (all of which went bankrupt), Best Buy; Barnes and Noble; and Bed Bath and Beyond.
- **Lifestyle** – an effort to take malls outdoors and combine with big-box-type tenancy with more side shops. Generally, these centers are designed to be car-and pedestrian-friendly and can include town squares and other community oriented amenities.
- **Grocery-Anchored** – a shopping center built around a chain grocery store. The center sometimes includes a drug store, as well, or other smaller anchor tenants. The anchor tenant (Target, Albertsons, Walmart, etc.) may own its own store or the anchor may be a tenant and part of the entire center.
- **Strip Center** – smaller, unanchored retail centers typically with between two and ten tenants.
- **Free-Standing/Single Tenant** – typically banks, drug stores and fast food restaurants generally located on the edges of grocery-anchored and larger shopping centers, including the corners of intersections.
- **Pad Site** – small land parcels on which single-tenant facilities are built.

## Retail Real Estate Fundamentals

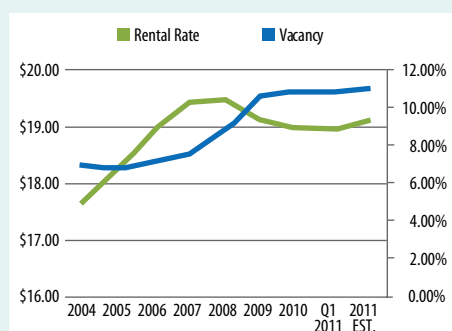
There has been a slower turnaround in occupancy and rental rates for the national retail segment than what has been seen in the multifamily and lodging sectors. The economic downturn has led to people not spending their cash on anything but the essentials. Significant weakness has been seen in tenants that targeted specialty goods and high-end consumers. In addition, the competition between some of the big-box retailers has been severe, causing several bankruptcies and large vacancies in many centers.

Occupancy has begun to stabilize in most markets and retail property types. A big challenge to some owners will be to find replacement anchor tenants for the larger merchants who have left or filed for bankruptcy. Selected rental rate growth has begun but from a significant fall-off from previous market highs. In most markets, rents still will need two quarters to stabilize before a slow growth pattern begins. The great news in retail is that very little new construction is under way. Once a rebound begins in rental rates, it should continue for some time before new supply is added to the market.

The impact of the Internet continues to be felt in the retail industry. The failure of Blockbuster and Borders are but two examples of the impact of technology change and Internet access. Added to the mix is the rise of the “deal sites” led by Groupon.com. While a potential boon for retailers with the addition of new customers, Groupon can force dramatically lower pricing and can hasten the



National Retail Trends



Source: REIS, Inc.

demise of local retailers that are not familiar with the use of daily deals.

As has been seen in other asset classes, capitalization rates have fallen for the best-quality, best credit tenancy properties. The same trend is beginning to be seen in lesser-quality properties with superior locations.

## Notable Retail Transactions

The most active nontraded REIT retail sponsors in the acquisition market during the first quarter of 2011 were American Realty Capital Trust, Inc., Cole Credit Property Trust III, Inc. and Inland Diversified Real Estate Trust, Inc. Notable transactions in the past year include:

- **Cole Credit Property Trust III** purchased a \$266 million portfolio of 32 Albertson's grocery stores in a sale/leaseback transaction. The properties are located in the Southwest, total 1.9 million square feet, and were signed to 20-year leases.
- **Inland Western Retail Real Estate Trust** formed a joint venture with RioCan REIT of Canada in the second quarter of 2010, whereby RioCan purchased an 80% interest in eight Inland Western shopping centers in Texas totaling 1.2 million square feet for \$138 million.
- **American Realty Capital Trust** completed a record number of transactions for the REIT in the first quarter of 2011 totaling \$392.8 million with significant single-tenant retail purchases plus the inclusion of larger industrial transactions.
- **Inland American Real Estate Trust** formed a joint venture with Centro Properties Group to own 25 grocery-anchored shopping centers in the fourth quarter of 2010. The \$471 million transaction was for 4.5 million square feet with an occupancy of 91%.
- **New Offerings** – Of the five offerings that became effective in 2011, **Cole Real Estate and American Realty Capital** each launched nontraded REIT offerings that will concentrate on the retail sector

## REIT Operating Metric Trends

Over the last two years, REITs have dealt with growing issues on the borrowing portion of their balance sheets' ability to successfully source new debt, as well as replace/renew existing debt has a direct impact on cash flows, distributions, and payout ratios. This impact is also seen in share prices upon valuation as the capital structure of a REIT is a critical component of valuing the company.

Blue Vault Partners examines the interrelationship of debt and interest coverage ratios in concert with other operating metrics to gauge the operating effectiveness of nontraded REITs at the various stages of their development. Strong interest rate coverage provides a REIT with operational flexibility should new capital demands arise or a surprise tenant bankruptcy occurs. In addition, a modestly leveraged REIT can use future borrowing to meet cash needs, take advantage of unanticipated acquisition opportunities, and efficiently use less expensive capital to enhance returns.

## Debt Strategies

REITs face a variety of challenges in today's economy, but one of the most prevalent is the maturity of mortgages that were made within the last five years. Since these mortgages were originated in a time of much higher property valuations and stronger occupancy and rental rates, the likelihood of having lower loan proceeds than outstanding debt upon renewal is magnified. Several scenarios can face a REIT today:

1. Tighter lending standards can produce lower loan proceeds, even if the property is unchanged from five years ago in occupancy and rental rate.
2. Rental rates within a property's market may have declined substantially leading to lower valuations and lower loan proceeds.
3. Occupancy problems may have occurred due to anchor and side tenant bankruptcies or move-outs — again stressing valuation and loan proceeds.

Blue Vault Partners has reported several negative occurrences related to a REIT's debt that stem from these situations. Either at maturity or during the term of the loan, if current income is not sufficient to cover interest and principal, a default can occur. Avenues that a REIT can pursue include:

- **Renegotiation** – Mentioned in the financial press as "pretend and extend," current loan terms can be extended and/or payments can be deferred or reduced, all allowing for a loan to stay current with the hope that the property's operating results will improve.
- **Restructure** – The entire loan may be restructured with the forgiveness of some of the outstanding balance, the splitting of the loan into A (Good) and B (Bad) pieces with the expectation that the A is healthy and the B may survive, or even the selling of the mortgage note back to the borrower at a discount.



- **Strategic Default** – The vagaries of the commercial mortgage backed securities (CMBS) loan-servicing provisions can force a REIT to place a current loan into default in order to initiate a renegotiation or restructure.
- **Foreclosure** – If the avenues above cannot be followed, the lender can enforce its legal remedies and foreclose on the property.
- **Deed in Lieu of Foreclosure** – Sometimes reported by REITs as a disposition, a deed in lieu of foreclosure is a negotiated delivery of the property to a lender. This route is beneficial to both parties and can provide for continued good lending relationships, even if the property has been turned over to the lender.
- **Short Sale** – An actual disposition does occur in this instance. The lender allows a sale for a price lower than its outstanding loan balance. Again, a potentially beneficial result for both parties, as the lender doesn't need to incur the cost and legal hassles of foreclosure, and the REIT can avoid the indignity of a public foreclosure.

While not comprehensive, the above list covers a variety of ways that a REIT can deal with debt related issues within its portfolio. Among nontraded REITs, the companies most impacted are those that did the majority of their acquisitions and borrowing from 2005 through 2007. Typically they are in the “Mature” closed stage or “Stabilizing” effective stage if still capital raising.

Over the next two years, over \$250 billion of CMBS debt will mature. When coupled with a record level of CMBS defaults already being recorded, this upcoming period will be critical for any REIT that has CMBS debt maturity exposure combined with weakness in the underlying property within its portfolio.

## New Product Offering

An exciting new entry into the nontraded REIT field is Clarion Property Trust, Inc., a new offering from pension fund advisor, Clarion Partners. Targeted at fee-based advisors and possibly the 401(k) market, the REIT attempts to solve traditional nontraded REIT issues of liquidity and valuation by providing daily redemptions and daily valuations. The REIT will be offered through ING Investments. Significantly lowered front-end fees are included as are some new twists in ongoing fee structures.

This is the first nontraded REIT of this type to be declared effective by the SEC. Several prominent players have started efforts to create similar product offerings, including Fidelity Investments, Wells Real Estate Funds, and Merrill Lynch without successfully bringing them to completion. It is expected that this new format will be closely watched by the industry and, if successful, could open the doors to new avenues of capital raising.

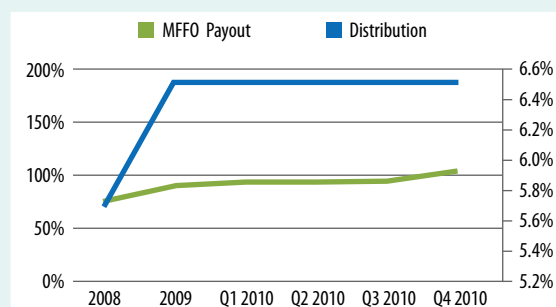
## Corrections:

We would like to point out two corrections to charts that were printed in the Fourth Quarter 2010 Premium Report. They are as follows:

### KBS Real Estate Investment Trust II, Inc.

As previously disclosed, due to differences in the way the nine-month MFFO figure was calculated relative to the 12-month calculation, the chart labeled “MFFO Payout to Distribution Yield” and printed on page 21 of the premium content report, should have reflected a fourth quarter MFFO Payout Ratio of 104% versus the charted 161%. For your convenience, we have updated and printed the corrected chart below. Please note that this correction does not impact the year-to-date MFFO payout ratio for this REIT, nor does it affect the ranking for the year-to-date MFFO payout ratio.

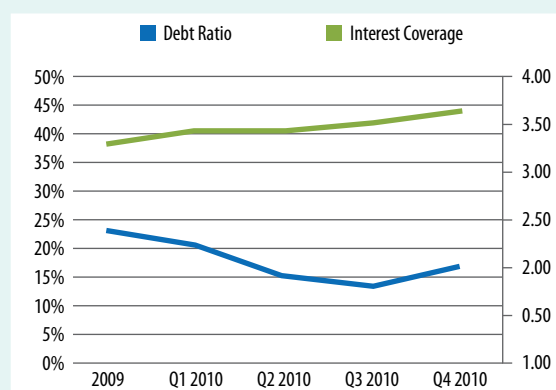
MFFO Payout Ratio to Distribution



### Wells Real Estate Investment Trust II, Inc.

On page 23 of the premium content report, the chart labeled “Debt to Interest Coverage” reflected an incorrect color key. For your reference and convenience, we have updated and printed the corrected chart below.

Debt Ratio to Interest Coverage Ratio



## Valuation: What are Non-traded REIT shares worth?

Asset valuation is the foundation of the investment management process. Without a clear idea of what your investments are worth, it's tough to make meaningful decisions about asset allocation, portfolio rebalancing, risk control, and manager evaluation.

Illiquid investments, like nontraded REITs, present challenges in determining value, especially given the long-term, fixed \$10 share price. Nontraded REITs' estimated share valuations can give advisors insight into performance and also help identify adjustments, if any, to ongoing participation in Dividend Reinvestment Programs. These valuations can also provide fresh insight for the more liquid components of a client's investment portfolio given the non-traded REIT's current status and the client's risk tolerance.

### The arbitrary \$10 share price

A key feature of nontraded REITs is shares sold at par value — typically \$10. Nontraded REIT prospectuses contain similar language about the arbitrary nature of how the share offering price was determined:

*The offering price of the shares was not established on an independent basis and bears no relationship to the net value of our assets. The offering price is likely to be higher than the amount you would receive per share if we were to liquidate at this time because of the upfront fees that we pay in connection with the issuance of our shares. Further, the offering price may be significantly more than the price at which the shares would trade if they were to be listed on an exchange or actively traded by broker/dealers.*

In other words, the \$10 share price does not reflect the true value of the properties nor the quality of the property portfolio. So it's hard to know how much the shares are really worth until the company decides to list or sell its assets.

### FINRA weighs in

In the past, the fixed share price could stretch on well after the closing of an offering — often at the REIT's discretion as to when to revalue the shares. But the Financial Industry Regulatory Authority (FINRA) clarified valuation rules for nontraded REITs in February 2009. FINRA Regulatory Notice 09-09 requires nontraded REITs to conduct an appraisal of their assets and operations within 18 months after closing to new shareholders, in order to supply broker/dealers with estimated per-share values for investors' customer account statements. Nontraded REITs are also required to issue a new share estimate every subsequent 18 months.

In the wake of the FINRA pronouncement, some nontraded REITs significantly lowered the value of their shares, reflecting the economic reality of a deep recession and the cyclical nature of the real estate industry. A few nontraded REITs, with portfolios that predate the real estate boom, reported share values north of \$10 per share.

### How share values are estimated

Keep in mind that FINRA 09-09 does not require a specific valuation methodology for nontraded REITs. Every valuation methodology lacks precision, and each REIT may not have the same approach, assumptions, or inputs. The 11 non-traded REITs that we reviewed with estimated per-share values had similar language addressing the limitations:

*The methodologies used to determine the estimated value per share were based upon a number of assumptions, estimates, and judgments that may not be accurate or complete. Further, different parties using different property-specific and general real estate and capital market assumptions, estimates, judgments, and standards could derive a different estimated value per share, which could be significantly different from the estimated value per share determined by our board of directors.*

Some of the REITs employed outside consultants; others have hired investment bankers; and yet others determined the estimated share value internally. Regardless, all depend upon information provided by the sponsor.

And even when a specific approach is mentioned — for instance, discounted cash flow analysis — the details are in short supply. Some REITs indicated that they did not include a liquidity discount in their calculations in order to account for the fact that the shares are not currently traded. Or they ignored additional adjustments for assets and debts. Others were quiet on those issues.

In other words, the valuation price is not necessarily the amount an investor would receive upon the REIT's listing on an exchange or liquidation. Plus, the estimated share valuation can go up or down, depending on market and portfolio conditions. And the changes in underlying property values can also shift leverage ratios for a nontraded REIT, affecting its risk profile.

Estimated share valuations may seem too much, too little, too late, given that these nontraded REITs are closed, often with limited or even suspended redemption programs. But these interim valuations are important tools for advisors and investors to revisit their original asset allocation strategy and can also serve as a checkup on a nontraded REIT's performance until it is listed on an exchange or liquidated. Estimated share valuations highlight the investment risks outlined in each prospectus and bring new focus to clients' risk tolerance for nontraded REIT products.





American Realty Capital Trust became effective in 2008 and was formed to acquire a diversified portfolio of single-tenant net-leased properties located throughout the United States and Puerto Rico. As of the end of the first quarter, the REIT had \$1.3 billion in assets with 318 properties totaling 8.2 million square feet. In August 2010, the REIT extended its offering closing date to July 25, 2011. The REIT is in the Stabilization stage compared to other effective REITs, which is marked by the distinct formation of the REIT's investment premise and stabilization of operating metrics. In May 2011, the REIT announced it engaged Goldman Sachs & Co. as its investment banker to assess liquidity alternatives in line with the close of its offering. In addition, the REIT was assigned a Ba3 issuer rating (below-investment grade) by Moody's with a stable outlook.

## Key Highlights

- Starting in 2010 and continuing into the first quarter of 2011, capital raise has accelerated.
- \$392.8 million of acquisitions in 60 properties were completed in the first three months of 2011.
- Of the \$11.1 million distributions paid in 1Q 2011, \$6.2 million were paid in cash; the remaining \$4.9 million were reinvested pursuant to the DRP. Of the \$6.2 million cash distributions, \$3.4 million were funded from cash flows from operations (defined in accordance with GAAP), which include the impact of expensing acquisition and related transaction costs as incurred of \$7.1 million; and \$2.8 million of the cash distributions were funded from offering proceeds.

## Capital Raise/Capital Stack Review

- Capital raise – \$255.5 million was raised in the first quarter of 2011 in addition to \$460 million raised in 2010.
- Cash on hand – despite its accelerating capital raise pace, the REIT has maintained a below median cash ratio of 1.5%.

## Metrics

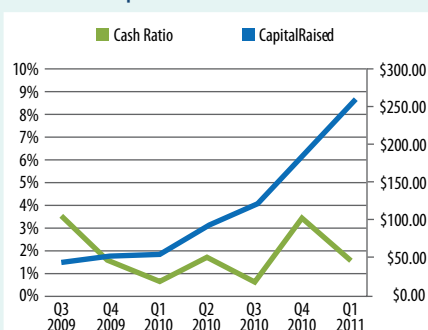
- Distribution rate – During the second quarter of 2010, the REIT increased its distribution to 7.0% from 6.7%.
- MFFO Payout Ratio – Over the last several quarters, the REIT has had a much better than median payout ratio. Starting with the increase in the distribution rate, the

- payout ratio has increased modestly to the current 100%.
- Waived Fees – the advisor and property manager have waived fees totaling \$2.3 million for the three-month period ended March 31, 2011, contributing to payout ratio. On June 7, 2011, the Company stated that it will no longer pre-pay asset management fees.
- Interest Coverage Ratio and Debt Ratio – As the debt ratio has fallen to its current 42.7%, the interest coverage ratio has shown a commensurate improvement to 2.9X EBITDA.

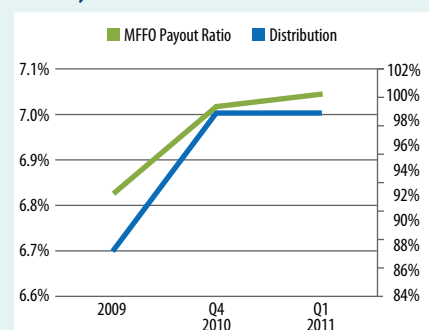
## Real Estate

- Acquisitions – 60 properties were acquired in the first quarter totaling \$392.8 million with an additional \$63 million in 11 properties completed through May 6, 2011. Notable acquisitions include:
  - Acquired six Dollar General stores for \$5.2 million at an 8.8% cap rate in March 2011 and closed on nine Walgreens for \$54.5 million at a 6.9% cap rate, reflecting the difference in credit of the tenants.
  - The largest single asset acquisition of the quarter was a 650,000-square-foot distribution facility leased to 3M for 10 years for \$44.8 million (\$69/SF) at a 7.4% cap rate.
  - In 2010, acquired two distribution facilities totaling 1.46 million square feet for \$70.2 million (\$48/SF) with an average remaining term of over 15 years.
- Cap Rate – The average acquisition cap rate for the REIT has been 8.21% only down slightly after the acquisitions completed in the first quarter despite significantly increased pricing competition in the net-leased retail sector.
- The first quarter acquisitions had a range of cap rates from 6.74% to 9.84%.
- Lease Expirations – The portfolio is currently leased at 100%. Limited lease rollover exposure exists until 2018, with an average lease term of 14.8 years.
- Dispositions – One sale of a property occurred in 1Q2011 for \$680,000.
- Debt – 100% of the REIT's debt is in fixed instruments, reducing future interest rate risk.
- Diversification – As measured by gross annualized rental revenues, the REIT has 75.5% of its holdings in investment-grade (BBB- or better) tenants, an increase from 73% at year-end.

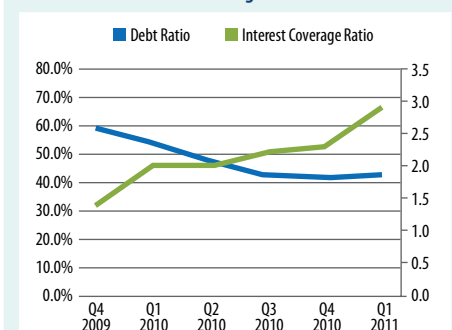
Cash Ratio to Capital Raised



MFFO Payout Ratio to Distribution



Debt Ratio to Interest Coverage Ratio





Behringer Harvard Opportunity REIT I became effective in 2005 and was formed to acquire commercial real estate and real estate-related assets on an opportunistic basis located in and outside the United States. The REIT targeted investments with a high potential for capital appreciation as opposed to concentrating on current income. As of the end of the first quarter, the REIT had \$682.1 million in 22 assets. Valuation of shares stands at \$7.66 per share in 1Q2011, down from \$8.03 in the previous quarter.

The REIT closed to new investments in 2007 and is in the List or Liquidate stage of closed REITs, which is characterized by either preparation for a listing on a public exchange or the orderly liquidation of the portfolio. The REIT also disclosed that it has entered the disposition phase of its life which it expects to complete in phases. No definitive end date has been stated. The REIT has struggled with debt maturities and property performance as a result of the economic downturn. Several loans that mature in 2011 are in the process of being restructured or replaced. In addition, other solutions including more expensive bridge loans and borrowing facilities are being utilized, including a \$10.4 million loan for up to 5 years at 15% per year on the Royal Island project in the Bahamas.

## Key Highlights

- Future, regular, quarterly distributions were discontinued March 28, 2011, in favor of distribution of proceeds from the sale of assets. The board also suspended the share redemption program in January 2011.

## Capital Stack Review

- Debt – 91% of the REIT's debt is variable rate, and 93.1% of the total debt matures by the end of 2013.
- Loan Activity – The Becket House loan matured in March 2011 and was restructured into A, B, and Junior loans that mature in December 2012. The Advisor provided a two-year, \$2.5 million loan at 5% interest during the first quarter to bridge short-term liquidity needs of which \$1.5 million has been advanced as of March 31, 2011. Seven property loans and the Senior Secured Revolving Credit facility mature this year.
- Cash on hand – The REIT has maintained a small portion of cash at 0.9% of total assets.

## Metrics

- Distribution – The 1Q2011 declared distribution remained consistent with the prior 4 quarters at an annualized rate of

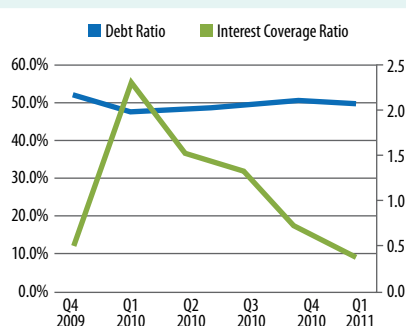
1.0% of the original \$10 share price. It is 1.3% on the current share valuation.

- Distribution Source – Cash flow from operating activities have not been sufficient to fund distributions. Some distributions for 2010 and 2011 have been funded by borrowings and by the Advisor deferring fees and expense reimbursements.
- MFFO Payout Ratio – Was negative or not meaningful at the end of 1Q2011, and has been highly volatile, reflecting the struggling operations of its properties.
- Fee Waivers and Deferrals – The Advisor deferred asset management, debt fees, and expense reimbursements from a portion of 2010 and 1Q2011 until the earlier of January 2013 and the date that the REIT has sufficient net sales proceeds, net refinancing proceeds or cash flow from operations after establishing appropriate working capital reserves to repay the deferred fees and cost reimbursements. In addition, BH Property Management deferred property management oversight fees for a similar period. Total deferred fees as of the end of the first quarter were \$3 million.
- Interest Coverage Ratio – Has steadily fallen to a current 0.9X EBITDA in 1Q2011 due to falling EBITDA and rising interest expense.
- Impairments – The REIT took an impairment of \$3.6 million on an office property in Houston in 1Q2011 and \$27.2 million in 2010 on four office buildings, an equity investment in an island development, and a hotel. In addition, loan loss reserves of \$11.1 million were recognized on a mezzanine loan made with Alexan Black Mountain, a multifamily project in Nevada.

## Real Estate

- Acquisitions – None.
- Lease Expirations – While there are limited lease expirations in 2011 and 2012, a total of 35% of the portfolio expires in 2013 and 2014.
- Dispositions – A tract of land was sold for \$6 million in 1Q2011, and a student housing project was sold for \$45.5 million in 2010 with proceeds of \$8.8 million coming to the REIT for its 50% equity interest.
- Deed in Lieu of Foreclosure – Ferncroft Corporate Center, a 226,000-square-foot office building in Massachusetts was relinquished to the lender in 2010.
- Diversification – The portfolio is highly concentrated in Texas, California and Colorado, with 71%, 14%, and 13%, respectively.

Debt Ratio to Interest Coverage Ratio



Historical Price





Cole Credit Property Trust II became effective in 2005 and was formed to acquire free-standing, single-tenant, retail properties net-leased to investment-grade tenants located throughout the United States. As of the end of the first quarter, the REIT had approximately \$3.4 billion in assets in 727 properties totaling 20.7 million square feet plus 69 mortgage receivables; four 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. The REIT is in the Mature stage of closed REITs, which is characterized by a refinement of the portfolio through dispositions, targeted acquisitions, and debt. Valuation of shares commenced in 2010 and now stands at \$8.05 per share. The REIT has a list or liquidate date of May 22, 2017.

## Key Highlights

- The redemption program that had been suspended in 2009 was reinstated in 2010.
- In line with the Mature stage of the REIT, both acquisitions and dispositions occurred as the REIT began to refine its portfolio.

## Capital Stack Review

- Debt – The 49.9% debt-to-total assets is primarily concentrated (97%) in fixed-rate debt.
- Cash on hand – The REIT has maintained a small portion of cash on hand at 1% of total assets, demonstrating an efficient use of its capital.

## Metrics

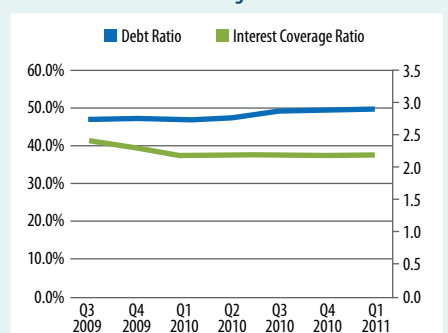
- Distribution – The current distribution yield has remained steady at 6.25% of the original \$10 share price. It is 7.76% on the current share valuation.
- Distribution source – \$26.1 million from operating activities, \$1 million from the return of capital from unconsolidated joint ventures, and \$5.1 million from the sale of marketable securities.
- MFFO Payout Ratio – Stood at 111% at the end of 1Q2011 — better than the median for closed REITs.

- Interest Coverage Ratio – Remains steady at 2.2x EBITDA.
- Impairments – The REIT took an impairment on one property in its portfolio of \$4.5 million in 2010.

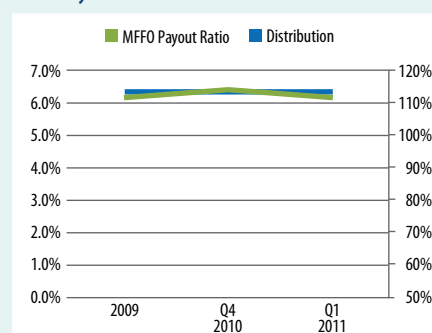
## Real Estate

- Acquisitions – During the the first three months of 2011, the REIT purchased two properties for \$8.7 million plus committed to purchasing \$57.2 million in 18 properties. In 2010, \$107.5 million of acquisitions were completed. Portfolios of Advanced Auto Parts stores, Childtime Childcare facilities, and CVS Pharmacies were purchased.
- Lease Expirations – The REIT’s tenants have an average lease term of 11.1 years. The portfolio is currently leased at 95%, up slightly from year-end 2010.
- Revenue – Rental revenue declined 1% on a same-store (or similar property types) basis in 2010 due to a decline in occupancy from 99% to 94% during the year.
- Dispositions – No property dispositions occurred in the first quarter; however, two CMBS bonds were sold for \$20.2 million, resulting in a gain of \$7.9 million.
- Diversification – As of year-end 2010, the REIT’s top industry sectors measured by gross annualized rental revenue were specialty retail, drugstore, and restaurant, at 18%, 16% and 13%, respectively. Geographically, the largest concentrations exist in Texas and Florida at 16% and 10%, respectively.

Debt Ratio to Interest Coverage Ratio



MFFO Payout Ratio to Distribution





Cole Credit Property Trust III became effective in 2008, and was formed to acquire core commercial real estate consisting primarily of necessity retail properties located throughout the United States. As of the end of the first quarter, the REIT had \$3.6 billion in assets with 470 properties totaling 19.9 million square feet. The REIT commenced a follow-on offering in September 2010 of 275 million shares at a price of \$10.00 per share. As such, the REIT is in the Stabilization stage of effective REITs, which is marked by the distinct formation of the REIT's investment premise and stabilization of operating metrics.

### Key Highlights

- After increasing the distribution rate to 7% in the second quarter of 2010, the REIT reduced the rate to 6.5% in 1Q2011.
- A follow-on offering began in September 2010 with \$306 million capital raised in 1Q2011.
- \$329.9 million of acquisitions in 23 properties were completed in the first quarter of 2011 with an additional commitment to purchase 30 retail centers for \$134.5 million being executed in the quarter.

### Capital Raise/Capital Stack Review

- Capital raise – \$306 million raised in the first quarter down slightly from the \$378 million quarterly average in 2010.
- Cash on hand – The REIT has maintained a below median cash ratio of 3.0% despite its strong capital raise pace.

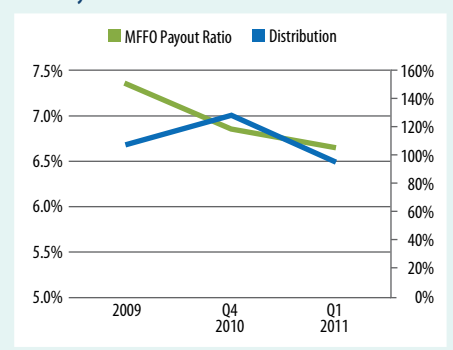
### Metrics

- MFFO Payout Ratio – In response to the lowering of the distribution to 6.5% and deploying cash for acquisitions, the REIT's payout ratio declined to 108%.
- Interest Coverage Ratio and Debt Ratio – With a coverage ratio of 3.9x EBITDA and debt ratio of 32%, the REIT is comfortably positioned for its stage. Debt ratios and interest coverage usually have an inverse relationship; one rises as the other falls in a steady interest rate environment, as is shown in the graph.

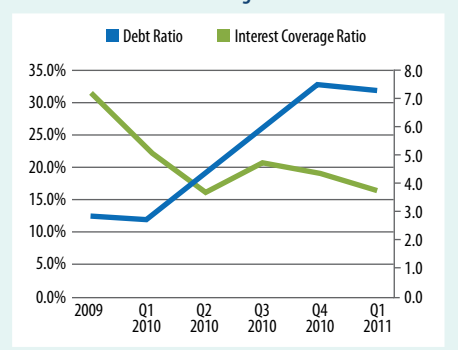
### Real Estate

- Acquisitions – Noteworthy among the \$329.9 million in first quarter acquisitions was the 20-year sale/leaseback transaction with Apollo Group/University of Phoenix on three office buildings in Phoenix totaling 600,000 square feet for \$170 million.
- Acquisition Scope – In addition to adding office to its investment mix, the REIT has invested \$134 million in industrial properties, some located in tertiary markets, drawn by higher cap rates.
- Lease Expirations – Limited lease rollover exposure exists through 2020, with an average lease term of 15.3 years. The portfolio is currently leased at 99.4%
- Dispositions – No dispositions have occurred.
- Debt – The vast majority of the REIT's debt is in fixed instruments, removing future interest rate risk.
- Diversification – As measured by gross annualized rental revenues, the REIT has 22% of its holdings located in Texas. In addition, its largest industry concentrations are in drugstore, grocery store and specialty retail industries at 14%, 12%, and 12%, respectively.

MFFO Payout Ratio to Distribution



Debt Ratio to Interest Coverage Ratio





Inland American Real Estate Trust became effective in 2005 and was formed to acquire a diversified portfolio of commercial real estate including retail, multifamily, industrial, lodging and office properties located throughout the United States. As of the end of the first quarter, the REIT had \$11.2 billion in assets with 983 properties in five commercial segments. The REIT is in the Mature stage of closed REITs, which is characterized by a refinement of the portfolio through dispositions, targeted acquisitions, and debt. Valuation of shares commenced in 2010 and now stands at \$8.03 per share.

As a diversified REIT, Inland American has invested in a broad selection of property types and geographic locations. The largest property type segment for the REIT is retail in terms of number of assets, square footage and investment value. The REIT has been impacted by the overall downturn in the real estate industry that has been reflected in declines in its share price and distribution. The impact has been softened by the portfolio's segment diversification as lodging and multifamily have recovered more quickly than other segments.

## Key Highlights

- The REIT's diversification across five property segments has provided some protection from revenue fluctuations within the portfolio.
- Significant acquisitions and dispositions have occurred reflecting the REIT's stage and the refinement of its portfolio.

## Capital Stack Review

- Debt – With an almost 49% debt ratio, the REIT is at the median level with other nontraded REITs. The REIT's debt is distributed 69% fixed and 31% variable rate, providing modest exposure to future interest rate fluctuations. 40% of the REIT's debt will mature by 2013, also providing some refinance and interest rate risk to the portfolio.
- Cash on hand – The REIT has continued the trend of reducing cash on hand with 1Q2010 level at 1.3% of total assets.

## Metrics

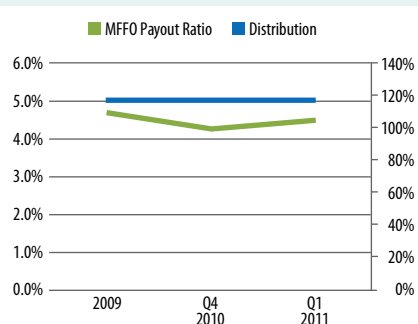
- Distribution – The current distribution has remained steady at 5% of the original \$10 share price. It is 6.2% on the current share valuation.

- MFFO Payout Ratio – Stood at 106% at the end of 1Q2011, and has been trending higher, reflecting revenue declines in the commercial segments of the portfolio.
- Interest Coverage Ratio – Has declined slightly at 1.9x EBITDA after remaining steady at 2.1x EBITDA for the past 5 quarters and declined slightly to 1.9x in 1Q2011, reflecting modest revenue shrinkage.
- Impairments – The REIT took an impairment (or loss) of \$46.6 million on six properties in 2010 and an additional impairment of \$27.9 million in 1Q2011 to reduce the value of six hotel and two retail properties.

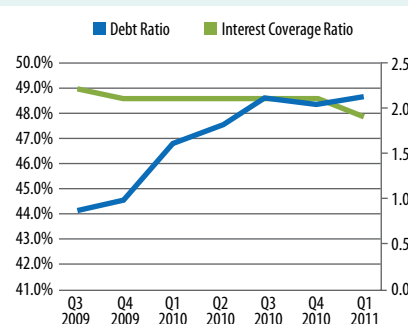
## Real Estate

- Acquisitions – During the first three months of 2011, the REIT purchased two properties for \$64.1 million. In 2010, \$897 million of acquisitions were completed. Notable acquisitions include:
  - In 1Q2010, purchased Sparks Crossing, a 336,000-square-foot shopping center for \$38.6 million (\$115/SF)
  - 3.5-million-square-foot retail portfolio of 16 properties totaling \$424 million (\$121/SF).
  - A four hotel lodging portfolio for \$80 million from fellow nontraded REIT sponsor, Moody National.
- Lease Expirations – 58% of the REIT's tenants (excluding lodging or multifamily) have lease expirations in 2015 or later.
- Revenue – Same-store revenue declined in 2010 in three of the five segments. Industrial, Office, and Retail showed declines, while Lodging and Multifamily showed increases mirroring the general trends in U.S. commercial real estate. Similar results occurred in 1Q2011.
- Dispositions – \$309 million in dispositions occurred in 2010, including six hotels, four office, and four multifamily properties, with \$55 million in gains being achieved.
- Diversification – As of year-end 2010, the REIT's top industry sectors measured by gross annualized rental revenue were specialty retail, drugstore, and restaurant at 18%, 16%, and 13%, respectively. Geographically, the largest concentrations exist in Texas and Florida at 16% and 10%, respectively. Continued weakness in restaurant and specialty retail sectors could present credit exposure to the portfolio.

MFFO Payout Ratio to Distribution



Debt Ratio to Interest Coverage Ratio







Inland Western Real Estate Trust became effective in 2003 and was formed to acquire and manage primarily multi-tenant shopping centers and single-user net-lease properties located throughout the United States. As of the end of the first quarter, the REIT had \$6.2 billion in assets with 282 properties totaling 42.2 million square feet. The REIT is in the List or Liquidate stage of closed REITs, which is characterized by the positioning of the REIT for sale or listing on a public exchange. Management of the REIT was internalized in November 2007. Valuation of shares commenced in 2008. As of December 31, 2008, the board of directors estimated the ERISA value of shares of Inland Western at \$8.50 per share — down from the original offering price of fixed \$10 per share. The estimated value now stands at \$6.85 per share. The REIT has projected that it will list on a national exchange within the next 12 months.

As a fully mature REIT in a turbulent economy, Inland Western is dealing with issues that are different from many newer REITs. Bankruptcy of tenants has increased the need for re-leasing space. Properties have been sold, deed in lieu of foreclosure allowed, and strategic defaults have been used to handle debt maturities in a difficult lending environment. These issues have also been reflected in the lower distribution rate and share price, as well as the weaker operating metrics of the REIT. Inland Western has continued to sell non-essential properties to focus the portfolio on shopping centers, which will bode well as it prepares to list its shares.

## Key Highlights

- One of only two nontraded REITs with fully internalized management teams.
- The REIT has filed a registration statement with the SEC to list its shares on a national exchange.

## Capital Stack Review

- Debt – Is higher than median at 58.9%, with over 43% maturing by the end of 2013, exposing the REIT to renewal risk, capital needs, and potential interest rate risk.
- Default – The REIT was in default on \$76 million of mortgage loans on seven properties as of year-end 2010. As of March 31, 2011, the REIT remained in default on \$73 million worth of mortgage loans with an additional \$30 million loan that was projected to be in default during the second quarter of 2011.

- Cash on hand – The REIT has maintained a small portion of cash on hand at 1.6% of total assets.

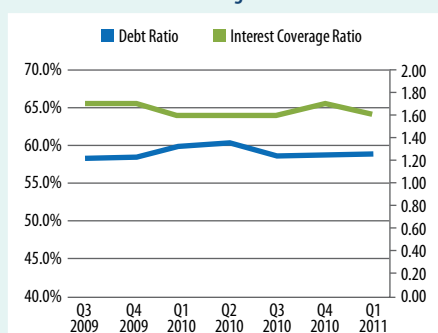
## Metrics

- Distribution – The current distribution has steadily increased over the last six quarters and currently stands at 2.375% of the original \$10 share price. It is 3.47% on the current share valuation.
- MFFO Payout Ratio – Stood at 76% at the end of 1Q2011, which is in line with current traded REITs
- Interest Coverage Ratio – Is at 1.6X EBITDA and has remained steady over the last 6 quarters.
- Impairments – In 1Q2011, the REIT recorded an impairment of \$30 million on an office property in Winston-Salem. \$23 million in impairments were recorded in 2010 on seven retail properties.

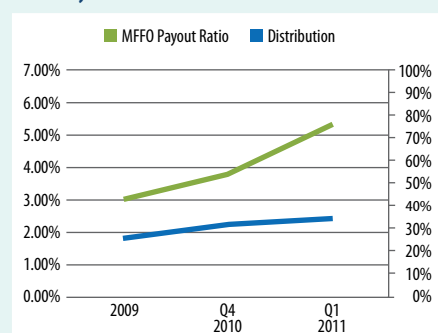
## Real Estate

- Acquisitions – No acquisitions were made in 1Q2011 or in 2010.
- Lease Expirations – The REIT's tenants have an average lease term of ten years. The portfolio is currently leased at 88.5% down slightly from year-end 2010. National shopping center vacancy rates ended 2010 at 10.7% according to ChainLinks.
- Revenue – 1Q2011 same-store revenue increased slightly over the same period last year and reversed a two-year trend of declining results.
- Borders Bankruptcy – At the time of Borders bankruptcy, the tenant occupied 10 centers. Borders closed five stores totaling 115,000 square feet that Inland will need to replace.
- Dispositions – Two properties were sold in 1Q2011, totaling \$22.8 million with a gain of \$3.4 million. In 2010, eight properties (two office, five single-user retail and one medical center) were sold totaling \$104.6 million and resulted in a gain of \$23.8 million. Included was a deed in lieu of foreclosure on a 382,600-square-foot office building. Of the \$23.8 million in gain, \$19.8 million resulted from giving the property back to the lender.
- Diversification – The portfolio is well-balanced geographically, and no tenant comprises more than 4% of the portfolio. The REIT plans to continue to dispose of non-retail properties to concentrate ownership in shopping centers in the portfolio.

Debt Ratio to Interest Coverage Ratio



MFFO Payout Ratio to Distribution





Lightstone Value Plus Real Estate Investment Trust became effective in 2005 and was formed to acquire and operate commercial, residential, and hospitality properties, principally in the United States. As of the end of the first quarter, the REIT had \$552.9 million in assets in 31 properties. The REIT is in the Mature stage of closed REITs, which is characterized by a refinement of the portfolio through dispositions, targeted acquisitions, and debt. Valuation of shares stands at \$9.80 per share, down slightly from \$9.97 at midyear 2010.

The REIT's portfolio is diversified into retail (primarily multi-tenant shopping centers), industrial, multifamily (Class B complexes), and hotel (primarily extended-stay) properties and holdings of real estate-related securities. Due to the more modest quality of the properties in the portfolio, they have been affected more substantially by the economic downturn. The REIT has experienced the loss of four properties to foreclosure and continues to be challenged in the occupancy of the majority of its commercial investments. Multifamily and hotel properties are beginning to show better occupancy results.

### Key Highlights

- 45% of the REIT's assets are held in real estate-related securities as of 1Q2011.
- This is the only nontraded REIT whereby upfront sales commissions were subsidized by the product sponsor.
- In line with the Mature stage of the REIT, both acquisitions and dispositions occurred as the REIT began to refine its portfolio.

### Capital Stack Review

- Debt – Dispositions and foreclosures brought the debt ratio down from 52.5% to 37.8% at year-end 2010. Subsequent financings have increased the ratio to 42.1% at 1Q2011.
- Cash on hand – stood at 2.4% of total assets as of 1Q2011 — below the median for closed REITs.

### Metrics

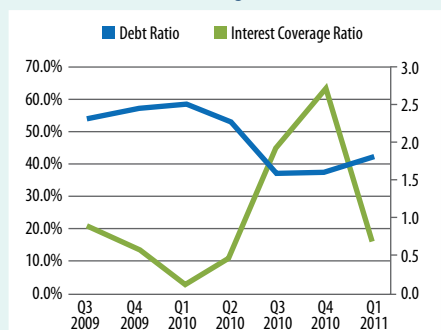
- Distribution – The current distribution yield has remained steady at 7.0% of the original \$10 share price. It is 7.14% on the current share valuation.

- Distribution source – \$2.4 million from operating activities, \$1.2 million from investments in affiliates and excess cash, and \$1.9 million from DRP proceeds.
- MFFO Payout Ratio – Stood at 142% at the end of 1Q2011, higher than the median for closed REITs.
- Interest Coverage Ratio – Fell to only 0.7X EBITDA as a result of a large decline in quarterly EBITDA and an increase in interest expense.
- Impairment – An impairment of \$1.2 million was recorded on a shopping center asset during 2010.
- Foreclosures – During 2010, the REIT defaulted on the debt on three multifamily properties, resulting in the lender foreclosing on the properties. A gain from the forgiven debt of \$19.9 million was generated.

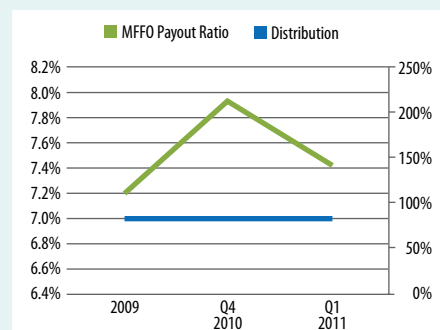
### Real Estate

- Acquisitions – In 2010, acquired Everson Pointe in Snellville, Georgia, a 81,428-square-foot grocery-anchored shopping center for \$8.8 million (\$108/SF). In 1Q211, acquired a partial interest of a \$101 million hotel and water park in Boston, in partnership with Lightstone Value Plus Real Estate Investment Trust II.
- Investments – \$210 million in securities, primarily collateralized mortgage obligations were invested in 2010, coming substantially from the proceeds of the disposition below.
- Dispositions – A \$266 million portfolio of properties and partial ownership interests were sold to Simon Properties in return for cash and OP units. Affiliates of the Sponsor were involved in selling their ownership interests as well.
- Lease Expirations – No expiration information was disclosed.
- Occupancy – At 1Q2011, occupancy of the property segments were 83.7%, 74.8%, 92.2%, 67.7%, and 78.6% for the retail, industrial, multifamily, hotel, and office properties respectively.
- Revenue – 1Q2011 saw mixed improvement in same-store revenue with gains in multifamily and lodging being somewhat offset by slight losses in industrial and retail. Same store revenue declined across all property segments during 2010.
- Diversification – The portfolio consists of four retail, 15 industrial, one office, six multifamily, and two hotel properties.

Debt Ratio to Interest Coverage Ratio



MFFO Payout Ratio to Distribution





Phillips Edison – ARC Shopping Center REIT was formed in 2010 to invest primarily in necessity-based neighborhood and community shopping centers throughout the United States with a focus on well-located grocery-anchored shopping centers that are well-occupied at the time of purchase and typically cost less than \$20.0 million per property. The REIT owned two assets as of March 31, 2011 totaling 182,500 square feet and had total assets under management of \$21.9 million. The REIT is in the Emerging Stage of effective REITs, which is typically characterized by above average levels of variable debt, not meaningful distribution payout ratios, and limited diversification.

### Key Highlights

- After becoming effective in August 2010, the REIT broke escrow within 30 days, raising \$3.3 million.
- The REIT has raised a total of \$10.2 million and acquired \$21.9 million in assets.
- Distribution Payout Source – Distributions were funded from advances from the Sub-advisor and cash generated from operations.

### Capital Raise/Capital Stack Review

- Capital Raised – \$ 10.2 million has been raised by the REIT since its inception in 2010 and is part of Realty Capital Securities' list of product offerings.
- Debt – Short-term variable-rate third-party debt was utilized to purchase the two assets with the debt maturing in 2012. Included was a \$1.5 million bridge loan from its sub-advisor, Phillips Edison NTR, LLC. The loan was repaid in February 2011.
- Cash-to-Total-Assets Ratio – The REIT has a below median 1.3% Cash ratio which indicates an efficient use of capital, especially for this Stage.

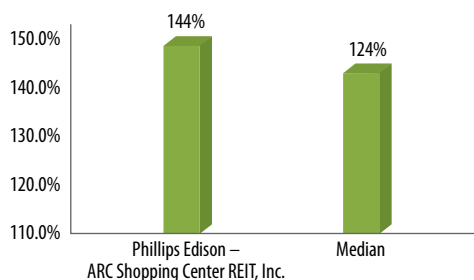
### Metrics

- MFFO Payout is above average when compared to the median for all nontraded REITs currently raising capital.
- Interest coverage of 1.3x EBITDA is in line with REITs at this stage, as is the 51% debt ratio at the end of the first quarter.
- Distribution percentage is 6.5% based upon a \$10.00 per share price.

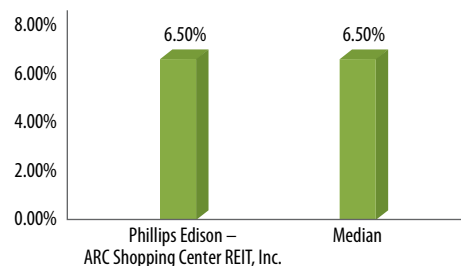
### Real Estate

- Fundamentals – The REIT owns two grocery-anchored shopping centers with a combined occupancy of 98%.
- Acquisitions – Two acquisitions were completed in December 2010 at median market pricing:
  - the 82,033-square-foot Lakeside Plaza grocery-anchored shopping center in Salem, Virginia (as suburb of Roanoke), for \$9.8 million (\$119/SF). It is a 99% occupied, Kroger and CVS anchored shopping center with only 2.4 years weighted average lease term remaining at acquisition.
  - Snow View Plaza, a 100,460-square-foot grocery-anchored shopping center located in Parma, Ohio (Cleveland), for \$12.3 million (\$122/SF). The 98% leased center is anchored by Giant Eagle grocery store with a weighted-average remaining lease term for all tenants of 5.2 years.

Current MFFO Payout Ratio to Median



Current Distribution Yield to Median





TNP Strategic Retail Trust became effective in 2009 and was formed to invest in retail properties primarily located in the Western United States. The REIT has \$70.1 million in total assets invested in five properties totaling 500,700 square feet. The REIT is in the Emerging Stage of effective REITs, which is characterized by highly variable debt and cash levels, not meaningful distribution payout ratios, and limited diversification. The slow pace of capital raising has kept the REIT in the Emerging stage longer than normal. Its offering is anticipated to close in August 2012.

## Key Highlights

- Since becoming effective in 2009, the REIT has raised \$27.5 million and acquired \$66.1 million in five properties.
- The distribution rate was raised to 7.0% from 6.75% during 2010.
- In the first half of 2011, both the CFO of the REIT and the Chairman of the Audit Committee resigned. Both positions have been replaced.

## Capital Raise/Capital Stack Review

- Capital Raised – After steadily increasing through the first three quarters of 2010 to a high of \$6.4 million during the third quarter, capital raising pace has fallen to \$3.9 million during the first quarter of 2011.
- Debt – Approximately 46% of the outstanding debt is short-term variable-rate mortgages under the line of credit facility. A portion of the line of credit has been guaranteed by the sponsor, Thompson National Properties, plus Anthony Thompson and the AWT Family LP.
- Cash-to-Total-Assets Ratio – The REIT currently has a below median 2.5% cash ratio but has experienced large fluctuations that are typical for Emerging REITs.

## Metrics

- MFFO Payout metrics are not meaningful at this early stage of the REIT.
- Interest coverage of 0.9X EBITDA is below the median, and a 68.2% debt ratio is above the median of other nontraded REITs at the end of the first quarter. They

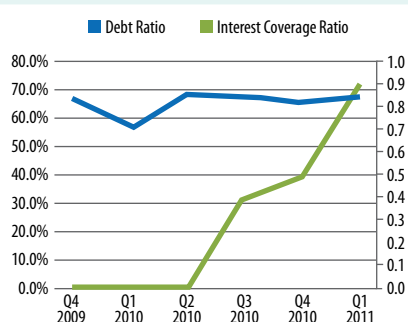
reflect the relatively low capital raise pace that is typical of Emerging REITs.

- Distribution Payout Source – distributions were funded from proceeds of the initial public offering.

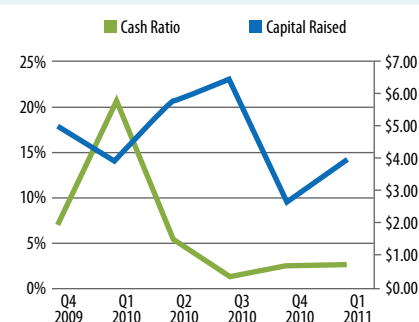
## Real Estate

- Fundamentals – The portfolio consists of five Class B anchored shopping centers with an overall occupancy of 82%, compared to a national market average of 89.3%, per ChainLink. Lease expirations are evenly spaced across the portfolio.
- Acquisitions – In 1Q2011, the REIT acquired the Craig Promenade, a 91,750-square-foot, 77.5% occupied, necessity shopping center plus vacant land in Las Vegas anchored by Big Lots for \$12,800,000 (\$140/SF). Three retail properties were purchased in 2010 for a total of \$40.8 million (\$124/SF). Of note:
  - The 56,473-square-foot, San Jacinto Esplanade Shopping Center was acquired for \$7.1 million (\$125/SF). It is anchored by a Fresh & Easy Neighborhood Market and was 52% leased at closing. As of 1Q2011, it was 70.8% occupied.
- Diversification – No meaningful statistics can be derived from the portfolio at this point.

Debt Ratio to Interest Coverage Ratio



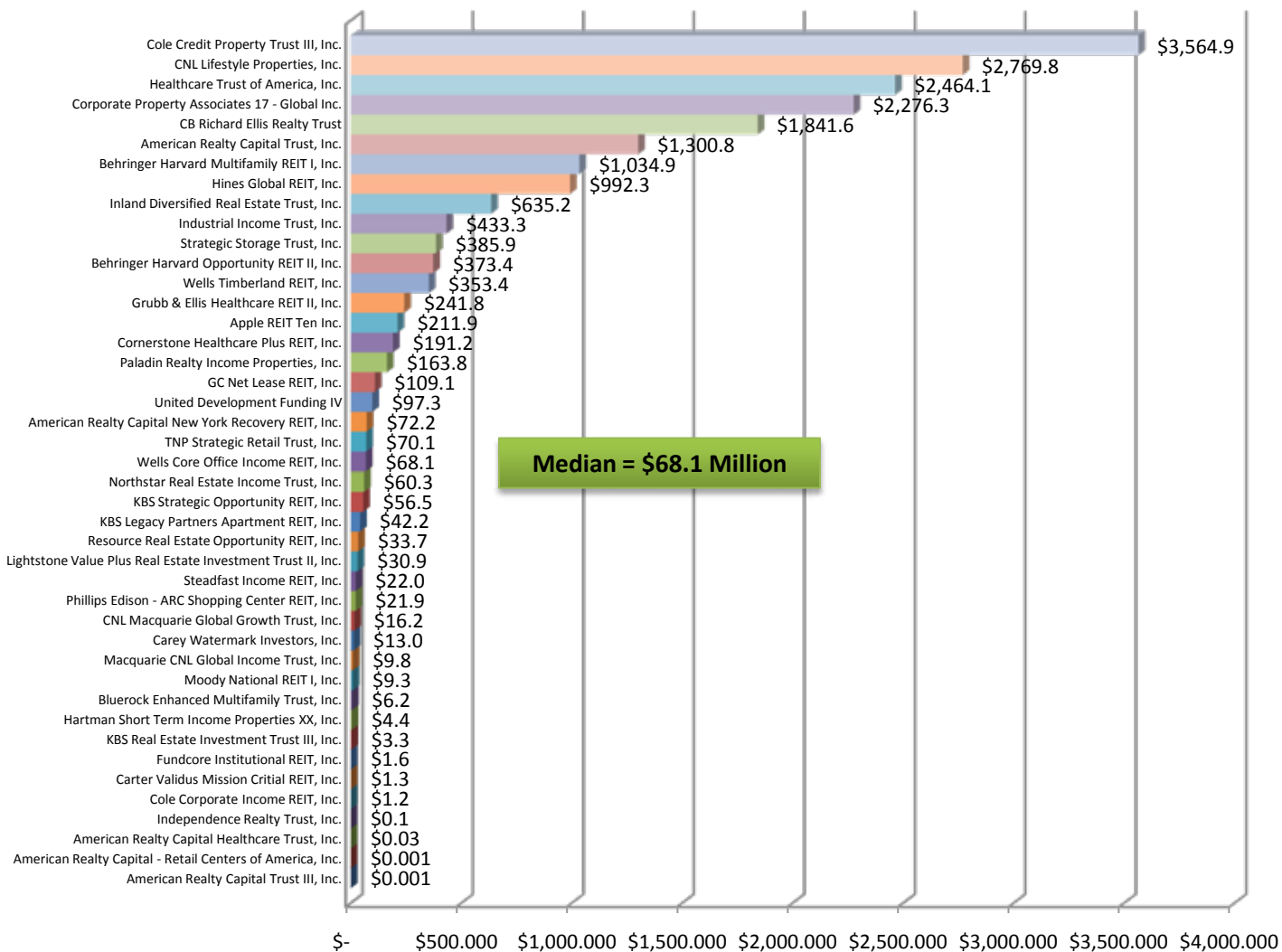
Cash Ratio to Capital Raised



# Nontraded REIT Industry Review: First Quarter 2011



## Total Assets (\$ Millions) – Effective Nontraded REITs



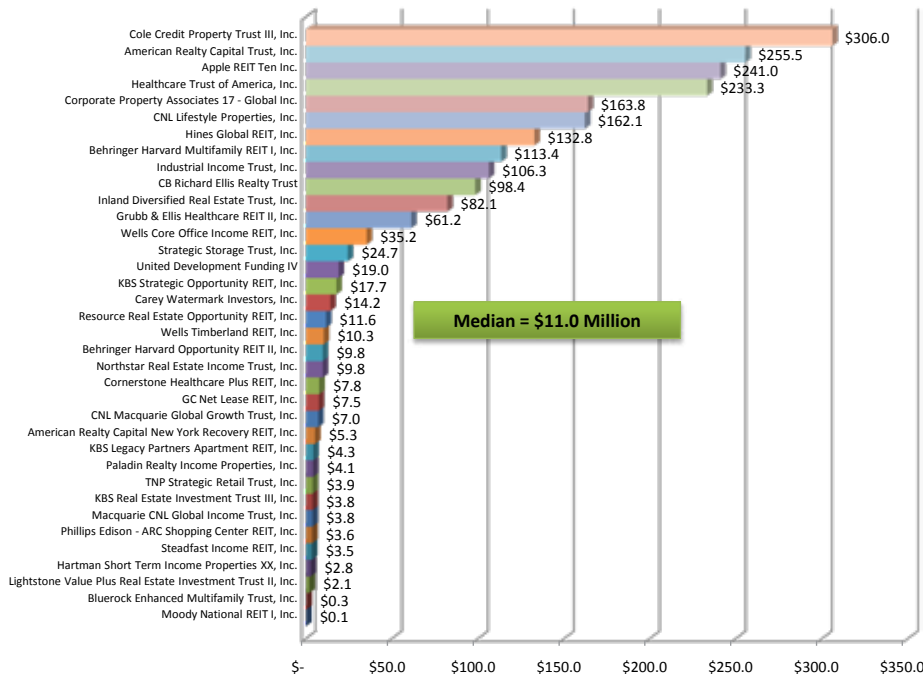
The following REITs were not included in the rankings above because their offerings were suspended for the period ending March 31, 2011: Apartment Trust of America, Inc. and Cornerstone Core Properties REIT, Inc. In addition, Green Realty Trust, Inc. was not included because it did not file financial statements for the period ending March 31, 2011.



# Nontraded REIT Industry Review: First Quarter 2011

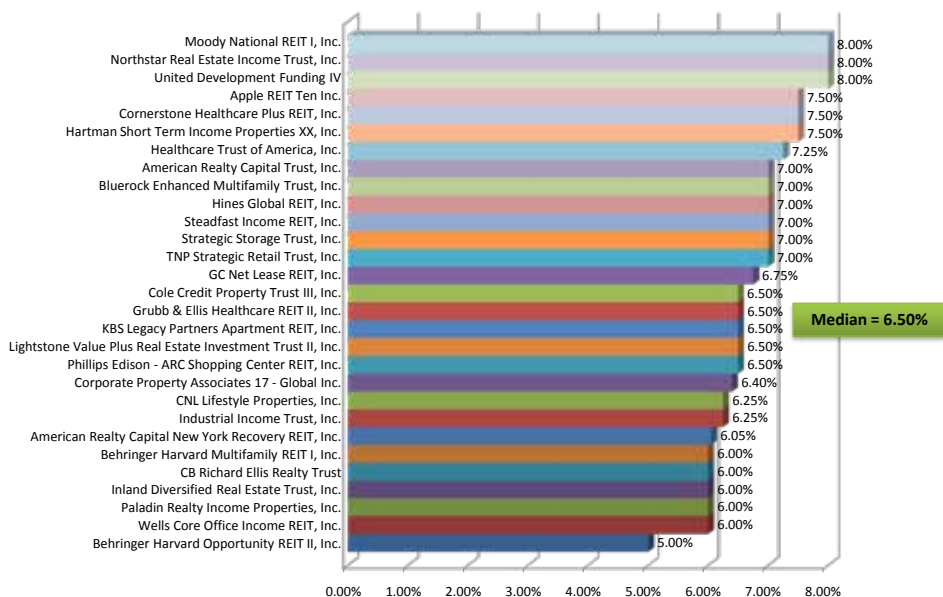


## Gross Dollars Raised Year-to-Date (\$ Millions) – Effective Nontraded REITs



The following REITs were not included in the rankings above as they had not broken escrow as of March 31, 2011: American Realty Capital Healthcare Trust, Inc., American Realty Capital – Retail Centers of America, Inc., American Realty Capital Trust III, Inc., Carey Watermark Investors, Inc., Carter Validus Mission Critical REIT, Inc., Cole Corporate Income Trust, Inc., FundCore Institutional Income Trust, Inc., Green Realty Trust, Inc., and Independence Realty Trust, Inc. Because their offerings were suspended as of March 31, 2011, Apartment Trust of America, Inc. and Cornerstone Core Properties REIT, Inc. were also excluded from the rankings.

## Current Distribution Yield – Effective Nontraded REITs

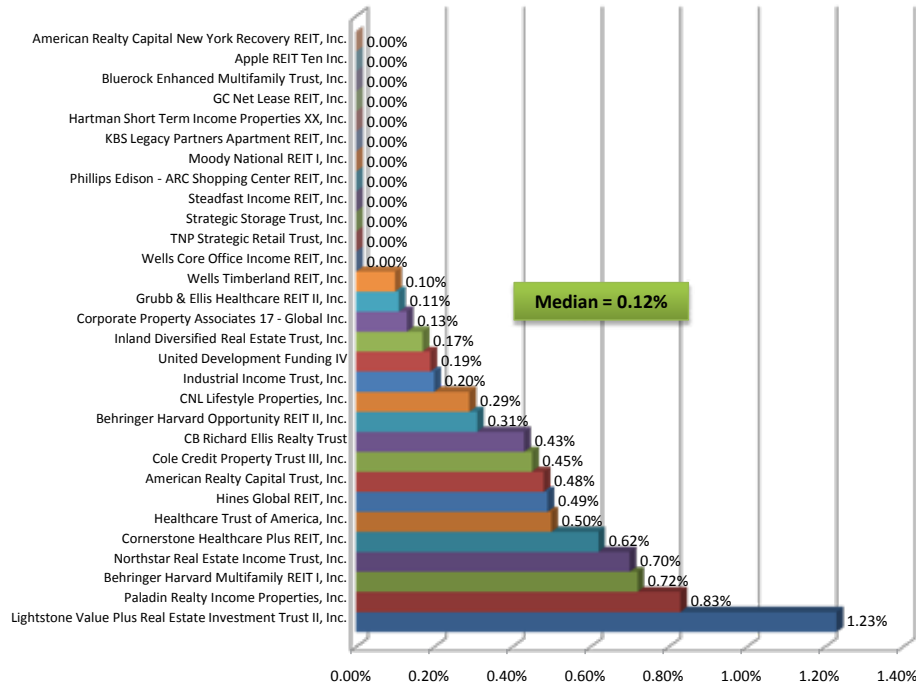


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# Nontraded REIT Industry Review: First Quarter 2011

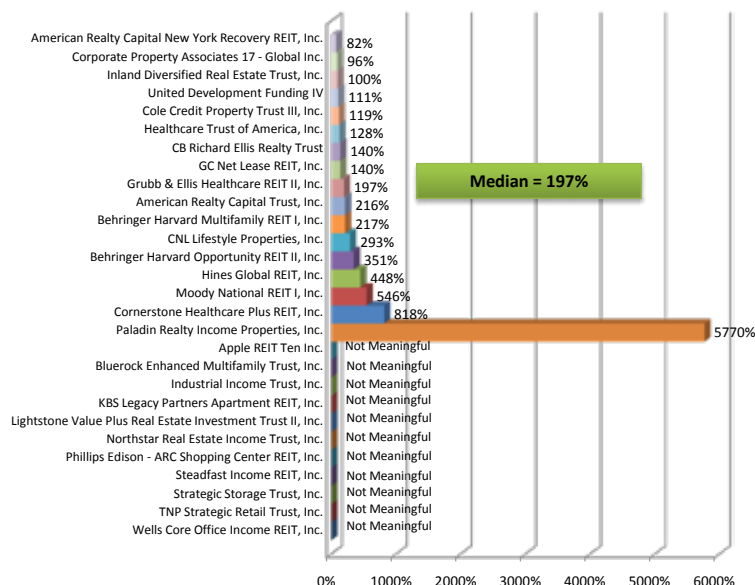


## Year to Date Ratio of Shares Redeemed – Effective Nontraded REITs



The following REITs were not included in the rankings above as they had not broken escrow as of March 31, 2011: American Realty Capital Healthcare Trust, Inc., American Realty Capital – Retail Centers of America, Inc., American Realty Capital Trust III, Inc., Carey Watermark Investors, Inc., Carter Validus Mission Critical REIT, Inc., Cole Corporate Income Trust, Inc., FundCore Institutional Income Trust, Inc., Green Realty Trust, Inc., and Independence Realty Trust, Inc. In addition, ratios for the following REITs were not calculated due to the fact that they had limited operations or did not pay distributions for the period ending March 31, 2011: CNL Macquarie Global Growth Trust, Inc., Hartman Short Term Income Properties XX, Inc., KBS Real Estate Investment Trust III, Inc., KBS Strategic Opportunity REIT, Inc., Macquarie CNL Global Income Trust, Inc., Resource Real Estate Opportunity REIT, Inc., and Wells Timberland REIT, Inc. Because their offerings were suspended as of March 31, 2011, Apartment Trust of America, Inc. and Cornerstone Core Properties REIT, Inc. were also excluded from the rankings.

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

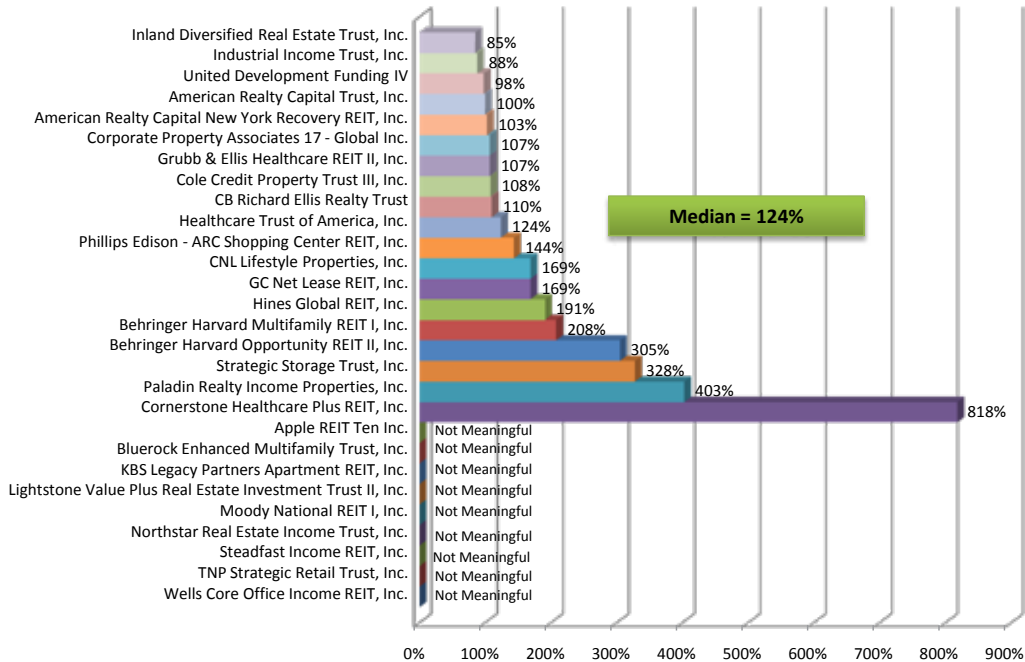


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# Nontraded REIT Industry Review: First Quarter 2011

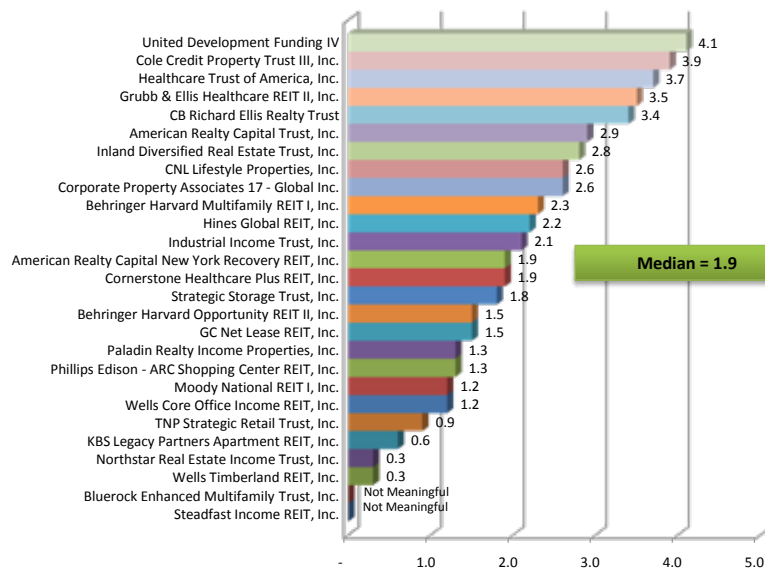


## Year to Date Distribution / MFFO Payout Ratio – Effective Nontraded REITs



The following REITs were not included in the rankings above as they had not broken escrow as of March 31, 2011: American Realty Capital Healthcare Trust, Inc., American Realty Capital – Retail Centers of America, Inc., American Realty Capital Trust III, Inc., Carey Watermark Investors, Inc., Carter Validus Mission Critical REIT, Inc., Cole Corporate Income Trust, Inc., FundCore Institutional Income Trust, Inc., Green Realty Trust, Inc., and Independence Realty Trust, Inc. In addition, ratios for the following REITs were not calculated due to the fact that they had limited operations or did not pay distributions for the period ending March 31, 2011: CNL Macquarie Global Growth Trust, Inc., Hartman Short Term Income Properties XX, Inc., KBS Real Estate Investment Trust III, Inc., KBS Strategic Opportunity REIT, Inc., Macquarie CNL Global Income Trust, Inc., Resource Real Estate Opportunity REIT, Inc., and Wells Timberland REIT, Inc. Because their offerings were suspended as of March 31, 2011, Apartment Trust of America, Inc. and Cornerstone Core Properties REIT, Inc. were also excluded from the rankings.

## Year to Date Interest Coverage Ratio – Effective Nontraded REITs

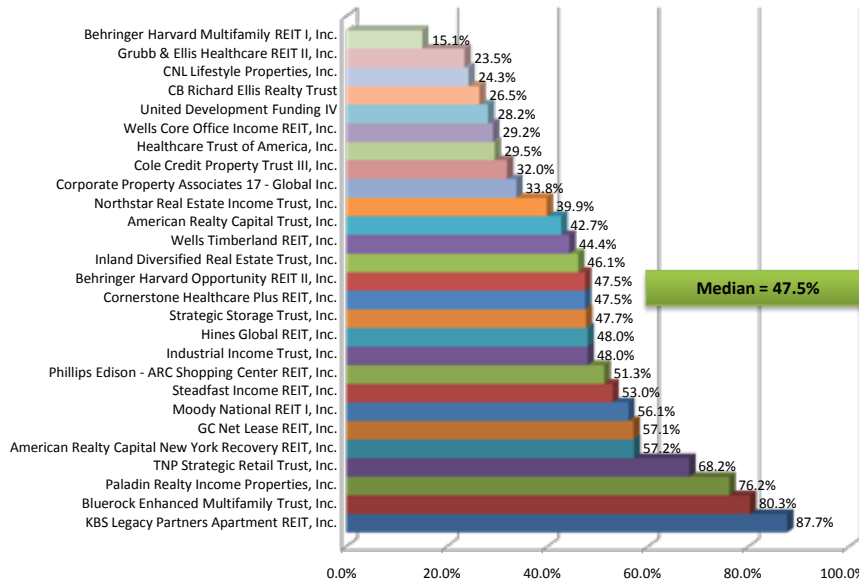


The following REITs were not included in the rankings above as they did not have any debt on their balance sheet as of March 31, 2011: Apple REIT Ten, Inc., Hartman Short Term Income Properties XX, Inc. and Lightstone Value Plus Real Estate Investment Trust II, Inc. Because the following REITs had not broken escrow as of March 31, 2011, they were also excluded from the rankings: American Realty Capital Healthcare Trust, Inc., American Realty Capital – Retail Centers of America, Inc., American Realty Capital Trust III, Inc., Carey Watermark Investors, Inc., Carter Validus Mission Critical REIT, Inc., Cole Corporate Income Trust, Inc., FundCore Institutional Income Trust, Inc., Green Realty Trust, Inc., and Independence Realty Trust, Inc. In addition, ratios for the following REITs were not calculated due to the fact that they had limited operations for the period ending March 31, 2011: CNL Macquarie Global Growth Trust, Inc., KBS Real Estate Investment Trust III, Inc., KBS Strategic Opportunity REIT, Inc., Macquarie CNL Global Income Trust, Inc., and Resource Real Estate Opportunity REIT, Inc. Because their offerings were suspended as of March 31, 2011, Apartment Trust of America, Inc. and Cornerstone Core Properties REIT, Inc. were also excluded from the rankings.

# Nontraded REIT Industry Review: First Quarter 2011

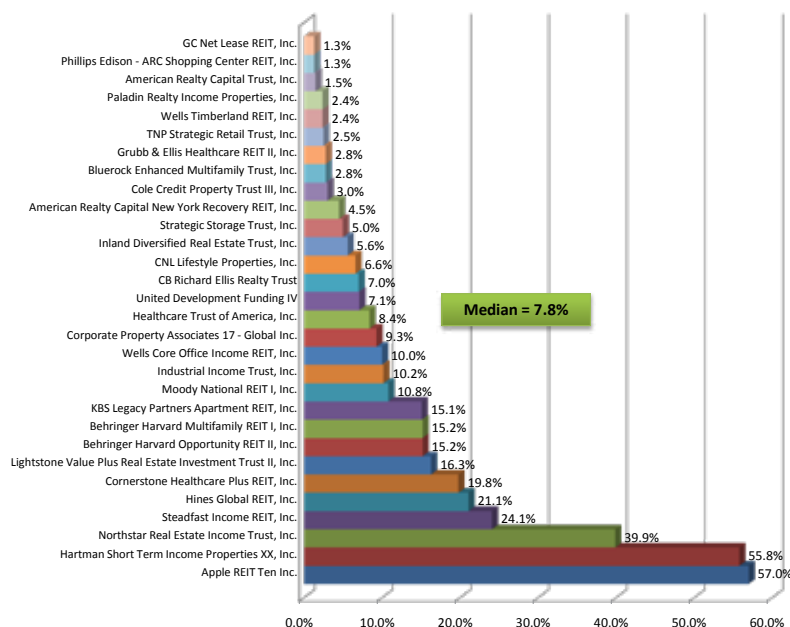


## Debt to Total Assets Ratio – Effective Nontraded REITs



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## Cash to Total Assets Ratio – Effective Nontraded REITs



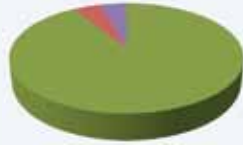
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# Nontraded REIT Industry Review: First Quarter 2011

## American Realty Capital New York Recovery REIT, Inc.

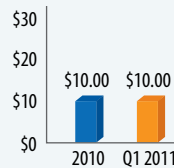
Total Assets.....	\$72.2 Million
Real Estate Assets .....	\$65.7 Million
Cash .....	\$3.2 Million
Securities .....	\$0.0 Million
Other .....	\$3.3 Million



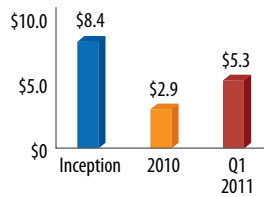
Initial Offering Date: .....	September 2, 2010
Number of Months Fundraising: .....	6
Anticipated Offering Close Date: .....	September 2, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	4.5%
Asset Type: .....	Office & Retail
Number of Properties: .....	6
Square Feet / Units / Rooms / Acres: .....	91,000
Percent Leased: .....	100%

### Historical Price



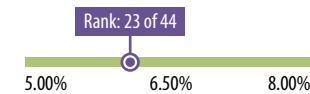
### Gross Dollars Raised\*



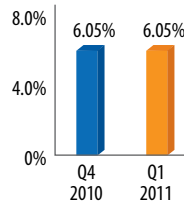
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.05%



### Historical Distribution

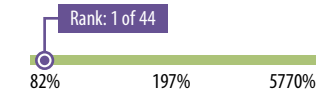


### Contact Information

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**New York, NY 10022**  
**877-373-2522**

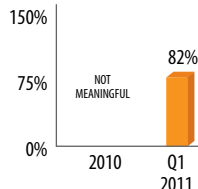
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 82%



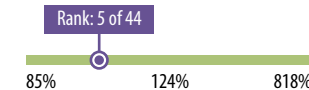
YTD Distributions Paid:..... \$401,000  
 YTD FFO: ..... \$487,000

### Historical FFO Payout Ratio



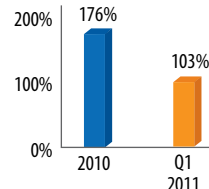
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...103%

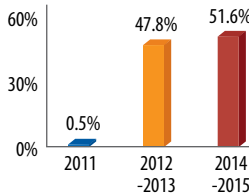


YTD Distributions Paid:..... \$401,000  
 YTD MFFO: ..... \$391,000  
 \*BVP Adjusted MFFO – see notes

### Historical MFFO Payout Ratio

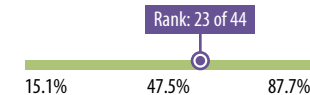


### Debt Maturity

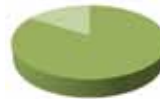


### Current Debt Ratio

Debt to Total Assets Ratio: ... 57.2%



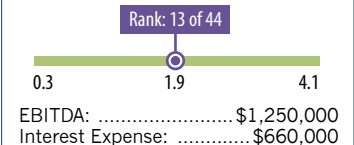
### Debt Breakdown



Total: .....\$41.2 Million  
 Fixed: .....\$41.2 Million  
 Variable: .....\$0.0 Million  
 Rate: ..... 4.3 – 9.0%  
 Term: ..... 1 – 4 yrs

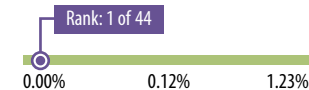
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.9



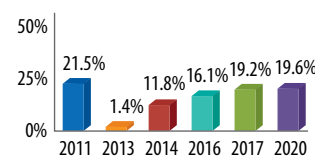
### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 36,108

### Lease Expirations\*



\*Data as of 12/31/10

### Notes

The Company reported 1Q 2011 MFFO of \$406,000 includes a \$15,000 contribution from the sponsor. Blue Vault Partners has eliminated the contribution from the sponsor to report 1Q 2011 MFFO of \$391,000. For the three months ended March 31, 2011, the Company paid distributions of \$401,000 (\$392,000 paid in cash; the remaining \$900,000 were reinvested pursuant to the DRP). Of the \$392,000 distributions paid in cash, \$210,000 were funded from cash flows from operations, which include the impact of expensing acquisition and related transaction costs as incurred; and \$182,000 of the cash distributions were funded from offering proceeds. Because the Advisor waived certain fees owed, cash flow from operations that would have been paid to the Advisor was available to pay distributions to stockholders. The asset management and property management fees waived for the three months ended March 31, 2011 of \$0.2 million are not deferrals and accordingly, will not be paid by the Company.

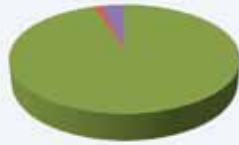




# Nontraded REIT Industry Review: First Quarter 2011

## American Realty Capital Trust, Inc.

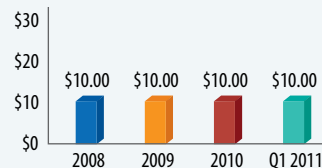
Total Assets.....	\$1,300.8 Million
Real Estate Assets ...	\$1,243.7 Million
Cash.....	\$19.6 Million
Securities .....	\$0.0 Million
Other.....	\$37.5 Million



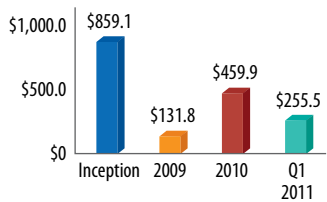
Initial Offering Date: .....	January 25, 2008
Number of Months Fundraising: .....	38
Anticipated Offering Close Date: .....	July 25, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	1.5%
Asset Type: .....	Diversified
Number of Properties: .....	318
Square Feet / Units / Rooms / Acres: .....	8.2 Million
Percent Leased: .....	100%

### Historical Price



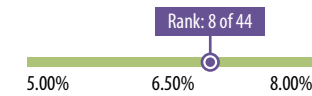
### Gross Dollars Raised\*



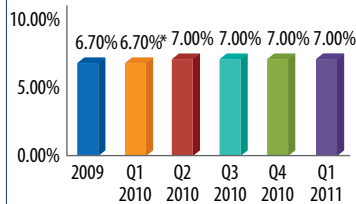
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution



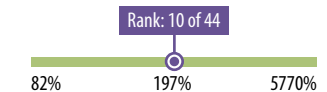
\*Does not include a special distribution of \$0.05 per share

### Contact Information

[www.AmericanRealtyCap.com](http://www.AmericanRealtyCap.com)  
**405 Park Avenue**  
**New York, NY 10022**  
**877-373-2522**

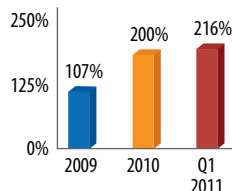
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ..... 216%



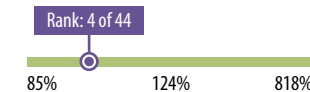
YTD Distributions Paid:.. \$11,129,000  
YTD FFO: .....

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

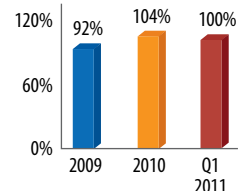
MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: .. 100%



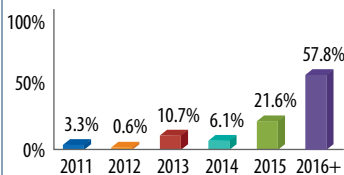
YTD Distributions Paid: \$11,129,000  
YTD MFFO: .....

\*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

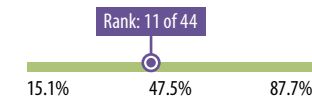


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 42.7%



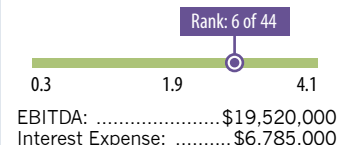
### Debt Breakdown

Total: .....

Fixed: .....	\$555.4 Million
Variable: .....	\$0.0 Million
Rate: .....	4.09 – 9.0%
Term: .....	1 – 26 yrs

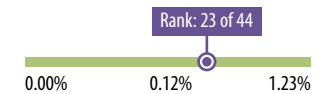
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.9



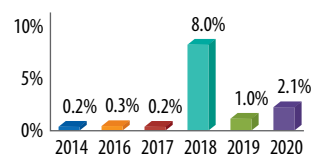
### Redemptions

Ratio of Shares Redeemed to Wtd.  
Avg. Shares Outstanding:.....0.48%



Redemptions Year to Date: .. 156,018  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: .....

### Lease Expirations\*



\*Data as of 12/31/10.

### Notes

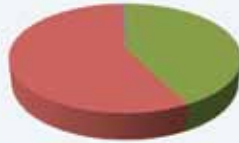
The Company reports MFFO (consistent with how the Company has historically presented this non-GAAP financial measure) as well as MFFO in accordance with the IPA recommended format (which deducts the impact of straight-line rent). Of the \$11.1 million distributions paid in 1Q 2011, \$6.2 million were paid in cash; the remaining \$4.9 million were reinvested pursuant to the DRP. Of the \$6.2 million cash distributions, \$3.4 million were funded from cash flows from operations, which include the impact of expensing acquisition and related transaction costs as incurred of \$7.1 million, and \$2.8 million of the cash distributions were funded from offering proceeds. The Advisor has elected to waive \$1.9 million of asset management fees for the three months ended March 31, 2011. The Company's affiliated Property Manager has elected to waive the property management fees for the three months ended March 31, 2011 in order to improve working capital. Such fees represent amounts that had they not been waived, would have been paid to the Property Manager to manage and lease the properties. For the three months ended March 31, 2011, the Company would have incurred property management fees of \$0.4 million had the fees not been waived. In accordance with the asset management agreement, \$6.3 million was prepaid to the Advisor as of March 31, 2011. On June 7, 2011, the Company agreed that the Advisor shall modify the timing of payment of the asset management fees by the REIT to the Advisor such that the REIT shall pay to the Advisor asset management fees on a current basis, and shall no longer pre-pay those fees, as was allowed under the advisory agreement, as amended. In addition, such asset management fee shall be payable, at the discretion of the REIT's board, in cash, common stock or restricted stock grants, or any combination thereof. On October 5, 2009, the Company's Board of Directors approved a special distribution of \$0.05 per share payable to shareholders of record on December 31, 2009. This special distribution was paid in January 2010, in addition to the then annualized distribution of \$0.67 per share.



# Nontraded REIT Industry Review: First Quarter 2011

## Apple REIT Ten, Inc.

Total Assets.....	\$211.9 Million
Real Estate Assets .....	\$90.0 Million
Cash .....	\$120.7 Million
Securities .....	\$0.0 Million
Other .....	\$1.2 Million



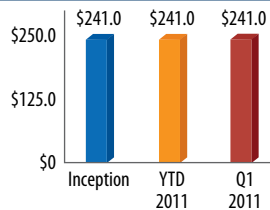
Initial Offering Date: .....	January 19, 2011
Number of Months Fundraising: .....	2
Anticipated Offering Close Date: .....	January 19, 2013
Current Price per Share: .....	\$11.00
Reinvestment Price per Share: .....	\$11.00

Cash to Total Assets Ratio: .....	57.0%
Asset Type: .....	Hospitality
Number of Properties: .....	4
Square Feet / Units / Rooms / Acres: .....	500 Rooms
Percent Leased: .....	66.0%

### Historical Price



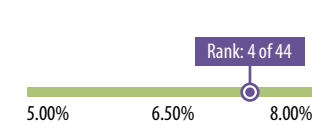
### Gross Dollars Raised\*



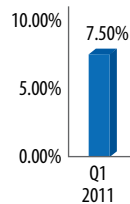
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.50%



### Historical Distribution



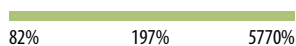
### Contact Information

[www.AppleREITCompanies.com](http://www.AppleREITCompanies.com)  
814 E. Main Street  
Richmond, VA 23219  
804-272-6321

### Year to Date FFO Payout Ratio

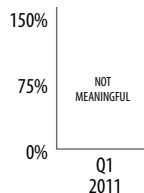
FFO Payout Ratio:  
YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 18 of 44



YTD Distributions Paid: ... \$1,855,000  
YTD FFO: ..... (\$2,272,000)

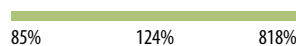
### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

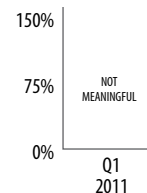
MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: NOT MEANINGFUL

Rank: 20 of 44



YTD Distributions Paid: ... \$1,855,000  
YTD MFFO: ..... (\$252,000)  
\*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Maturity

No Debt @ 3/31/11

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT APPLICABLE

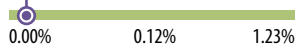
Not Applicable

EBITDA: .....(\$252,000)  
Interest Expense: No Debt @ 3/31/11

### Redemptions

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

Rank: 1 of 44



Redemptions Year to Date: .....0  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: .....10,380

### Lease Expirations

Not Reported

### Notes

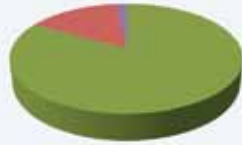
The Company did not report MFFO for the period ending March 31, 2011. As a result, Blue Vault estimated these figures. The weighted average shares are as of March 31, 2011 because the REIT did not become effective until January 19, 2011.



# Nontraded REIT Industry Review: First Quarter 2011

## Behringer Harvard Multifamily REIT I, Inc.

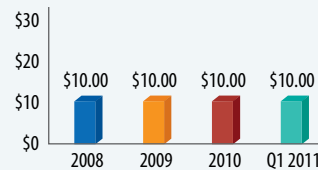
Total Assets.....	\$1,034.9 Million
Real Estate Assets .....	\$859.8 Million
Cash .....	\$157.4 Million
Securities .....	\$0.0 Million
Other .....	\$17.7 Million



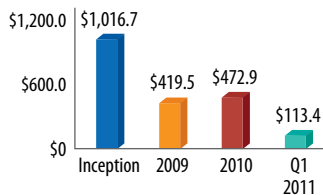
Initial Offering Date: .....	September 5, 2008
Number of Months Fundraising: .....	30
Anticipated Offering Close Date: .....	July 31, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	15.2%
Asset Type: .....	Multifamily
Number of Properties: .....	33
Square Feet / Units / Rooms / Acres: .....	9,429 units
Percent Leased: .....	90%

### Historical Price



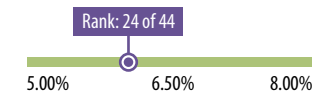
### Gross Dollars Raised\*



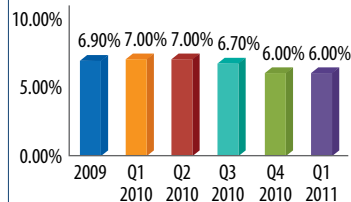
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

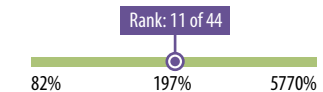


### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard**  
**15601 Dallas Pkwy. Suite 600**  
**Addison, TX 75001**  
**214-655-1600**

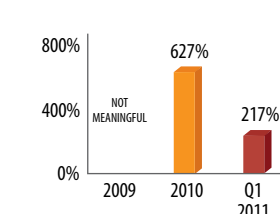
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 217%



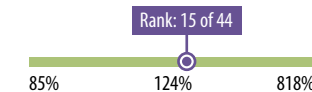
YTD Distributions Paid: \$15,400,000  
 YTD FFO: ..... \$7,100,000

### Historical FFO Payout Ratio



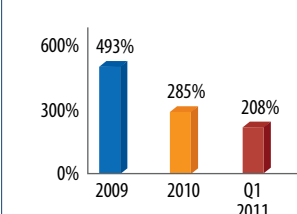
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...208%

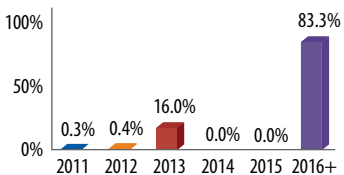


YTD Distributions Paid: \$15,400,000  
 YTD MFFO: ..... \$7,400,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

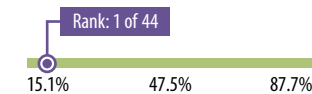


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 15.1%

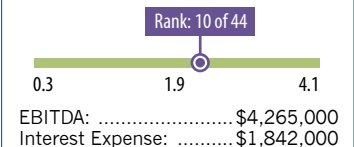


### Debt Breakdown

Total: .....	\$156.2 Million
Fixed: .....	\$93.2 Million
Variable: .....	\$63.0 Million
Rate: .....	2.32 – 4.78%
Term: .....	2 – 6 yrs

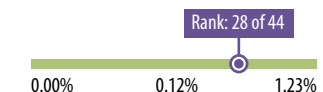
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.3



### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: ..... 0.72%



Redemptions Year to Date: .. 601,183  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 83,532,000

### Lease Expirations

Less than one year

### Notes

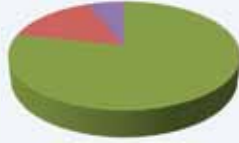
The Company uses modified funds from operations ("Modified Funds from Operations" or "MFFO") as defined by the Investment Program Association ("IPA"). As of March 31, 2011, the Company owned ten wholly owned multifamily investments and 23 investments in Co-Investment Ventures and one wholly owned note receivable. For the three months ended March 31, 2011, cash flow from operations was \$6.7 million and distributions paid totaled \$15.4 million, with \$7.1 million in cash distributions and \$8.3 million reinvested. On March 22, 2011, the Company entered into a letter agreement with the Advisor pursuant to which the Advisor waived the difference between asset management fees calculated on the basis of value of the Company's investments and asset management fees or calculated on the basis of cost of the Company's investments for the year ended December 31, 2010, resulting in a waiver of approximately \$43,300, and waived debt financing fees associated with the restructuring of a senior loan in connection with a restructuring of the Company's investment in the multifamily community known as Skye 2905, resulting in a waiver of approximately \$258,500. Also pursuant to the letter agreement, the Advisor also deferred until no later than June 30, 2011 the Company's obligation to reimburse it for organization and offering expenses paid or incurred by it in connection with this offering. As of December 31, 2010, approximately \$3.3 million of such reimbursement was unpaid. Please note that historical FFO and MFFO payout ratios have been adjusted to reflect dividends paid instead of dividends declared.



# Nontraded REIT Industry Review: First Quarter 2011

## Behringer Harvard Opportunity REIT II, Inc.

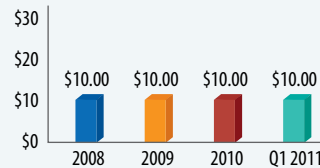
Total Assets.....	\$373.4 Million
Real Estate Assets .....	\$293.6 Million
Cash .....	\$56.8 Million
Securities .....	\$0.0 Million
Other .....	\$23.0 Million



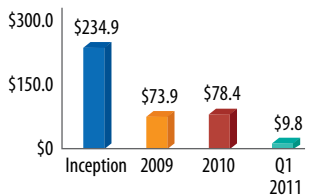
Initial Offering Date: .....	January 21, 2008
Number of Months Fundraising: .....	38
Anticipated Offering Close Date: .....	July 3, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	15.2%
Asset Type: .....	Diversified
Number of Properties: .....	10
Square Feet / Units / Rooms / Acres: .....	3.4 million sq. ft.
Percent Leased: .....	Not Reported

### Historical Price



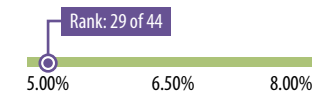
### Gross Dollars Raised\*



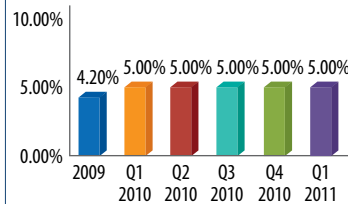
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 5.00%



### Historical Distribution

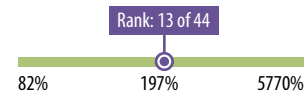


### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard  
Investment Services**  
**15601 Dallas Pkwy.**  
**Addison, TX 75001**  
**1-866-635-3600**

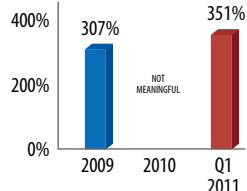
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ..... 351%



YTD Distributions Paid: ... \$2,773,000  
YTD FFO: ..... \$791,000

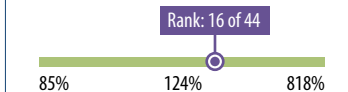
### Historical FFO Payout Ratio



\*See notes.

### Year to Date MFFO Payout Ratio

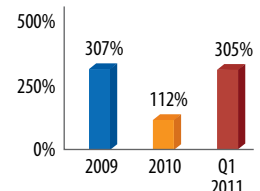
MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ... 305%



YTD Distributions Paid: .. \$2,773,000  
YTD MFFO: ..... \$909,000

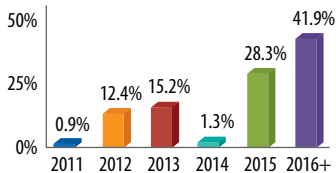
\*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



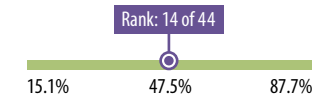
\*See notes.

### Debt Maturity

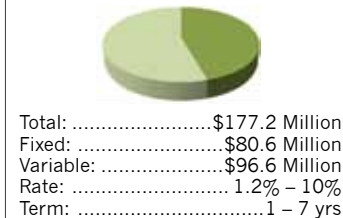


### Current Debt Ratio

Debt to Total Assets Ratio: ... 47.5%

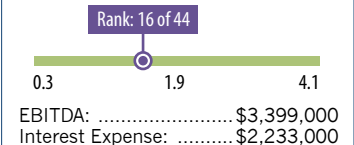


### Debt Breakdown



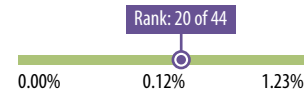
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.5



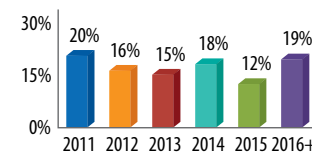
### Redemptions

Ratio of Shares Redeemed to Wtd.  
Avg. Shares Outstanding: ..... 0.31%



Redemptions Year to Date: ... 58,866  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: ..... 19,216,000

### Lease Expirations\*



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

### Notes

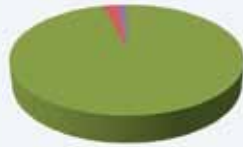
The Company uses modified funds from operations ("Modified Funds from Operations" or "MFFO") as defined by the Investment Program Association ("IPA"). MFFO ratios calculated for 2009 were not calculated using the same methodology as was used to calculate ratios for 2010 and Q1 2011. Total distributions of \$2.8 million were paid to stockholders during the three months ended March 31, 2011. Distributions funded through the issuance of shares under the DRP during the three months ended March 31, 2011 were \$1.9 million. Accordingly, cash amounts distributed to stockholders during the three months ended March 31, 2011 were \$0.9 million. The \$0.9 million of cash distributions were funded from proceeds from the Offering.



# Nontraded REIT Industry Review: First Quarter 2011

## Bluerock Enhanced Multifamily Trust, Inc.

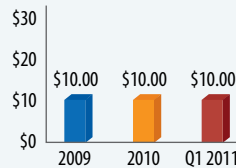
Total Assets.....	\$6.2 Million
Real Estate Assets .....	\$6.0 Million
Cash.....	\$0.2 Million
Securities .....	\$0.0 Million
Other.....	\$0.1 Million



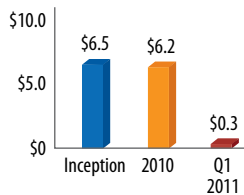
Initial Offering Date: .....	October 15, 2009
Number of Months Fundraising: .....	17
Anticipated Offering Close Date: .....	October 15, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 2.8%  
 Asset Type: ..... Multifamily  
 Number of Properties: ..... 5  
 Square Feet / Units / Rooms / Acres: .. 1,272,306 sq. ft. or 1,323 units  
 Percent Leased: ..... Not Reported

### Historical Price



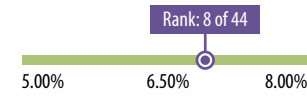
### Gross Dollars Raised\*



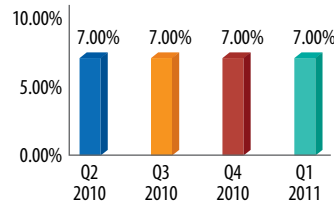
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

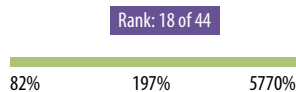


### Contact Information

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

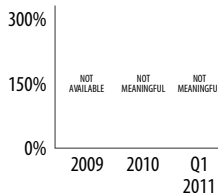
### Year to Date FFO Payout Ratio

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



YTD Distributions Paid:..... \$117,040  
 YTD FFO: ..... (\$2,091,045)

### Historical FFO Payout Ratio



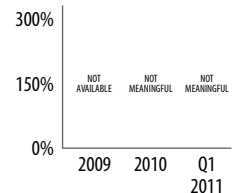
### Year to Date MFFO Payout Ratio

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

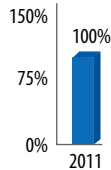


YTD Distributions Paid:..... \$117,040  
 YTD MFFO: ..... (\$2,091,045)  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

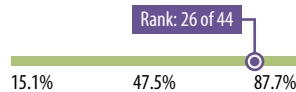


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 80.3%

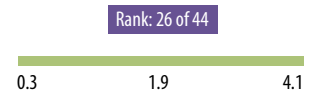


### Debt Breakdown

Total: ..... \$5.0 Million  
 Fixed: ..... \$0.0 Million  
 Variable: ..... \$5.0 Million  
 Rate: ..... 7.00%+  
 Term: ..... 1 yr

### Interest Coverage Ratio

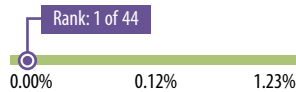
YTD Interest Coverage Ratio: NOT MEANINGFUL



EBITDA: ..... (\$2,328,224)  
 Interest Expense: ..... \$85,457

### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 333,701

### Lease Expirations

Not Reported

### Notes

MFFO is company reported and Blue Vault did not identify additional adjustments. 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 offering was suspended from November 17, 2010 until March 2, 2011 in connection with the Company's determination to restate certain financial statements. On January 19, 2011 the Company filed the necessary restated financials and the Financial Industry Regulatory Authority ("FINRA") and Select, the managing broker dealer, reinstated the Initial Public Offering effective March 2, 2011. As of March 31, 2011, operating costs totaling \$1,646,818 were expensed and \$677,415 became a liability, payable to the advisor and its affiliates. As of March 31, 2011 \$4,204 has been reimbursed to the advisor and the advisor has agreed to defer further repayment of these costs until a later date.

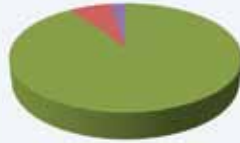




# Nontraded REIT Industry Review: First Quarter 2011

## CB Richard Ellis Realty Trust

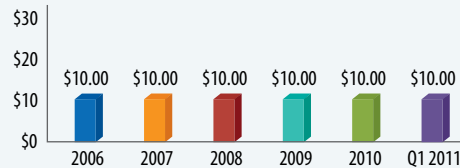
Total Assets.....\$1,841.6 Million  
 Real Estate Assets ...\$1,668.1 Million  
 Cash.....\$129.2 Million  
 Securities .....\$0.0 Million  
 Other.....\$44.3 Million



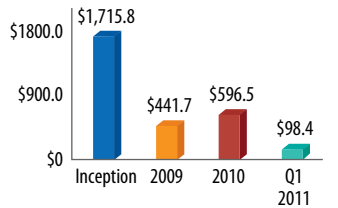
Initial Offering Date: .....October 24, 2006  
 Number of Months Fundraising: .....53  
 Anticipated Offering Close Date: .....January 30, 2012  
 Current Price per Share: .....\$10.00  
 Reinvestment Price per Share: .....\$9.50

Cash to Total Assets Ratio: .....7.0%  
 Asset Type: .....Diversified  
 Number of Properties: .....116  
 Square Feet / Units / Rooms / Acres: .....24,750,000  
 Percent Leased: .....93.36%

### Historical Price



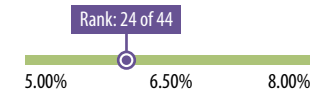
### Gross Dollars Raised\*



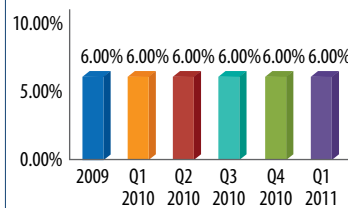
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

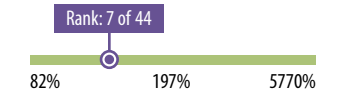


### Contact Information

[www.CBRERealtyTrust.com](http://www.CBRERealtyTrust.com)  
**CNL Client Services**  
**P. O. Box 4920**  
**Orlando, FL 32802**  
**866-650-0650**

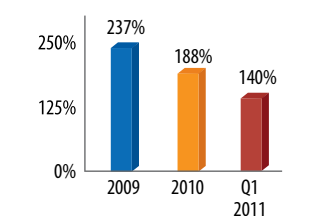
### Year to Date FFO Payout Ratio

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



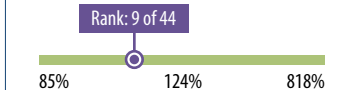
YTD Distributions Paid:..\$24,053,000  
 YTD FFO: .....\$17,225,000

### Historical FFO Payout Ratio



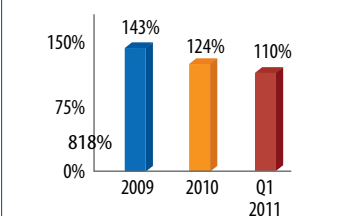
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...110%

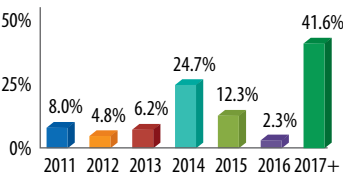


YTD Distributions Paid: \$24,053,000  
 YTD MFFO: .....\$21,902,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

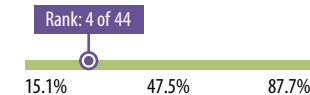


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 26.5%

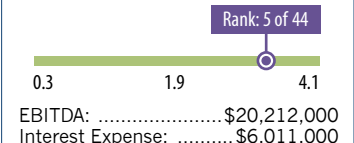


### Debt Breakdown

Total: .....\$488.1 Million  
 Fixed: .....\$448.1 Million  
 Variable: .....\$40.0 Million  
 Rate: .....3.26 – 6.33%  
 Term: .....1 – 14 yrs

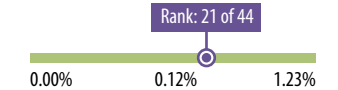
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.4



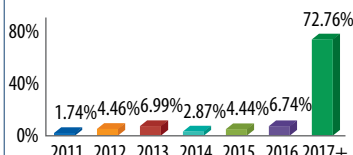
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:.....0.43%



Redemptions Year to Date: .. 591,351  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: .....136,456,565

### Lease Expirations\*



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

### Notes

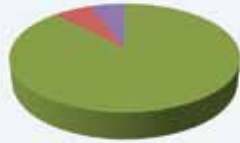
MFFO is company reported and Blue Vault Partners did not identify meaningful additional adjustments. The assets noted above are based on the figures reported on the balance sheet. Total assets for the Company are reported for unconsolidated entities using the equity method of accounting and as such do 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 Aton Ridge joint venture, the UK joint venture and the European joint venture, total assets would equal \$2,296.7 million, real estate assets would total \$1,981.4 million and total debt would equal \$924.0 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. For the quarter ended March 31, 2011, distributions were funded 50.22% by cash flows provided by operating activities and 49.78% from uninvested proceeds from financings of properties. In addition, distributions totaling \$10,861,000 were reinvested in our common shares pursuant to our dividend reinvestment plan during the quarter ended March 31, 2011. The Investment Advisor did not waive any investment management fees for the three months ended March 31, 2011 or the year ended December 31, 2010.



# Nontraded REIT Industry Review: First Quarter 2011

## CNL Lifestyle Properties, Inc.

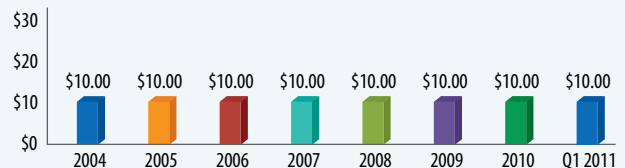
Total Assets.....	\$2,769.8 Million
Real Estate Assets ...	\$2,428.2 Million
Cash.....	\$181.5 Million
Securities .....	\$0.0 Million
Other.....	\$160.1 Million



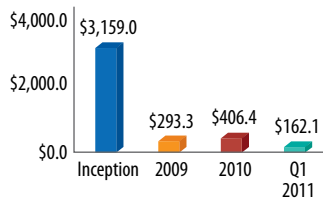
Initial Offering Date: .....	April 16, 2004
Number of Months Fundraising: .....	83
Anticipated Offering Close Date: .....	April 9, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	6.6%
Asset Type: .....	Diversified
Number of Properties: .....	150
Square Feet / Units / Rooms / Acres: .....	Not Reported
Percent Leased: .....	Not Reported

### Historical Price



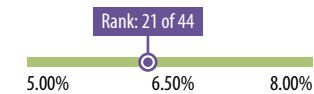
### Gross Dollars Raised\*



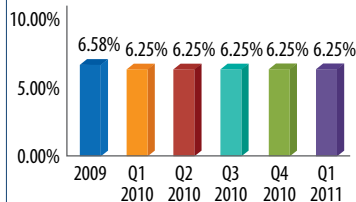
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.25%



### Historical Distribution

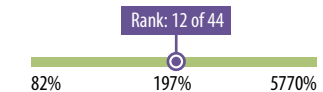


### Contact Information

[www.CNLLifestyleREIT.com](http://www.CNLLifestyleREIT.com)  
**CNL Client Services**  
**P.O. Box 4920**  
**Orlando, FL 32802**  
**866-650-0650**

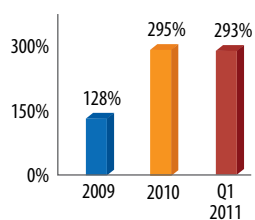
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: ..... 293%



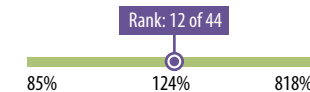
YTD Distributions Paid:.. \$45,040,000  
YTD FFO: ..... \$15,382,000

### Historical FFO Payout Ratio



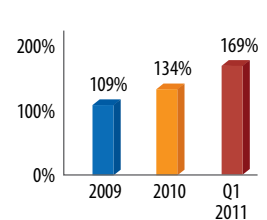
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ... 169%

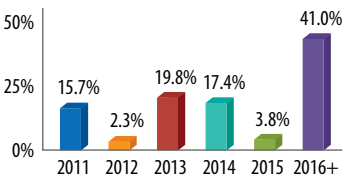


YTD Distributions Paid: . \$45,040,000  
YTD MFFO: ..... \$26,644,000  
\*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

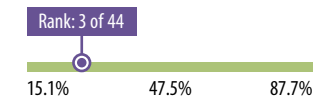


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 24.3%

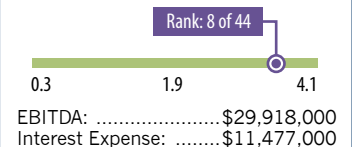


### Debt Breakdown

Total: .....	\$673.3 Million
Fixed: .....	\$458.3 Million
Variable: .....	\$215.0 Million
Rate: .....	2.244 – 9.08%
Term: .....	1 – 5+ yrs

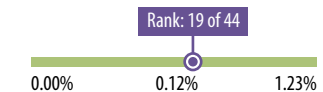
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.6



### Redemptions

Ratio of Shares Redeemed to Wtd.  
Avg. Shares Outstanding:..... 0.29%



Redemptions Year to Date: ... 766,342  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: ..... 263,516,000

### Lease Expirations

Average Lease Expiration:  
17 years

### Notes

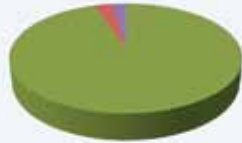
MFFO is company reported and Blue Vault Partners did not identify additional adjustments. The shortfall in cash flows from operating activities versus cash distributions paid was funded with temporary borrowings under the revolving line of credit. As of March 31, 2011, variable rate debt includes approximately \$104.7 million that has been swapped to fixed rates. On March 31, 2011, the Company entered into a Purchase Agreement relating to the issuance and sale of \$400 million in aggregate principal amount of its 7.25% senior notes due 2019 (the "Notes"). On April 5, 2011, the Company completed its private placement of the Notes, which were sold at an offering price of 99.249% of par value, resulting in net proceeds to the Company of approximately \$388.0 million. The Notes will mature on April 15, 2019, and bear interest at a rate of 7.25% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on October 15, 2011. The Notes are senior unsecured obligations of the Company. The net proceeds of the Notes were used to refinance approximately \$210.1 million in existing secured indebtedness. The remainder of the proceeds will be used to acquire lifestyle and other income producing properties and for other general corporate purposes.



# Nontraded REIT Industry Review: First Quarter 2011

## Cole Credit Property Trust III, Inc.

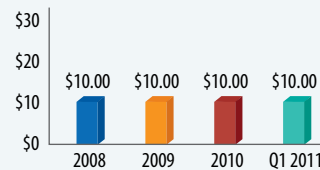
Total Assets.....	\$3,564.9 Million
Real Estate Assets ...	\$3,377.5 Million
Cash.....	\$108.3 Million
Securities .....	\$0.0 Million
Other.....	\$79.0 Million



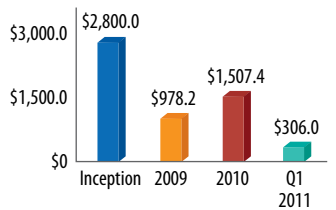
Initial Offering Date: .....	October 1, 2008
Number of Months Fundraising: .....	31
Anticipated Offering Close Date: .....	September 22, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	3.0%
Asset Type: .....	Retail
Number of Properties: .....	470
Square Feet / Units / Rooms / Acres: .....	19.9 million
Percent Leased: .....	99.4%

### Historical Price



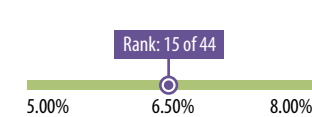
### Gross Dollars Raised\*



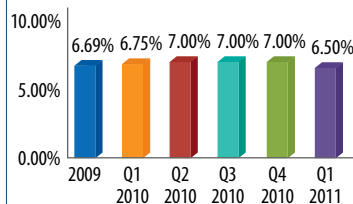
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

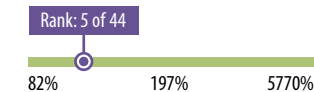


### Contact Information

[www.CCPTiii.com](http://www.CCPTiii.com)  
**Cole Capital Corporation**  
 2575 E. Camelback Road  
 Suite 500  
 Phoenix, AZ 85016  
 866-341-2653

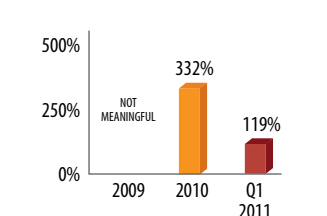
### Year to Date FFO Payout Ratio

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



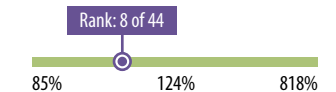
YTD Distributions Paid:.. \$41,500,000  
 YTD FFO:..... \$34,994,000

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

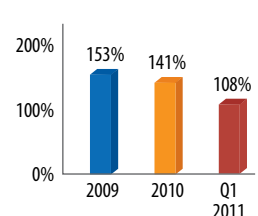
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 108%



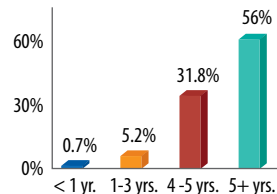
YTD Distributions Paid: ... \$41,500,000  
 YTD MFFO:..... \$38,583,000

\*BVP adjusted MFFO – see notes

### Historical MFFO Payout Ratio

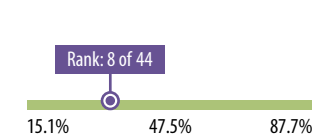


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 32.0%

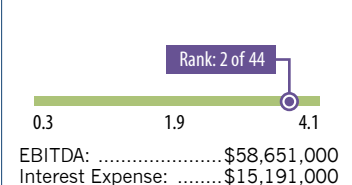


### Debt Breakdown

Total: .....	\$1,140.2 Million
Fixed: .....	\$1,123.3 Million
Variable: .....	\$16.9 Million
Rate: .....	3.99 – 6.83%
Term: .....	<1 – 10 yrs

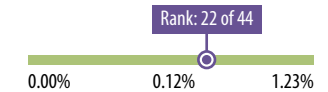
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.9



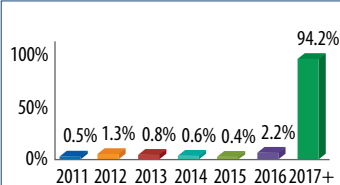
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:..... 0.45%



Redemptions Year to Date: ... 792,918  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 174,764,966

### Lease Expirations\*



\*As of 12/31/10.

### Notes

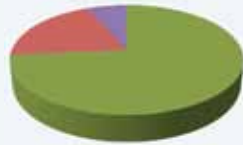
The Company reported 1Q 2011 MFFO of \$43,587,000 and does not include (\$5,004,000) in straight-line rent adjustments. Blue Vault Partners has included the adjustments to report 1Q MFFO of \$38,583,000. Distribution per share was lowered to 6.50% from 7.00% beginning January 1, 2011. In addition, the Company had two mortgage notes receivable and, through three joint venture arrangements, had interests in eight properties comprising 973,000 gross rentable square feet of commercial space as of March 31, 2011. The distributions paid during the three months ended March 31, 2011 were funded by net cash provided by operating activities of \$27.2 million, proceeds from the issuance of common stock of \$8.6 million, and borrowings of \$5.7 million.



# Nontraded REIT Industry Review: First Quarter 2011

## Cornerstone Healthcare Plus REIT, Inc.

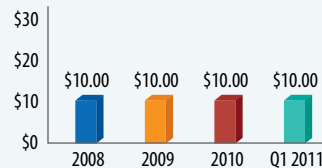
Total Assets.....	\$191.2 Million
Real Estate Assets .....	\$140.4 Million
Cash .....	\$37.9 Million
Securities .....	\$0.0 Million
Other .....	\$12.9 Million



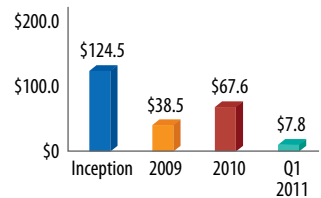
Initial Offering Date: .....	June 20, 2008
Number of Months Fundraising: .....	33
Anticipated Offering Close Date: .....	February 4, 2013
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	19.8%
Asset Type: .....	Diversified
Number of Properties: .....	14
Square Feet / Units / Rooms / Acres: .....	721,753
Percent Leased: .....	87.5%

### Historical Price

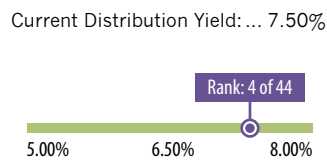


### Gross Dollars Raised\*

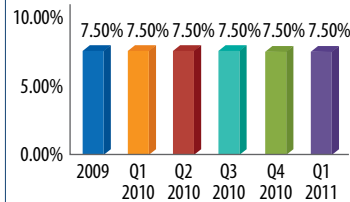


\*Includes reinvested distributions (in millions)

### Current Distribution



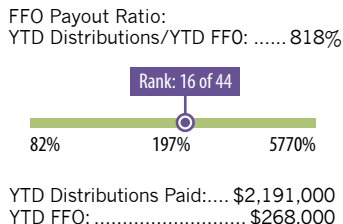
### Historical Distribution



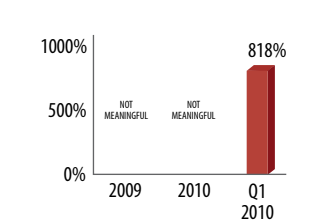
### Contact Information

[www.CRE Funds.com](http://www.CRE Funds.com)  
**Pacific Cornerstone Capital**  
**1920 Main Street, Suite 400**  
**Irvine, CA 92614**  
**877-805-3333**

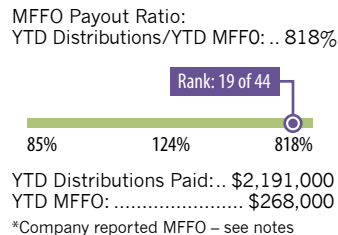
### Year to Date FFO Payout Ratio



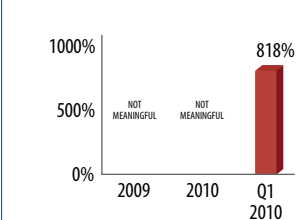
### Historical FFO Payout Ratio



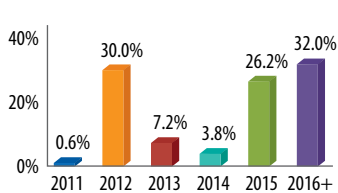
### Year to Date MFFO Payout Ratio



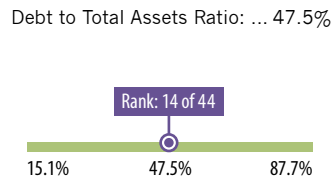
### Historical MFFO Payout Ratio



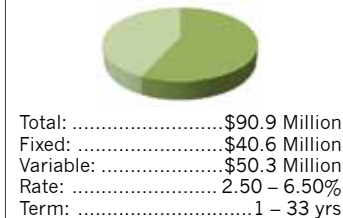
### Debt Maturity



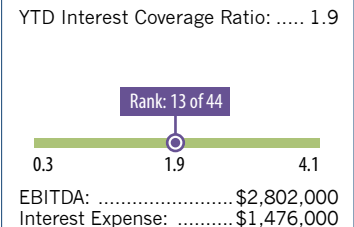
### Current Debt Ratio



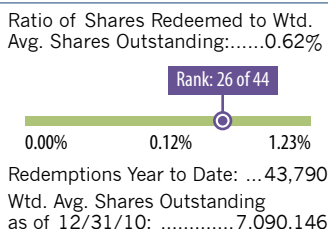
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations

Not Reported

### Notes

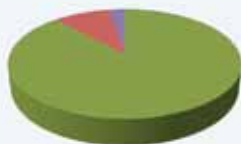
The Company computes MFFO in accordance with the definition suggested by the Investment Program Association (the "IPA"), the trade association for direct investment programs (including non-listed REITs). On April 29, 2011, the Company informed stockholders that its Independent Directors Committee had directed the Company to suspend its follow-on offering, dividend reinvestment program and stock repurchase program (except repurchases due to death) because of the uncertainty associated with the Independent Directors Committee consideration of various strategic alternatives to enhance stockholders' value. Until proceeds from the public offering are invested and generating operating cash flow sufficient to make distributions to stockholders, the Company intends to pay all or a substantial portion of distributions from the proceeds of the public offering or from borrowings in anticipation of future cash flow, reducing the amount of funds that would otherwise be available for investment.



# Nontraded REIT Industry Review: First Quarter 2011

## Corporate Property Associates 17 – Global Inc.

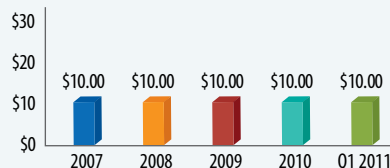
Total Assets.....\$2,276.3 Million  
 Real Estate Assets ...\$2,002.5 Million  
 Cash.....\$210.9 Million  
 Securities .....\$0.0 Million  
 Other.....\$62.9 Million



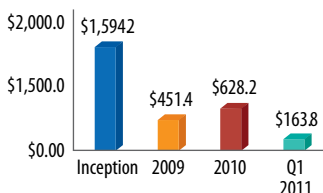
Initial Offering Date: ..... November 2, 2007  
 Number of Months Fundraising: ..... 40  
 Anticipated Offering Close Date: ..... April 7, 2013  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 9.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 154  
 Square Feet / Units / Rooms / Acres: ..... 19 million sq. ft.  
 Percent Leased: ..... 100%

### Historical Price



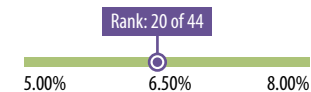
### Gross Dollars Raised\*



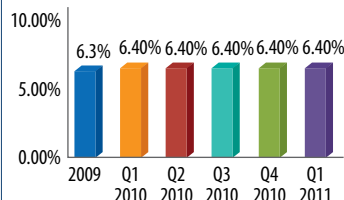
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.40%



### Historical Distribution

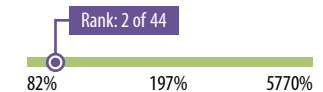


### Contact Information

[www.WPCarey.com](http://www.WPCarey.com)  
**W.P. Carey & Co. LLC**  
 50 Rockefeller Plaza  
 New York, NY 10020  
 800-WPCAREY

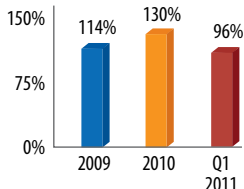
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 96%



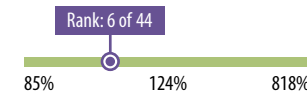
YTD Distributions Paid:..\$21,520,000  
 YTD FFO: .....\$22,316,000

### Historical FFO Payout Ratio



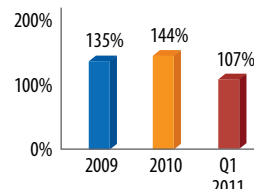
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...107%

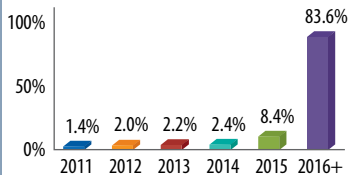


YTD Distributions Paid:..\$21,520,000  
 YTD MFFO: .....\$20,203,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

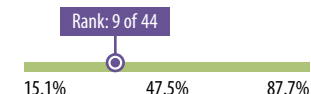


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 33.8%

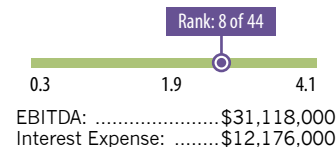


### Debt Breakdown

Total: .....\$769.5 Million  
 Fixed: .....\$605.2 Million  
 Variable: .....\$164.3 Million  
 Rate: ..... 2.8 – 8.0%  
 Term: ..... 3 – 17 yrs

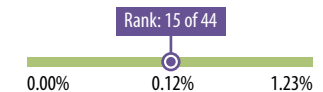
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.6



### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:.....0.13%



Redemptions Year to Date:..147,230  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 110,882,448

### Lease Expirations

The Company's leases are in their early stages, with no significant leases scheduled to expire or renew in the near term.

### Notes

The 1Q 2011 MFFO figure reported above is the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. During the three months ended March 31, 2011, the Company used cash flows provided by operating activities of \$26.4 million to fund cash distributions to shareholders of \$21.5 million, which includes the \$10.7 million in dividends that were reinvested by shareholders. For 2011, the advisor elected to continue to receive its asset management fees in restricted shares of common stock, and as a result, the Company paid asset management fees of \$2.4 million through the issuance of restricted stock rather than in cash. On December 13, 2010, the Company agreed to purchase three properties from affiliate Corporate Property Associates 14 Incorporated ("CPA":14"), for an aggregate purchase price of \$57.4 million, plus the assumption of approximately \$153.9 million of indebtedness. At March 31, 2011, all debt either bore interest at fixed rates, was swapped to a fixed rate or was subject to an interest rate cap.

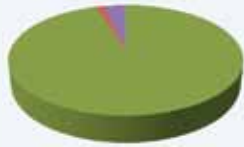




# Nontraded REIT Industry Review: First Quarter 2011

## GC Net Lease REIT, Inc.

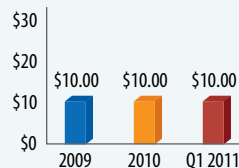
Total Assets.....	\$109.1 Million
Real Estate Assets .....	\$103.7 Million
Cash .....	\$1.5 Million
Securities .....	\$0.0 Million
Other .....	\$3.9 Million



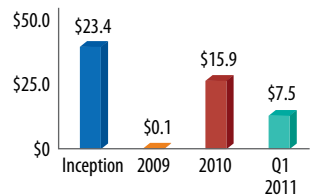
Cash to Total Assets Ratio: ..... 1.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 6  
 Square Feet / Units / Rooms / Acres: ..... 1,967,600  
 Percent Leased: ..... 100%

Initial Offering Date: ..... November 6, 2009  
 Number of Months Fundraising: ..... 16  
 Anticipated Offering Close Date: ..... November 6, 2011  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

### Historical Price



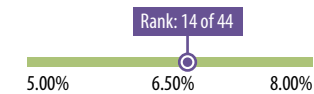
### Gross Dollars Raised\*



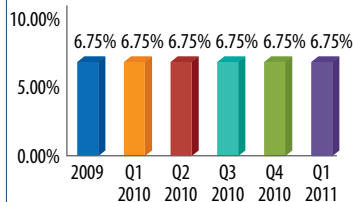
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.75%



### Historical Distribution

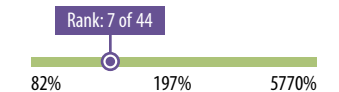


### Contact Information

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

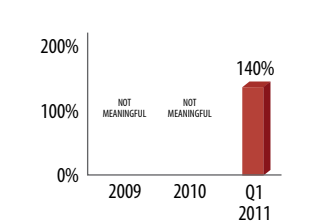
### Year to Date FFO Payout Ratio

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



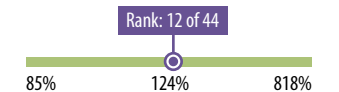
YTD Distributions Paid:..... \$871,259  
 YTD FFO: ..... \$622,746

### Historical FFO Payout Ratio



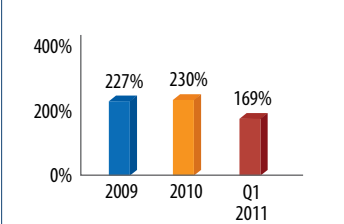
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 169%

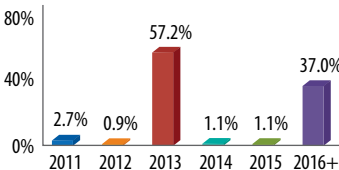


YTD Distributions Paid:.....\$871,259  
 YTD MFFO: .....\$516,578  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

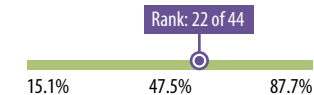


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 57.1%

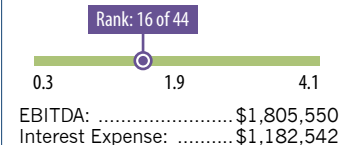


### Debt Breakdown

Total: .....\$62.3 Million  
 Fixed: .....\$26.0 Million  
 Variable: .....\$36.3 Million  
 Rate: ..... 5.75 – 6.65%  
 Term: ..... 1 – 12 yrs

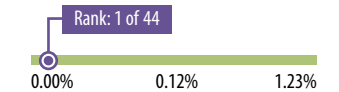
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.5



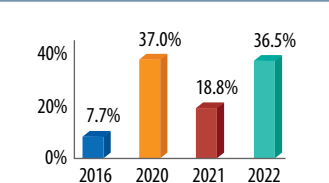
### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10 ..... 919,833

### Lease Expirations\*



\*Data as of 12/31/10 based on annual rents.

### Notes

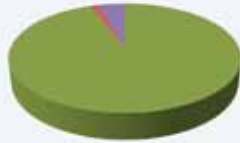
The Company adopted the IPA MFFO Guideline for the year ended December 31, 2010. The MFFO payout ratio noted above for the year ending 2009 was not calculated using the same methodology as MFFO ratio for the year ending 2010 and the first quarter of 2011. For the three months ended March 31, 2011, the Company paid distributions to stockholders of \$871,259 (\$739,988 in cash and \$131,271 in shares of common stock pursuant to the DRIP). The \$739,988 cash distributions were funded from cash flows from operations.



# Nontraded REIT Industry Review: First Quarter 2011

## Grubb & Ellis Healthcare REIT II, Inc.

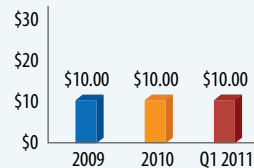
Total Assets.....	\$241.8 Million
Real Estate Assets .....	\$227.4 Million
Cash .....	\$6.7 Million
Securities .....	\$0.0 Million
Other .....	\$7.7 Million



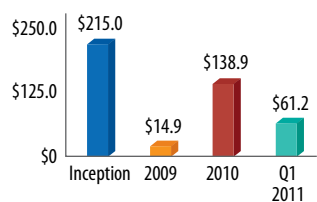
Initial Offering Date: .....	August 24, 2009
Number of Months Fundraising: .....	19
Anticipated Offering Close Date: .....	August 24, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	2.8%
Asset Type: .....	Medical Office/Healthcare Related
Number of Properties: .....	30
Square Feet / Units / Rooms / Acres: .....	995,000
Percent Leased: .....	97.4%

### Historical Price



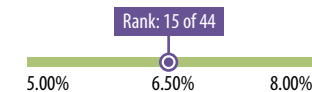
### Gross Dollars Raised\*



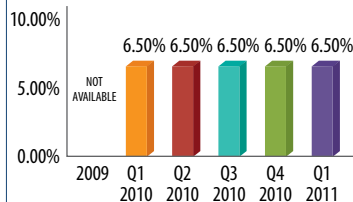
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

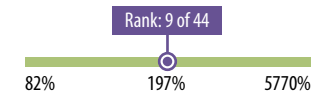


### Contact Information

[www.GBE-REITS.com](http://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

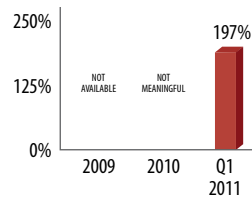
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .....197%



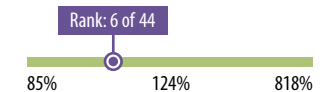
YTD Distributions Paid:.... \$2,588,000  
 YTD FFO: ..... \$1,315,000

### Historical FFO Payout Ratio



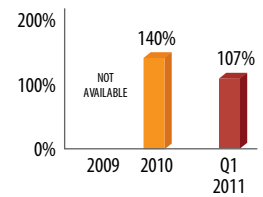
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...107%

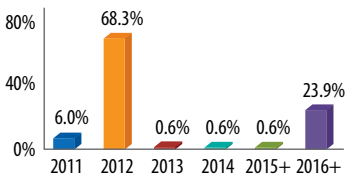


YTD Distributions Paid:.. \$2,588,000  
 YTD MFFO: ..... \$2,429,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

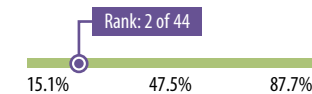


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 23.5%

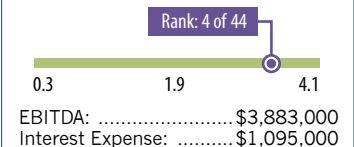


### Debt Breakdown



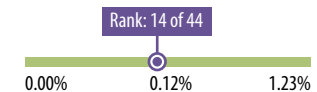
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.5



### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:..... 0.11%



Redemptions Year to Date: ..... 8,500  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 7,471,184

### Lease Expirations

Weighted avg lease term  
 remaining is 10 yrs

### Notes

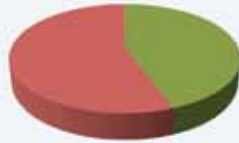
The Company reports MFFO, a non-GAAP measure, consistent with the IPA's Guideline, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations, or the Practice Guideline, issued by the IPA in November 2010. For the three months ended March 31, 2011, the Company paid distributions of \$1,315,000, or 50.8% of the distributions, from FFO and \$1,273,000, or 49.2% of the distributions paid, from proceeds from the offering. As of March 31, 2011, no amounts due to the advisor or its affiliates have been deferred, waived or forgiven. The Company's advisor and its affiliates have no obligations to defer, waive or forgive amounts due to them. As of March 31, 2011, the leverage ratio for the portfolio was 24.7%.



# Nontraded REIT Industry Review: First Quarter 2011

## Hartman Short Term Income Properties XX, Inc.

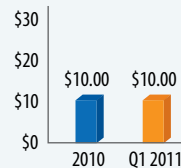
Total Assets.....	\$4.4 Million
Real Estate Assets .....	\$1.9 Million
Cash .....	\$2.4 Million
Securities .....	\$0.0 Million
Other .....	\$0.0 Million



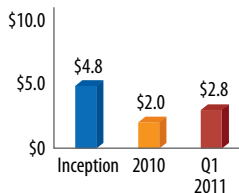
Initial Offering Date: .....	February 9, 2010
Number of Months Fundraising: .....	13
Anticipated Offering Close Date: .....	February 9, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	55.8%
Asset Type: .....	Diversified
Number of Properties: .....	1
Square Feet / Units / Rooms / Acres: .....	201,000
Percent Leased: .....	56.70%

### Historical Price



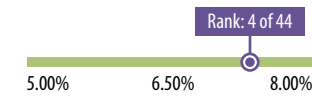
### Gross Dollars Raised\*



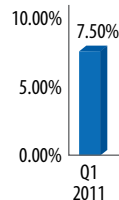
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.50%



### Historical Distribution



### Contact Information

**Hartman Income REIT**  
**2909 Hillcroft, Suite 420**  
**Houston, Texas 77057**  
**Toll Free: 800-880-2212**

### Year to Date FFO Payout Ratio

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

Not Applicable

YTD Distributions Paid:..... \$0  
 YTD FFO: ....., (\$49,192)

### Historical FFO Payout Ratio

Not Applicable

### Year to Date MFFO Payout Ratio

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

Not Applicable

YTD Distributions Paid:..... \$0  
 YTD MFFO: ....., (\$49,192)  
 \*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio

Not Applicable

### Debt Maturity

No Debt as of 3/31/11

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

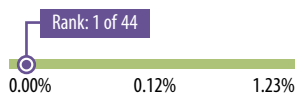
YTD Interest Coverage Ratio: NOT APPLICABLE

Not Applicable

EBITDA: ....., (\$78,863)  
 Interest Expense: No Debt @ 3/31/11

### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10 ..... 46,551

### Lease Expirations

Not Reported

### Notes

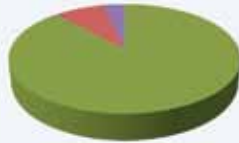
The Company did not report MFFO for 1Q 2011. 1Q 2011 MFFO is a Blue Vault Partners' estimate. The Company reported FFO included \$16,689 in organizational and offering expenses, and \$50,050 audit and director fees not attributable to operations. Blue Vault Partners has eliminated these addition to report FFO of (-\$49,192). The total dividend distribution paid to shareholders during the three months ended March 31, 2011 was \$40,918 of which \$20,856 was paid in cash and \$20,062 was paid by issuance of 2,111,7574 shares of common stock under the dividend reinvestment plan. Cash flows from operations was (-\$50,984) during the period. The Company owes the Advisor \$3,591 for asset management fees. These fees are monthly fees equal to one-twelfth of 0.75% of the sum of the higher of the cost or value of each asset. The asset management fee will be based only on the portion of the cost or value attributable to the Company's investment in an asset, if it does not own all or a majority of an asset. On December 28, 2010, the Joint Venture acquired a retail shopping center located in Richardson, Texas for an aggregate purchase price of \$19.15 million on an all cash basis from the seller, LNR Partners, LLC. The property is located at 100 South Central Expressway, Richardson, Texas and commonly known as Richardson Heights Shopping Center. The property consists of approximately 201,000 square feet and is 56.7% occupied at the acquisition date. Richardson is a suburb of Dallas, Texas. The Company's equity in earnings of unconsolidated entities from its investment in Richardson Heights Shopping Center was \$17,395 for the three months ended March 31, 2011.



# Nontraded REIT Industry Review: First Quarter 2011

## Healthcare Trust of America, Inc.

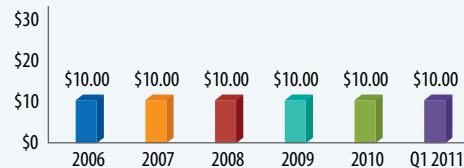
Total Assets.....	\$2,464.1 Million
Real Estate Assets ...	\$2,167.3 Million
Cash.....	\$207.4 Million
Securities .....	\$0.0 Million
Other.....	\$89.4 Million



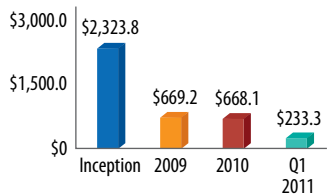
Initial Offering Date: .....	September 20, 2006
Number of Months Fundraising: .....	53
Offering Close Date: .....	February 28, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....8.4%  
 Asset Type: ..... Medical Office  
 Number of Properties: .....78 acquisitions comprised of  
 .....242 buildings and 2 real-estate related assets  
 Square Feet / Units / Rooms / Acres: .....11.1 million sq. ft.  
 Percent Leased: .....91%

### Historical Price



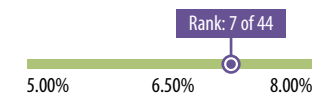
### Gross Dollars Raised\*



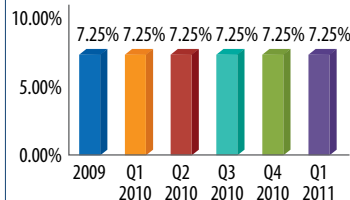
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.25%



### Historical Distribution

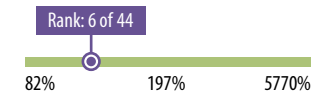


### Contact Information

[www.HTAREIT.com](http://www.HTAREIT.com)  
**Healthcare Trust of America**  
**16427 North Scottsdale Road,**  
**Suite 440**  
**Scottsdale, AZ 85254**  
**480-998-3478**

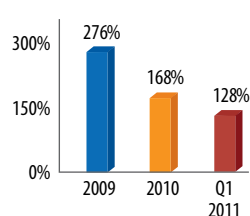
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .....128%



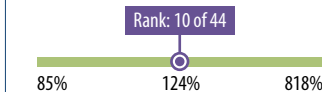
YTD Distributions Paid:..\$36,971,000  
 YTD FFO:.....\$28,836,000

### Historical FFO Payout Ratio



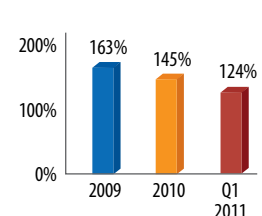
### Year to Date MFFO Payout Ratio

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

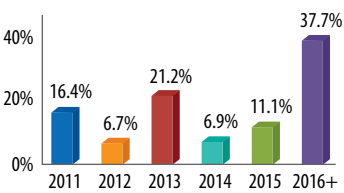


YTD Distributions Paid:....\$36,971,000  
 YTD MFFO:.....\$29,898,000  
 \*Company reported MFFO - see notes

### Historical MFFO Payout Ratio

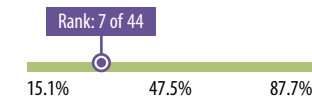


### Debt Maturity

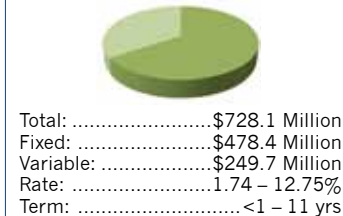


### Current Debt Ratio

Debt to Total Assets Ratio: ... 29.5%

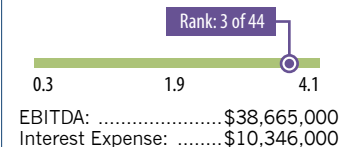


### Debt Breakdown



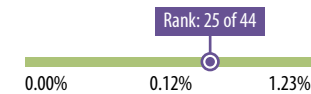
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.7



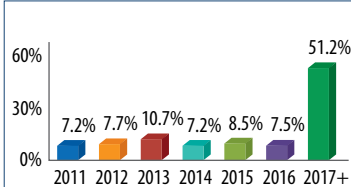
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:.....0.50%



Redemptions Year to Date: ..821,848  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: .....165,952,860

### Lease Expirations\*



\*As of 12/31/10.

### Notes

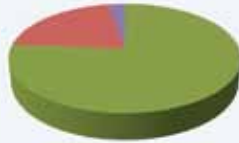
MFFO is company reported and Blue Vault Partners did not identify any additional adjustments. For the three months ended March 31, 2011, the Company paid distributions to stockholders of \$36,971,000 (\$19,320,000 in cash and \$17,651,000 in shares of common stock pursuant to the DRIP), as compared to cash flow from operations of \$25,110,000. The distributions paid in excess of cash flow from operations for the quarter ended March 31, 2011 were paid using proceeds from debt financing. As of March 31, 2011, the Company had fixed rate interest rate swaps on two variable rate mortgage loans payable and a secured real estate term loan, fixing the interest rates on those debt instruments at 5.16%, 5.87%, and 3.42%.



# Nontraded REIT Industry Review: First Quarter 2011

## Hines Global REIT, Inc.

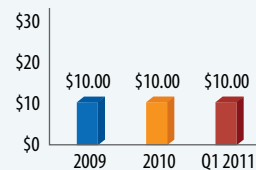
Total Assets.....	\$992.3 Million
Real Estate Assets .....	\$754.6 Million
Cash.....	\$209.4 Million
Securities .....	\$0.0 Million
Other.....	\$28.2 Million



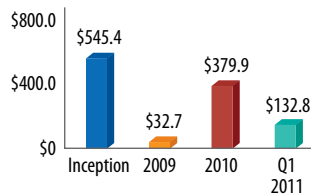
Initial Offering Date: .....	August 5, 2009
Number of Months Fundraising: .....	19
Anticipated Offering Close Date: .....	August 5, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	21.1%
Asset Type: .....	Office, Industrial & Retail
Number of Properties: .....	6
Square Feet / Units / Rooms / Acres: .....	2.2 Million
Percent Leased: .....	97.0%

### Historical Price



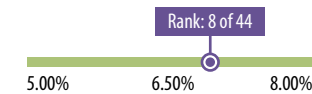
### Gross Dollars Raised\*



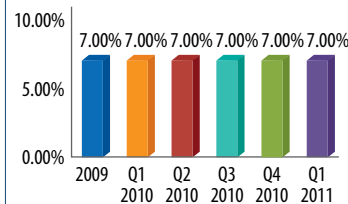
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

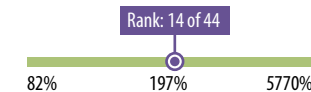


### Contact Information

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

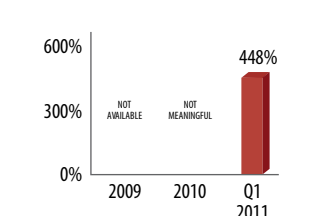
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: .....448%



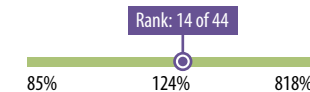
YTD Distributions Paid: ... \$8,216,000  
 YTD FFO: .....\$1,833,000

### Historical FFO Payout Ratio



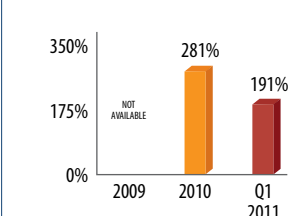
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...191%

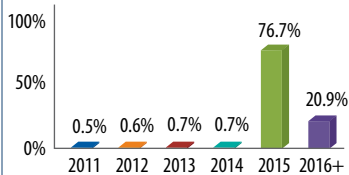


YTD Distributions Paid: .. \$8,216,000  
 YTD MFFO: .....\$4,311,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

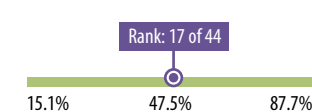


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 48.0%

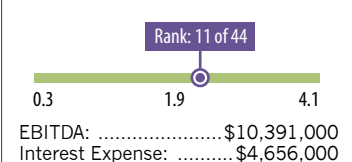


### Debt Breakdown



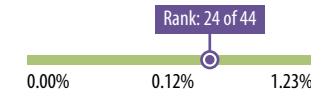
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.2



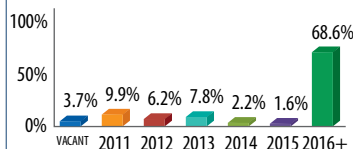
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: .....0.49%



Redemptions Year to Date: ... 96,566  
 \*Wtd. Avg. Shares Outstanding  
 as of 12/31/10 ..... 19,597,000

### Lease Expirations\*



\*As a percent of expiring square footage as of 12/31/10.

### Notes

Management uses modified funds from operations (“MFFO”) as defined by the Investment Program Association (“IPA”). In the initial quarters of operations, and from time to time thereafter, the Company may not generate sufficient cash flow from operations to fully fund distributions paid. Therefore, particularly in the earlier part of the Offering, 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. The Company has not placed a cap on the amount of distributions that may be paid from any of these sources.

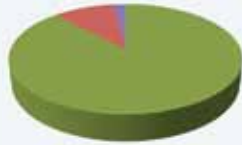




# Nontraded REIT Industry Review: First Quarter 2011

## Industrial Income Trust Inc.

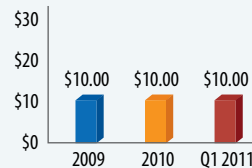
Total Assets.....	\$433.3 Million
Real Estate Assets .....	\$380.2 Million
Cash .....	\$44.1 Million
Securities .....	\$0.0 Million
Other .....	\$8.9 Million



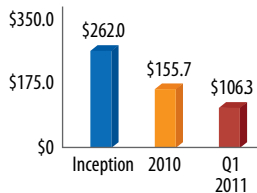
Initial Offering Date: .....	December 18, 2009
Number of Months Fundraising: .....	15
Anticipated Offering Close Date: .....	December 18, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	10.2%
Asset Type: .....	Industrial
Number of Properties: .....	33
Square Feet / Units / Rooms / Acres: .....	7.0 Million sq. ft.
Percent Leased: .....	Not Reported

### Historical Price



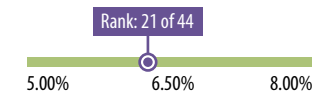
### Gross Dollars Raised\*



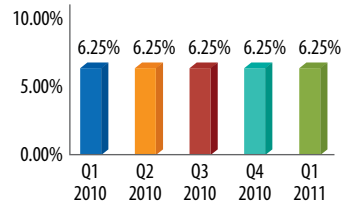
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.25%



### Historical Distribution



### Contact Information

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

### Year to Date FFO Payout Ratio

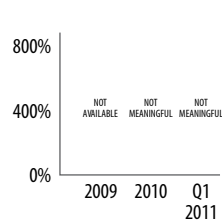
FFO Payout Ratio:  
YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 18 of 44

82% 197% 5770%

YTD Distributions Paid: ... \$1,786,000  
YTD FFO: ... (\$2,769,000)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

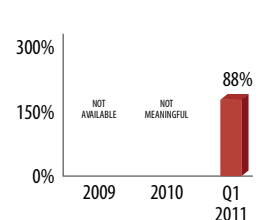
MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ... 88%

Rank: 2 of 44

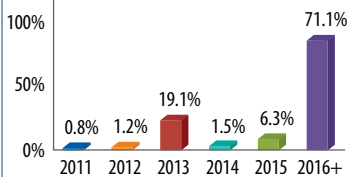
85% 124% 818%

YTD Distributions Paid: ... \$1,786,000  
YTD MFFO: ... \$2,025,000  
\*BVP adjusted MFFO – see notes

### Historical MFFO Payout Ratio

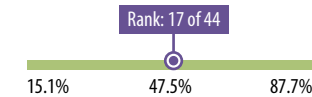


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 48.0%

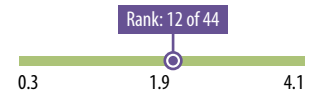


### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 2.1



EBITDA: ... \$4,344,000  
Interest Expense: ... \$2,088,000

### Redemptions

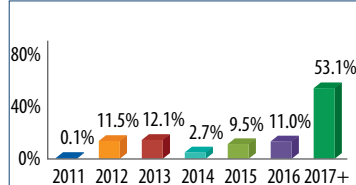
Ratio of Shares Redeemed to Wtd.  
Avg. Shares Outstanding: ... 0.20%

Rank: 18 of 44

0.00% 0.12% 1.23%

Redemptions Year to Date: ... 9,300  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: ... 4,737,865

### Lease Expirations\*



\*As a percent of expiring base rent. As of March 31, 2011.

### Notes

The 1Q 2011 Company Defined FFO of \$2,257,000 does not include \$231,000 in amortization of straight-line rent and above- and below-market leases. Blue Vault Partners has included the charge to report 1Q 2011 MFFO of \$2,026,000. For the three months ended March 31, 2011, all cash distributions provided by financing activities were funded through proceeds from the Company's debt financings.



# Nontraded REIT Industry Review: First Quarter 2011

## Inland Diversified Real Estate Trust, Inc.

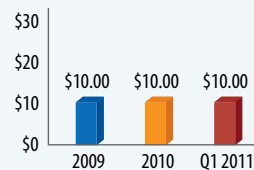
Total Assets.....	\$635.2 Million
Real Estate Assets .....	\$573.1 Million
Cash .....	\$35.4 Million
Securities .....	\$7.4 Million
Other .....	\$19.3 Million



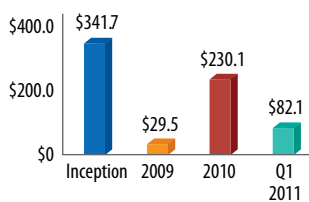
Initial Offering Date: .....	August 24, 2009
Number of Months Fundraising: .....	19
Anticipated Offering Close Date: .....	August 24, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	5.6%
Asset Type: .....	Diversified
Number of Properties: .....	33
Square Feet / Units / Rooms / Acres: ...	3,422,591 sq. ft. & 300 units
Percent Leased: .....	96.7%

### Historical Price



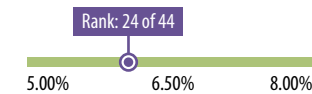
### Gross Dollars Raised\*



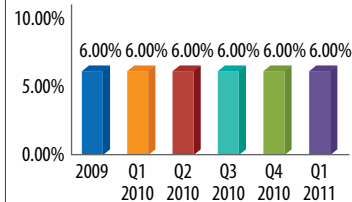
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

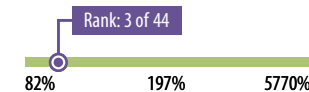


### Contact Information

[www.InlandDiversified.com](http://www.InlandDiversified.com)  
**Inland Securities Corporation**  
 2901 Butterfield Road  
 Oak Brook, Illinois 60523  
 (800) 826-8228

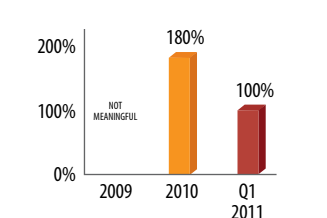
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 100%



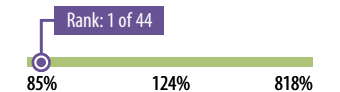
YTD Distributions Paid: ... \$4,074,050  
 YTD FFO: ..... \$4,085,799

### Historical FFO Payout Ratio



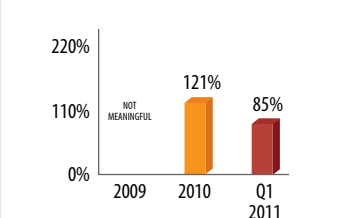
### Year to Date MFFO Payout Ratio

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

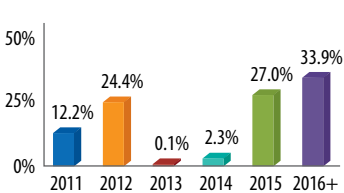


YTD Distributions Paid: .. \$4,074,050  
 YTD MFFO: ..... \$4,815,448  
 \*Blue Vault reported MFFO – see notes

### Historical MFFO Payout Ratio

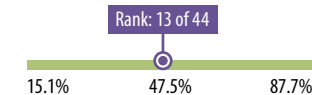


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 46.1%



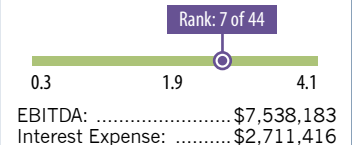
### Debt Breakdown



Total: ..... \$292.6 Million  
 Fixed: ..... \$191.0 Million  
 Variable: ..... \$101.6 Million  
 Rate: ..... 0.60% – 7.33%  
 Term: ..... 1 – 20 yrs

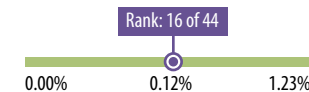
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.8



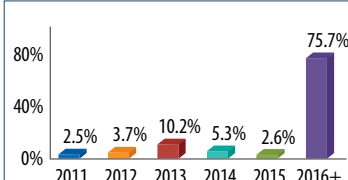
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: ..... 0.17%



Redemptions Year to Date: ... 23,014  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 13,671,936

### Lease Expirations\*



\*Does not include multi-family leases

### Notes

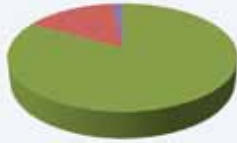
The Company did not report MFFO for 1Q 2011. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. Cash retained by the Company of \$809,070 from the waiver of the first quarter business management fee by the Business Manager had the effect of increasing cash flow from operations for this period because the Company did not have to use cash to pay the fee or reimbursement. The Company's first quarter 2011 distributions were funded from cash flows from operations. On March 10, 2011, the Sponsor forgave \$1,500,000 in liabilities related to advances used to pay administrative and offering costs prior to the commencement of the Offering that were previously funded to the Company and treated this as a capital contribution to cover a portion of distributions paid related to the three months ended December 31, 2010.



# Nontraded REIT Industry Review: First Quarter 2011

## KBS Legacy Partners Apartment REIT, Inc.

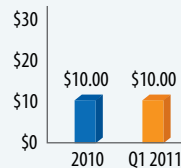
Total Assets.....	\$42.2 Million
Real Estate Assets .....	\$35.1 Million
Cash .....	\$6.4 Million
Securities .....	\$0.0 Million
Other .....	\$0.7 Million



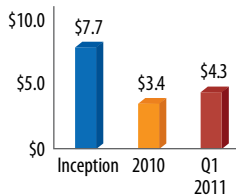
Initial Offering Date: .....	March 12, 2010
Number of Months Fundraising: .....	12
Anticipated Offering Close Date: .....	March 12, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	15.1%
Asset Type: .....	Multifamily
Number of Properties: .....	1
Square Feet / Units / Rooms / Acres: .....	453,178
Percent Leased: .....	96.00%

### Historical Price



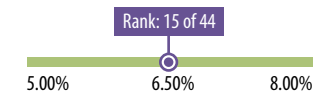
### Gross Dollars Raised\*



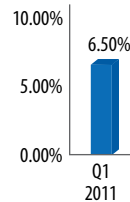
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution



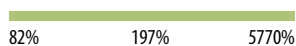
### Contact Information

[www.KBS-CMG.com](http://www.KBS-CMG.com)  
**KBS Legacy Apartment REIT**  
**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: NOT MEANINGFUL

Rank: 18 of 44



YTD Distributions Paid:..... \$53,000  
 YTD FFO: ....., (\$196,000)

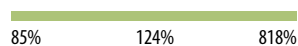
### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

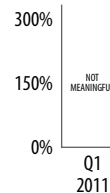
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

Rank: 20 of 44

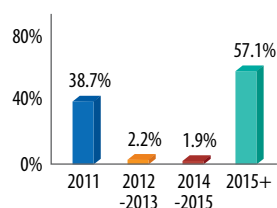


YTD Distributions Paid:..... \$53,000  
 YTD MFFO: ....., (\$196,000)  
 \*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio

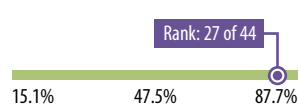


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 87.7%



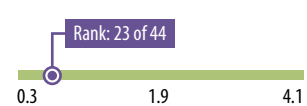
### Debt Breakdown



Total: ..... \$37.0 Million  
 Fixed: ..... \$14.0 Million  
 Variable: ..... \$23.0 Million  
 Rate: ..... 3.8 – 6%  
 Term: ..... 1 – 6 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.6

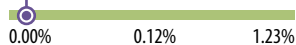


EBITDA: ..... \$299,000  
 Interest Expense: ..... \$495,000

### Redemptions

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

Rank: 1 of 44



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 41,063

### Lease Expirations

Not Reported

### Notes

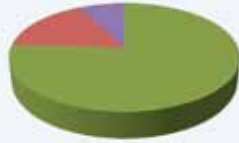
The Company did not report MFFO for 1Q 2011. 1Q 2011 MFFO is a Blue Vault Partners' estimate. For the three months ended March 31, 2011, the Company paid aggregate distributions of \$53,000, including \$33,000 of distributions paid in cash and \$20,000 of distributions reinvested through the dividend reinvestment plan. The Company funded total distributions paid, which includes cash distributions and dividends reinvested by stockholders, with debt financing. From January 1, 2010 through February 28, 2011, the Company's asset management fees totaled \$0.1 million, all of which have been paid as of February 28, 2011.



# Nontraded REIT Industry Review: First Quarter 2011

## Lightstone Value Plus Real Estate Investment Trust II, Inc.

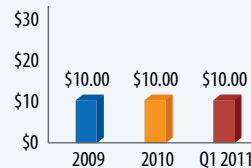
Total Assets.....	\$30.9 Million
Real Estate Assets .....	\$23.4 Million
Cash .....	\$5.0 Million
Securities .....	\$0.0 Million
Other .....	\$2.4 Million



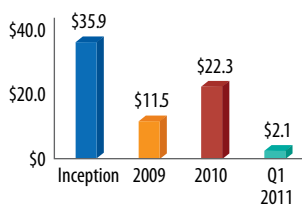
Initial Offering Date: .....	February 17, 2009
Number of Months Fundraising: .....	25
Anticipated Offering Close Date: .....	February 17, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	16.3%
Asset Type: .....	Diversified
Number of Properties: .....	See Notes
Square Feet / Units / Rooms / Acres: .....	See Notes
Percent Leased: .....	See Notes

### Historical Price



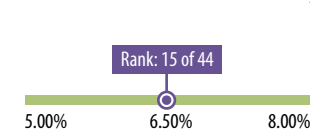
### Gross Dollars Raised\*



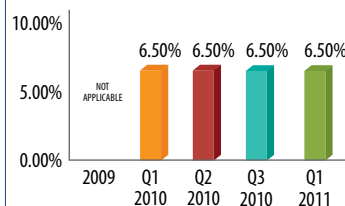
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

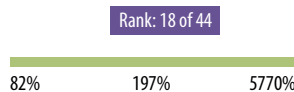


### Contact Information

[www.LightstoneREIT.com](http://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



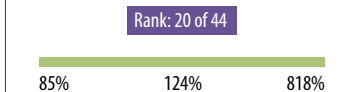
YTD Distributions Paid:..... \$577,291  
 YTD FFO: ....., (\$365,654)

### Historical FFO Payout Ratio



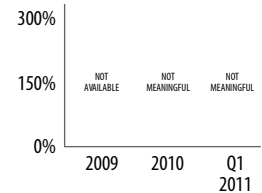
### Year to Date MFFO Payout Ratio

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



YTD Distributions Paid:..... \$577,291  
 YTD MFFO: ....., (\$11,622)  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Maturity

No Debt @ 3/31/11

### Current Debt Ratio

Not Applicable

### Debt Breakdown

Not Applicable

### Interest Coverage Ratio

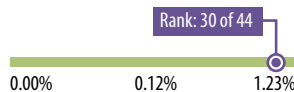
YTD Interest Coverage Ratio: NOT APPLICABLE

Not Applicable

EBITDA: ....., (\$408,815)  
 Interest Expense: ... NO DEBT @ 3/31/11

### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:.....1.23%



Redemptions Year to Date: ... 31,192  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ....., 2,539,994

### Lease Expirations

Not Reported

### Notes

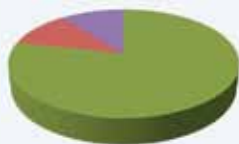
The Company reported that its MFFO has been determined in accordance with the Investment Program Association ("IPA") definition of MFFO. The Company used proceeds from the offering of common stock to fund the cash portion of the distributions. As of March 31, 2011, the Company owned four real estate related assets: 1) a wholly owned 125-suite limited service extended-stay hotel that is 73% occupied; 2) a mortgage loan collateralized by a limited service hotel; 3) an aggregate 34.413% equity interest in Brownmill LLC, which owns two retail properties totaling 156,002 sq. ft. and 88% occupied; 4) a 20% equity interest in the CP Boston Joint Venture which owns a 366-room, eight-story, full-service hotel that is 38% occupied and a 65,000 square foot water park. The CP Boston Property was purchased "as is" and it is currently expected that approximately \$10.0 million (of which approximately \$2.0 million is the Company's proportionate share) of additional renovations and improvements will be funded proportionately by the owners of CP Boston Joint Venture.



# Nontraded REIT Industry Review: First Quarter 2011

## Moody National REIT I, Inc.

Total Assets.....	\$9.3 Million
Real Estate Assets .....	\$7.3 Million
Cash .....	\$1.0 Million
Securities .....	\$0.0 Million
Other .....	\$1.0 Million



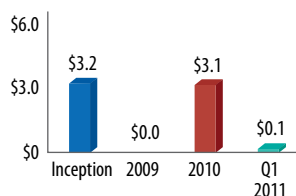
Initial Offering Date: .....	April 15, 2009
Number of Months Fundraising: .....	23
Anticipated Offering Close Date: .....	April 15, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: ..... 10.8%  
 Asset Type: ..... Hotels  
 Number of Properties: ..... 1  
 Square Feet / Units / Rooms / Acres: ..... 128 rooms  
 Percent Leased: ..... Not Reported

### Historical Price

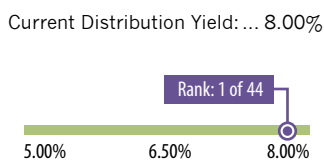


### Gross Dollars Raised\*

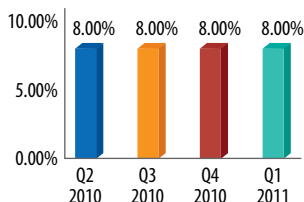


\*Includes reinvested distributions (in millions)

### Current Distribution



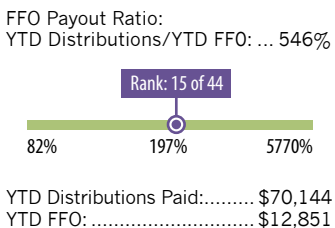
### Historical Distribution



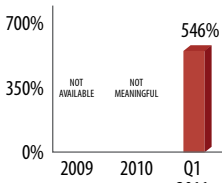
### Contact Information

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

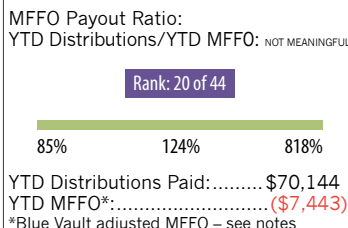
### Year to Date FFO Payout Ratio



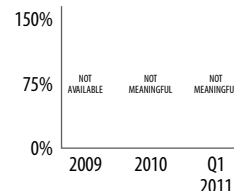
### Historical FFO Payout Ratio



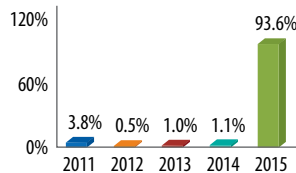
### Year to Date MFFO Payout Ratio



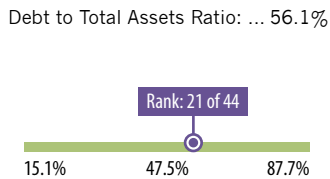
### Historical MFFO Payout Ratio



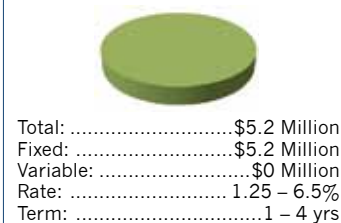
### Debt Maturity



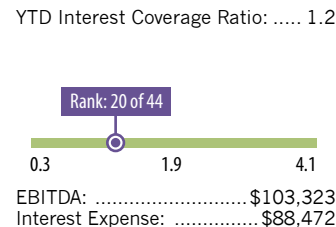
### Current Debt Ratio



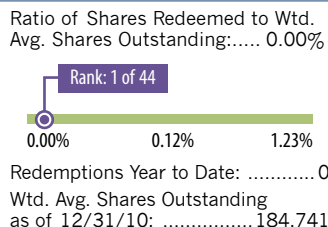
### Debt Breakdown



### Interest Coverage Ratio



### Redemptions



### Lease Expirations

Not Reported

### Notes

The Company reported Modified Funds from Operations (MFFO) for 1Q 2011 of \$41,906, which included \$42,727 of stock/unit-based compensation and \$6,622 of amortized loan costs. Blue Vault Partners has excluded those items to report 1Q 2011 MFFO of (-\$7,443). As of March 31, 2011, the Company's portfolio included a 75% indirect joint venture interest in one real property. The Company paid \$42,398 in cash distributions in the first quarter of 2011 and had cash flow from operations of (\$9,178) during the same period.

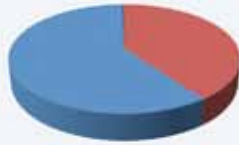




# Nontraded REIT Industry Review: First Quarter 2011

## Northstar Real Estate Income Trust, Inc.

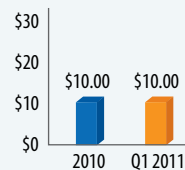
Total Assets.....	\$60.3 Million
Real Estate Assets .....	\$0.0 Million
Cash .....	\$24.0 Million
Securities .....	\$35.9 Million
Other .....	\$0.3 Million



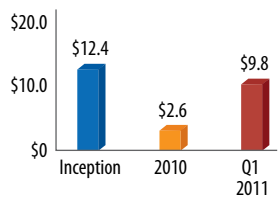
Initial Offering Date: .....	July 19, 2010
Number of Months Fundraising: .....	8
Anticipated Offering Close Date: .....	July 19, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	39.9%
Asset Type: .....	Securities
Number of Properties: .....	NA
Square Feet / Units / Rooms / Acres: .....	NA
Percent Leased: .....	NA

### Historical Price



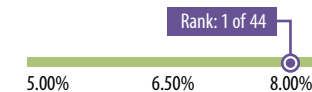
### Gross Dollars Raised\*



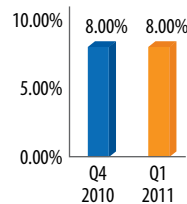
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 8.00%



### Historical Distribution

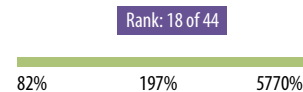


### Contact Information

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

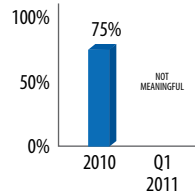
### Year to Date FFO Payout Ratio

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



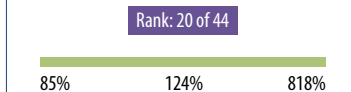
YTD Distributions Paid: ..... \$638,608  
 YTD MFFO: ..... (\$150,255)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

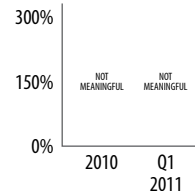
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



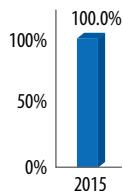
YTD Distributions Paid: ..... \$638,608  
 YTD MFFO: ..... (\$145,848)

\*Blue Vault calculated MFFO – see notes

### Historical MFFO Payout Ratio

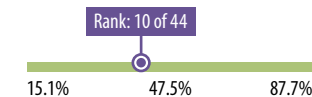


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 39.9%

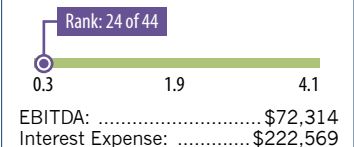


### Debt Breakdown

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

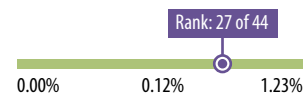
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.3



### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: ..... 0.70%



Redemptions Year to Date: ... 14,748  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 2,104,915

### Lease Expirations

Not Applicable

### Notes

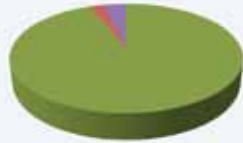
The Company reported 1Q 2011 Adjusted Funds from Operations (AFFO) of (-\$137,409) includes \$8,439 Amortization of Equity Based Compensation. Blue Vault Partners has excluded the Amortization of Equity Based Compensation to report Modified Funds From Operations (MFFO) of (-\$145,848). The Sponsor has committed to purchase up to 10,000,000 of shares of the Company's common stock during the two-year period following commencement of the Company's Offering under certain circumstances in which the Company's distributions exceed its adjusted funds from operations ("AFFO") in order to provide additional funds to support distributions to stockholders. On March 23, 2011, the Company's board of directors approved the sale of 43,439 shares of the Company's common stock, \$0.01 par value per share, to NRFC Sub-REIT Corp., a subsidiary of the Sponsor, at a price of \$9.00 per Share.



# Nontraded REIT Industry Review: First Quarter 2011

## Paladin Realty Income Properties, Inc.

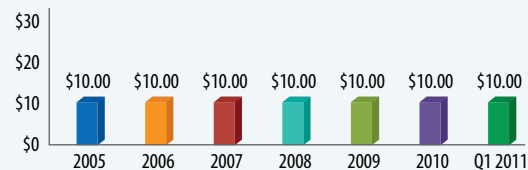
Total Assets.....	\$163.8 Million
Real Estate Assets .....	\$153.8 Million
Cash .....	\$3.9 Million
Securities .....	\$0.0 Million
Other .....	\$6.1 Million



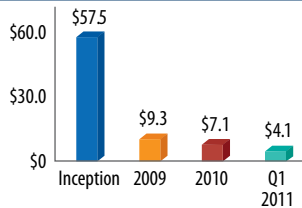
Initial Offering Date: .....	February 25, 2005
Number of Months Fundraising: .....	73
Anticipated Offering Close Date: .....	July 28, 2011
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	2.4%
Asset Type: .....	Diversified
Number of Properties: .....	13
Square Feet / Units / Rooms / Acres: .....	131,854 sq ft & 2,353 units
Percent Leased: .....	Not Reported

### Historical Price



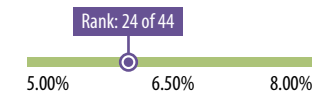
### Gross Dollars Raised\*



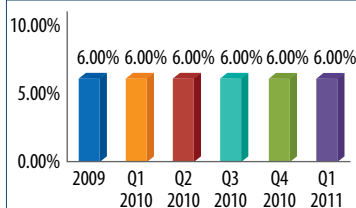
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

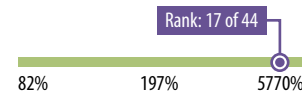


### Contact Information

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

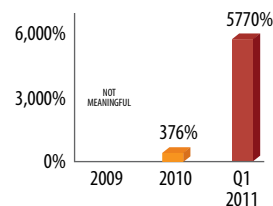
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
YTD Distributions/YTD FFO: .... 5770%



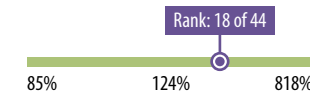
YTD Distributions Paid:..... \$753,119  
YTD FFO: ..... \$13,052

### Historical FFO Payout Ratio



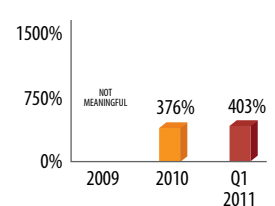
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
YTD Distributions/YTD MFFO: ... 403%

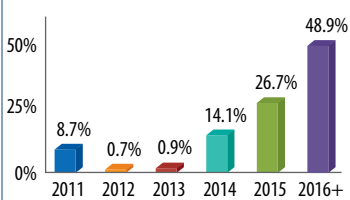


YTD Distributions Paid:..... \$753,119  
YTD MFFO: ..... \$186,878  
\*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



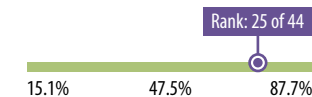
### Debt Maturity



\*As of 12/31/10

### Current Debt Ratio

Debt to Total Assets Ratio: ... 76.2%

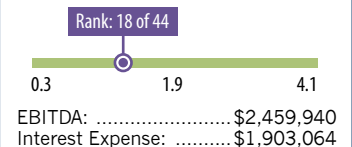


### Debt Breakdown

Total: .....	\$124.8 Million
Fixed: .....	\$124.8 Million
Variable: .....	\$0 Million
Rate: .....	5.49 – 7.0%
Term: .....	<1 – 9 yrs

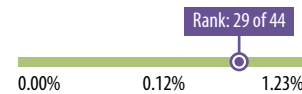
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.3



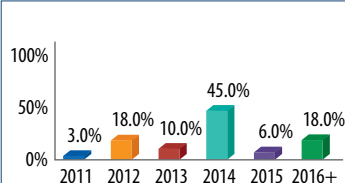
### Redemptions

Ratio of Shares Redeemed to Wtd.  
Avg. Shares Outstanding:..... 0.83%



Redemptions Year to Date: ... 39,896  
Wtd. Avg. Shares Outstanding  
as of 12/31/10: ..... 4,787,071

### Lease Expirations\*



\*As of 12/31/10.

### Notes

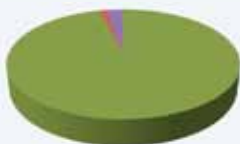
The Company reported modified funds from operations, or MFFO, as defined by the Investment Program Association, or IPA. As of March 31, 2011, the Company owned interests in 12 joint ventures that own 13 income-producing properties. Portions of the cumulative distributions paid as of March 31, 2011 have been paid with offering proceeds.



# Nontraded REIT Industry Review: First Quarter 2011

## Phillips Edison – ARC Shopping Center REIT Inc.

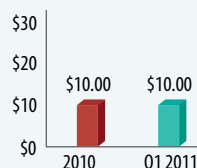
Total Assets.....	\$21.9 Million
Real Estate Assets .....	\$21.1 Million
Cash .....	\$0.3 Million
Securities .....	\$0.0 Million
Other .....	\$0.6 Million



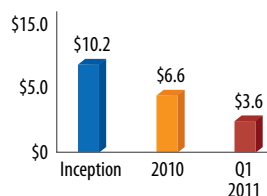
Initial Offering Date: .....	August 12, 2010
Number of Months Fundraising: .....	7
Anticipated Offering Close Date: .....	August 12, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	1.3%
Asset Type: .....	Retail
Number of Properties: .....	2
Square Feet / Units / Rooms / Acres: .....	182,493 sq. ft.
Percent Leased: .....	97.8%

### Historical Price



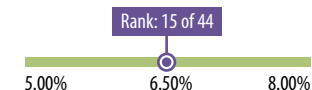
### Gross Dollars Raised\*



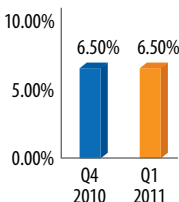
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution



### Contact Information

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

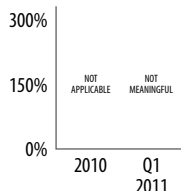
### Year to Date FFO Payout Ratio

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



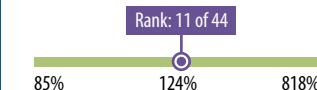
YTD Distributions Paid:..... \$121,000  
 YTD FFO: ....., (\$3,000)

### Historical FFO Payout Ratio



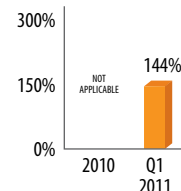
### Year to Date MFFO Payout Ratio

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

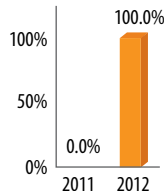


YTD Distributions Paid:..... \$121,000  
 YTD MFFO: ....., \$84,000  
 \*Blue Vault adjusted MFFO – see notes

### Historical MFFO Payout Ratio

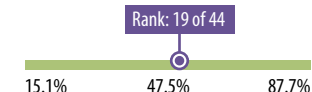


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 51.3%

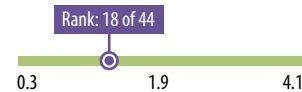


### Debt Breakdown

Total: .....	\$11.2 Million
Fixed: .....	\$0.0 Million
Variable: .....	\$11.2 Million
Rate: .....	3.32%
Term: .....	1 – 2 yrs.

### Interest Coverage Ratio

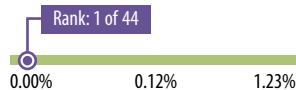
YTD Interest Coverage Ratio: ..... 1.3



EBITDA: ....., \$192,000  
 Interest Expense: ....., \$149,000

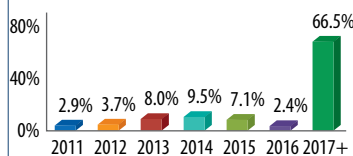
### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 168,419

### Lease Expirations\*



\*Data as of 12/31/10.

### Notes

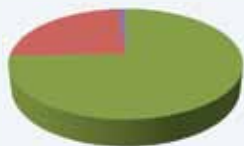
The Company reported MFFO for 1Q 2011 include a \$60,000 contribution from the sponsor for certain general and administrative expenses. Blue Vault Partners has eliminated the contribution from the sponsor to report 1Q 2011 MFFO of \$84,000. Distributions were funded from advances from the Sub-advisor and cash generated from operations. Asset management fees waived by the Advisor and Sub-advisor for the three months ended March 31, 2011 were \$53,000.



# Nontraded REIT Industry Review: First Quarter 2011

## Steadfast Income REIT, Inc.

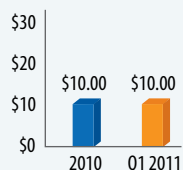
Total Assets.....	\$22.0 Million
Real Estate Assets .....	\$16.4 Million
Cash .....	\$5.3 Million
Securities .....	\$0.0 Million
Other .....	\$0.3 Million



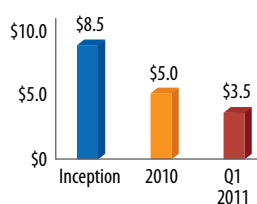
Initial Offering Date: .....	July 19, 2010
Number of Months Fundraising: .....	5
Anticipated Offering Close Date: .....	July 19, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	24.1%
Asset Type: .....	Multifamily
Number of Properties: .....	2
Square Feet / Units / Rooms / Acres:.....	337 units OR 99,700 sq. ft
Percent Leased: .....	90%

### Historical Price



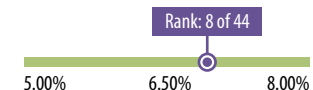
### Gross Dollars Raised\*



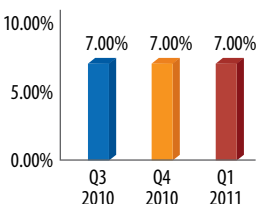
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution



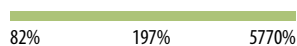
### Contact Information

**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

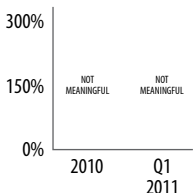
FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 18 of 44



YTD Distributions Paid:..... \$207,813  
 YTD FFO: ....., (\$428,142)

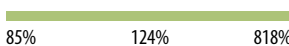
### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

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

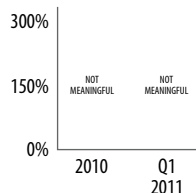
Rank: 20 of 44



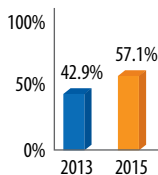
YTD Distributions Paid:..... \$207,813  
 YTD MFFO: ....., (\$368,213)

\*Blue Vault calculated MFFO – see notes

### Historical MFFO Payout Ratio

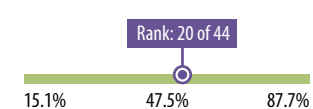


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 53.0%



### Debt Breakdown

Total: .....	\$11.7 Million
Fixed: .....	\$11.7 Million
Variable: .....	\$0.00 Million
Rate: .....	5.25% – 6%
Term: .....	2 – 4 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL

Rank: 27 of 44

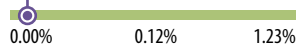


EBITDA: ....., (\$201,401)  
 Interest Expense: ....., \$166,812

### Redemptions

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

Rank: 1 of 44



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 506,003

### Lease Expirations

Not Reported

### Notes

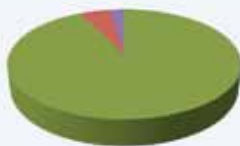
The Company did not report MFFO for 1Q 2011. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with funds from proceeds of its private and public offerings. In order to provide additional available funds to pay distributions, under certain circumstances the Company's obligation to pay all fees due to the advisor will be deferred up to an aggregate amount of \$5 million during the offering stage. As of March 31, 2011, the Advisor had incurred \$6,866,556 of organizational and offering costs on behalf of the Company, of which \$4,731,021 have been deferred. As of March 31, 2011, \$134,995 of acquisition fees and \$67,607 of investment management fees earned by the Advisor have been deferred.



# Nontraded REIT Industry Review: First Quarter 2011

## Strategic Storage Trust, Inc.

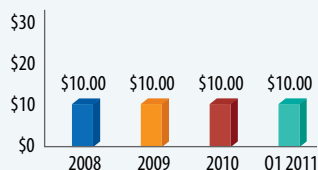
Total Assets.....	\$385.9 Million
Real Estate Assets .....	\$357.4 Million
Cash.....	\$19.2 Million
Securities .....	\$0.0 Million
Other.....	\$9.3 Million



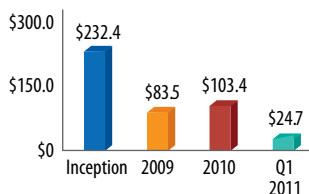
Initial Offering Date: ..... March 17, 2008  
 Number of Months Fundraising: ..... 33  
 Anticipated Offering Close Date: ..... September 17, 2011  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 5.0%  
 Asset Type: ..... Storage  
 Number of Properties: ..... 61  
 Square Feet / Units / Rooms / Acres: ..... 5.1 million sq. ft.  
 Percent Leased: ..... 76.5%

### Historical Price



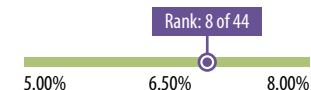
### Gross Dollars Raised\*



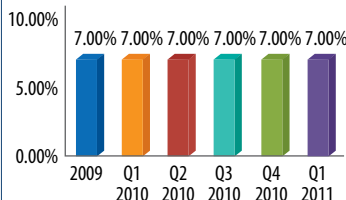
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution



### Contact Information

[www.StrategicStorageTrust.com](http://www.StrategicStorageTrust.com)  
**Strategic Storage Trust**  
 111 Corporate Drive, Suite 120  
 Ladera Ranch, CA 92694  
 (877) 327-3485

### Year to Date FFO Payout Ratio

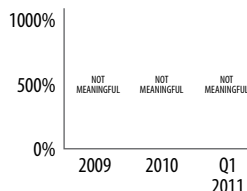
FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 18 of 44

82% 197% 5770%

YTD Distributions Paid: ... \$4,656,227  
 YTD FFO: ..... (\$484,894)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

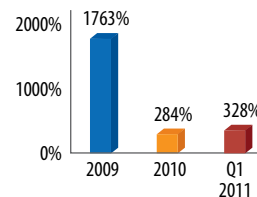
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...328%

Rank: 17 of 44

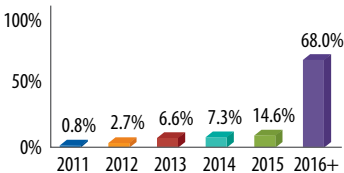
85% 124% 818%

YTD Distributions Paid: ... \$4,656,227  
 YTD MFFO: ..... \$1,418,070  
 \*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 47.7%

Rank: 16 of 44

15.1% 47.5% 87.7%

### Debt Breakdown



Total: ..... \$184.0 Million  
 Fixed: ..... \$176.8 Million  
 Variable: ..... \$7.2 Million  
 Rate: ..... 4 – 6.50%  
 Term: ..... 1 – 10 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.8

Rank: 15 of 44

0.3 1.9 4.1

EBITDA: ..... \$4,145,725  
 Interest Expense: ..... \$2,293,304

### Redemptions

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

Rank: 1 of 44

0.00% 0.12% 1.23%

Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 21,706,053

### Lease Expirations

Not Reported

### Notes

The Company did not report MFFO for 1Q 2011. MFFO is a Blue Vault estimate. As of March 31, 2011, the Company wholly owned 61 self storage facilities; minority interests in nine additional self storage facilities; and an interest in a net leased industrial property with 356,000 rentable square feet leased to a single tenant. Distributions may be paid in part from debt financing or from proceeds from the issuance of common stock.

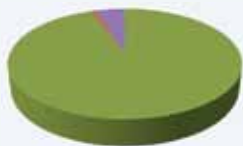




# Nontraded REIT Industry Review: First Quarter 2011

## TNP Strategic Retail Trust, Inc.

Total Assets.....	\$70.1 Million
Real Estate Assets .....	\$66.2 Million
Cash .....	\$0.6 Million
Securities .....	\$0.0 Million
Other .....	\$3.3 Million



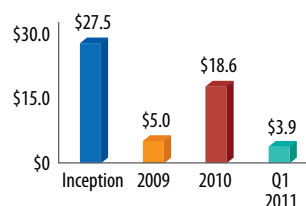
Initial Offering Date: .....	August 7, 2009
Number of Months Fundraising: .....	19
Anticipated Offering Close Date: .....	August 7, 2012
Current Price per Share: .....	\$10.00
Reinvestment Price per Share: .....	\$9.50

Cash to Total Assets Ratio: .....	2.5%
Asset Type: .....	Retail
Number of Properties: .....	5
Square Feet / Units / Rooms / Acres: .....	500,733
Percent Leased: .....	82.0%

### Historical Price



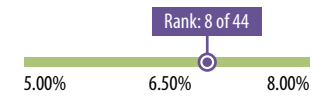
### Gross Dollars Raised\*



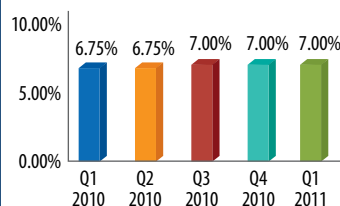
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution



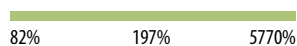
### Contact Information

[www.tnpre.com](http://www.tnpre.com)  
**TNP Strategic Retail Trust, Inc.**  
 1900 Main Street  
 Attn: Ryan Lodes  
 Suite 700  
 Irvine, CA 92614  
 877-982-7846

### Year to Date FFO Payout Ratio

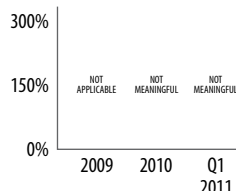
FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 18 of 44



YTD Distributions Paid:..... \$424,000  
 YTD FFO: ....., (\$492,000)

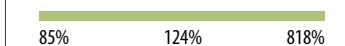
### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

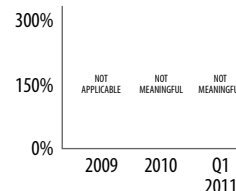
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

Rank: 20 of 44

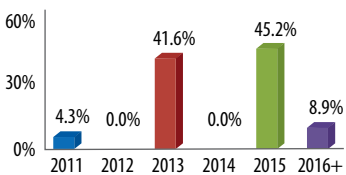


YTD Distributions Paid:..... \$424,000  
 YTD MFFO: ....., (\$177,000)  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

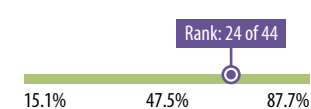


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 68.2%



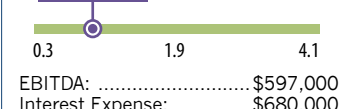
### Debt Breakdown

Total: .....	\$47.8 Million
Fixed: .....	\$25.8 Million
Variable: .....	\$22.0 Million
Rate: .....	5.35 – 8.00%
Term: .....	<1 – 16 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.9

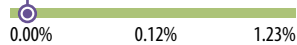
Rank: 22 of 44



### Redemptions

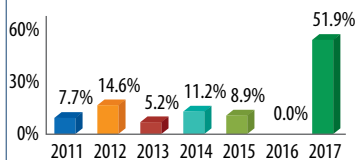
Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:..... 0.00%

Rank: 1 of 44



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 1,483,179

### Lease Expirations\*



\*Data as of 12/31/10.

### Notes

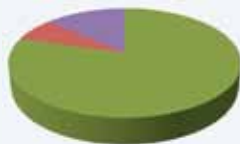
The Company reported MFFO in accordance with IPA guidelines. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders with proceeds from the initial public offering. The portfolio includes 7 acres of undeveloped pads. The Company acquired its 5th property, Craig Promenade, on March 30th, 2011, and therefore did not receive full benefit of the income for the quarter from the property. It is anticipated that the offering period will be extended to August 7, 2013.



# Nontraded REIT Industry Review: First Quarter 2011

## United Development Funding IV

Total Assets.....	\$97.3 Million
Real Estate Assets .....	\$77.4 Million
Cash .....	\$7.0 Million
Securities .....	\$0.0 Million
Other .....	\$13.0 Million



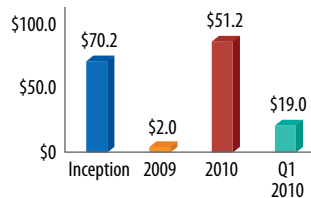
Initial Offering Date: .....	November 12, 2009
Number of Months Fundraising: .....	20
Anticipated Offering Close Date: .....	November 12, 2011
Current Price per Share: .....	\$20.00
Reinvestment Price per Share: .....	\$20.00

Cash to Total Assets Ratio: ..... 7.1%  
 Asset Type: ..... Mortgage Loans  
 Number of Properties: ..... 12 related party participation and  
 ..... note agreements, 18 notes with third-parties  
 Square Feet / Units / Rooms / Acres: ..... NA  
 Percent Leased: ..... NA

### Historical Price

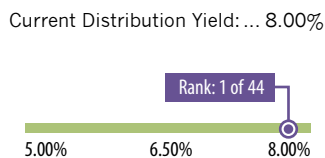


### Gross Dollars Raised\*

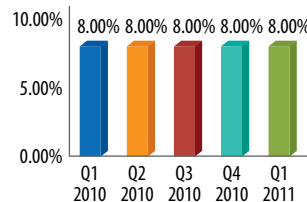


\*Includes reinvested distributions (in millions)

### Current Distribution



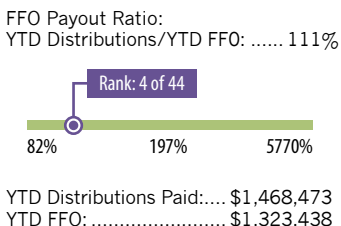
### Historical Distribution



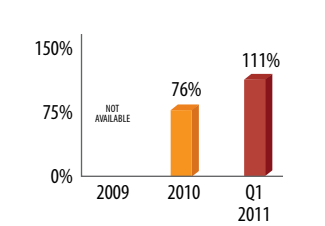
### Contact Information

[www.umth.com](http://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**

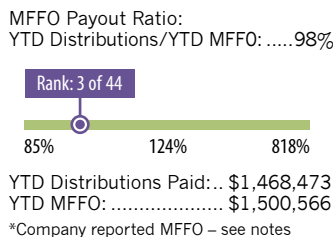
### Year to Date FFO Payout Ratio



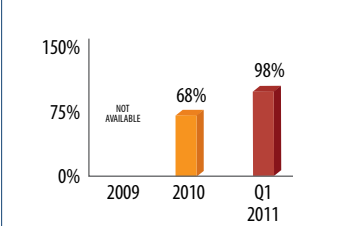
### Historical FFO Payout Ratio



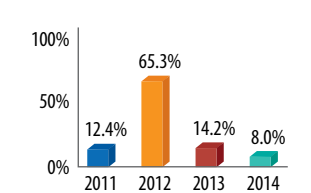
### Year to Date MFFO Payout Ratio



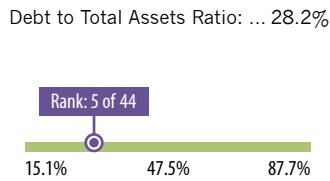
### Historical MFFO Payout Ratio



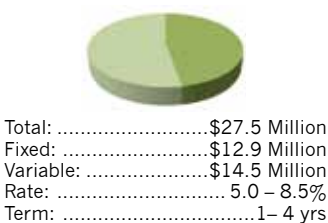
### Debt Maturity



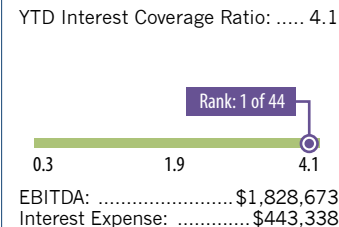
### Current Debt Ratio



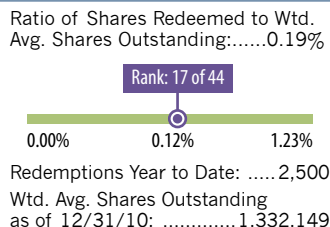
### Debt Breakdown



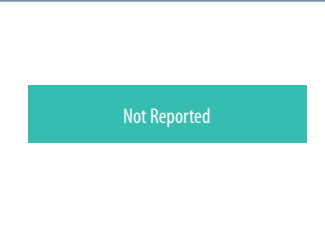
### Interest Coverage Ratio



### Redemptions



### Lease Expirations



### Notes

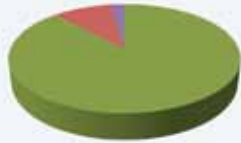
The Company reports MFFO as recommended by the Investment Program Association, or the IPA as a supplemental performance measure for publicly registered, non-listed REITs. For the three months ended March 31, 2011, the Company paid total distributions of \$1,468,473 (\$927,444 paid in cash and \$541,029 reinvested). Total distributions were funded 6% from cash flows from operations and 94% from borrowings under the credit facility. On March 10, 2011, the board of trustees authorized a special distribution to 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 in cash and DRIP shares.



# Nontraded REIT Industry Review: First Quarter 2011

## Wells Core Office Income REIT, Inc.

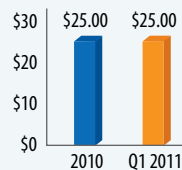
Total Assets.....	\$68.1 Million
Real Estate Assets .....	\$59.8 Million
Cash .....	\$6.8 Million
Securities .....	\$0.0 Million
Other .....	\$1.5 Million



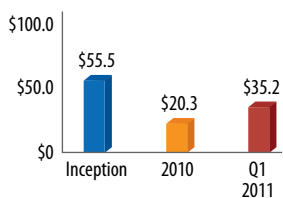
Initial Offering Date: .....	June 10, 2010
Number of Months Fundraising: .....	9
Anticipated Offering Close Date: .....	June 10, 2012
Current Price per Share: .....	\$25.00
Reinvestment Price per Share: .....	\$23.75

Cash to Total Assets Ratio: .....	10.0%
Asset Type: .....	Office
Number of Properties: .....	3
Square Feet / Units / Rooms / Acres: .....	335,000
Percent Leased: .....	99.00%

### Historical Price



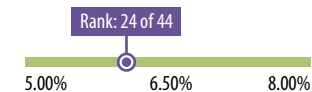
### Gross Dollars Raised\*



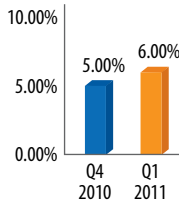
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

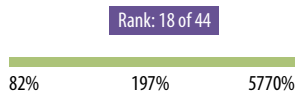


### Contact Information

[www.Wellscorereit.com](http://www.Wellscorereit.com)  
**Wells Real Estate Funds**  
**P.O. Box 926040**  
**Norcross, GA 30010**  
**800-557-4830**

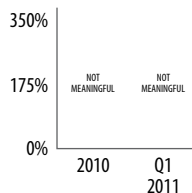
### Year to Date FFO Payout Ratio

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



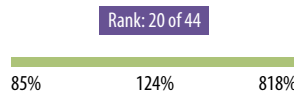
YTD Distributions Paid:..... \$378,005  
 YTD FFO: ....., (\$910,675)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

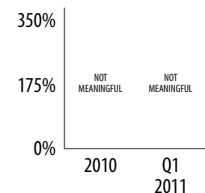
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



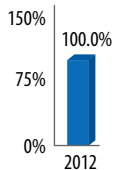
YTD Distributions Paid:..... \$378,005  
 YTD MFFO: ....., (\$112,321)

\*Blue Vault adjusted MFFO – see notes

### Historical MFFO Payout Ratio

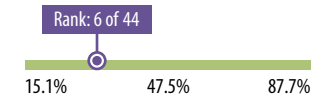


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 29.2%

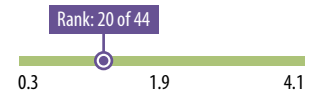


### Debt Breakdown

Total: .....	\$19.9 Million
Fixed: .....	\$0.0 Million
Variable: .....	\$19.9 Million
Rate: .....	4.11%
Term: .....	1 yr

### Interest Coverage Ratio

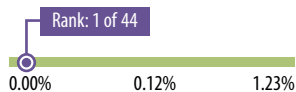
YTD Interest Coverage Ratio: ..... 1.2



EBITDA: ..... \$568,597  
 Interest Expense: ..... \$479,908

### Redemptions

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



Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 114,526

### Lease Expirations

Not Reported

### Notes

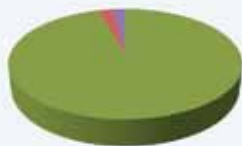
The Company reported 1Q 2011 Adjusted Funds From Operations (AFFO) of \$763,217 which includes changes in assets and liabilities of \$875,538. Blue Vault Partners has excluded this item to report MFFO of (-\$112,321). In order to reflect the MFFO calculations based on the IPA guidelines, Blue Vault Partners eliminated changes in assets and liabilities of \$875,538 and noncash interest expense of \$150,657 to report 1Q MFFO of (-\$262,978). During the three months ended March 31, 2011, the Company used net cash provided by operating activities, adjusted to exclude the impact of approximately \$0.7 million for acquisition-related costs funded with cash generated from the sale of common stock under the Initial Offering, of \$0.8 million to fund distributions paid to common stockholders (inclusive of \$0.2 million reinvested in common stock pursuant to the DRP) of \$0.4 million. On February 17, 2011, the Company's board of directors elected to increase the quarterly stockholder distribution rate from \$0.003425 (0.3425 cent) per day, per share (a 5.0% annualized yield on a \$25.00 original share price) to \$0.004110 (0.411 cent) per day, per share (a 6.0% annualized yield on a \$25.00 original share price) for stockholders of record from March 1, 2011 through March 15, 2011. The Company paid total distributions to stockholders, including those reinvested in additional shares of its common stock, of approximately \$0.4 million for the three months ended March 31, 2011. Current-period AFFO of approximately \$0.8 million exceeded distributions to stockholders for the period of approximately \$0.4 million.



# Nontraded REIT Industry Review: First Quarter 2011

## Wells Timberland REIT, Inc.

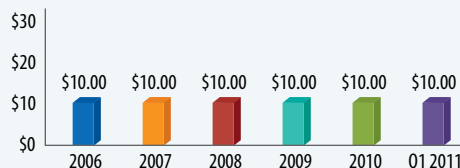
Total Assets.....	\$353.4 Million
Real Estate Assets .....	\$337.5 Million
Cash .....	\$8.5 Million
Securities .....	\$0.0 Million
Other .....	\$7.4 Million



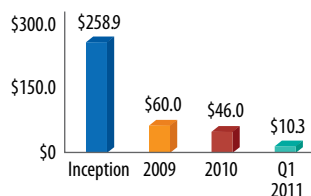
Initial Offering Date: ..... August 11, 2006  
 Number of Months Fundraising: ..... 55  
 Anticipated Offering Close Date: ..... December 31, 2011  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.55

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\*



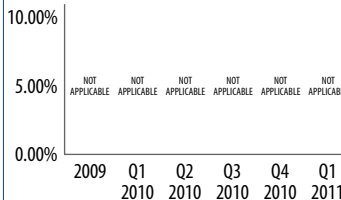
\*Includes reinvested distributions (in millions)

### 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

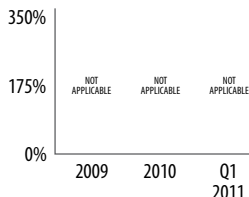
### Year to Date FFO Payout Ratio

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



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

### Historical FFO Payout Ratio



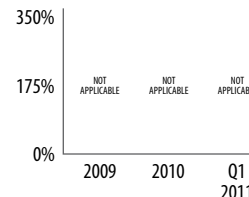
### Year to Date MFFO Payout Ratio

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

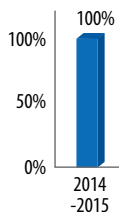


YTD Distributions Paid: ..... \$0  
 YTD MFFO: ..... \$0  
 Not Applicable

### Historical MFFO Payout Ratio

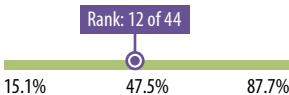


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 44.4%



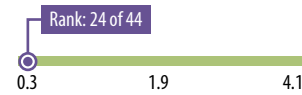
### Debt Breakdown



Total: ..... \$156.8 Million  
 Fixed: ..... \$46.5 Million  
 Variable: ..... \$110.3 Million  
 Rate: ..... 2.085 – 5.335%  
 Term: ..... 1 – 4+ yrs

### Interest Coverage Ratio

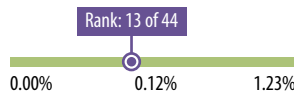
YTD Interest Coverage Ratio: ..... 0.3



EBITDA: ..... \$463,295  
 Interest Expense: ..... \$1,649,684

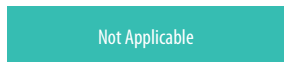
### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding: ..... 0.10%



Redemptions Year to Date: ... 22,983  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 22,356,438

### Lease Expirations\*



### Notes

Wells Timberland REIT declared a stock dividend for the first quarter of 2011 in the amount of 0.000055556 shares per day per share on the outstanding shares of its common stock to the stockholders of record at the close of business on each day during the period commencing on December 16, 2010 and continuing through and including March 15, 2011. Approximately 129,300 shares of Wells Timberland REIT's common stock were issued on March 15, 2011 pursuant to this declaration.



## Effective Nontraded REITs with Limited Operating Results

**American Realty Capital Healthcare Trust, Inc.** became effective with the SEC on February 18, 2011. Because this REIT had not broken escrow or begun operations as of March 31, 2011, an individual product report was not created for this REIT.

**American Realty Capital – Retail Centers of America, Inc.** became effective with the SEC on March 17, 2011. Because this REIT had not broken escrow or begun operations as of March 31, 2011, an individual product report was not created for this REIT.

**American Realty Capital Trust III, Inc.** became effective with the SEC on March 31, 2011. Because this REIT had not broken escrow or begun operations as of March 31, 2011, an individual product report was not created for this REIT.

**Carey Watermark Investors, Inc.** became effective with the SEC on September 15, 2010 and broke escrow on March 3, 2011. Because this REIT had no significant operations as of March 31, 2011, 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 March 31, 2011, an individual product report was not created for this REIT.

**CNL Macquarie Global Growth Trust, Inc.** commenced its initial public offering October 20, 2009 and as of March 31, 2011, the Company had received aggregate offering proceeds of approximately \$19.6 million. On June 24, 2010, the Company's board of directors authorized a daily stock distribution equal to 0.000219178 of a share of common stock on each outstanding share of common stock (which is equal to an annualized distribution rate of 0.08 of a share based on a 365 days calendar year), payable to all common stockholders of record as of the close of business on each day commencing with the calendar quarter beginning on July 1, 2010, and continuing each calendar quarter thereafter until terminated or amended by the Company's board of directors. For the three months ended March 31, 2011, the Company was obligated to distribute 32,834 shares of common stock. These shares were issued on April 18, 2011. Because the REIT did not own any properties as of March 31, 2011, an individual product report was not created for this REIT.

**Cole Corporate Income Trust, Inc.** became effective with the SEC on February 10, 2011. As of March 31, 2011, the Company had \$1.0 million in escrowed investor proceeds held in escrow, which consisted primarily of amounts received from an affiliate of the Company's advisor. Because this REIT had not broken escrow or begun operations as of March 31, 2011, an individual product report was not created for this REIT.

**FundCore Institutional REIT, Inc.** became effective with the SEC on October 20, 2010. Because this REIT had not broken escrow or begun operations as of March 31, 2011, 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 March 31, 2011, an individual product report was not created for this REIT.

**Independence Realty Trust** was formerly known as Empire American Realty Trust, Inc. The REIT registered its offering under the new name

and became effective June 13, 2011. Because this REIT had not begun operations, 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 and broke escrow on March 24, 2011. Through March 31, 2011, the Company had sold 376,750 shares of common stock for gross offering proceeds of \$3.8 million. Because this REIT had not purchased any properties as of March 31, 2011, 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. As of March 31, 2011, the Company had gross offering proceeds of \$68.1 million, owned five non-performing first mortgage loans and owned three office properties, encompassing approximately 315,438 rentable square feet. As of March 31, 2011, these properties were 36% leased. Because the REIT had not declared distributions and had no debt on its balance sheet for the period ending March 31, 2011, 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 March 31, 2011, the Company had received aggregate offering proceeds of approximately \$11.9 million and did not own any real estate assets. During the three months ended March 31, 2011, cash distributions totaling \$164,200 were declared payable to stockholders, including \$63,395 declared but unpaid as of March 31, 2011, which were paid on April 15, 2011. For the three months ended March 31, 2011, 100% of the distributions paid to stockholders were considered a return of capital for federal income tax purposes. As the Company had no distributable earnings or funds from operations ("FFO"), the distributions were made from capital proceeds. Because the REIT had not commenced operations, an individual product report was not created.

**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 March 31, 2011, the REIT had sold gross offering proceeds of approximately \$23.2 million. As of March 31, 2011, the REIT had acquired three multifamily properties, a small bank loan consisting of two performing notes secured by multifamily properties, and two non-performing notes secured by multifamily properties. The Company declared a stock distribution of .015 shares of the common stock, or 1.5% of each outstanding share of common stock, to stockholders of record at the close of business on February 28, 2011. These shares were distributed on March 15, 2011. In connection with the stock distribution, the Company transferred from retained earnings to capital stock and additional paid-in capital an amount of approximately \$479,000. Because the REIT did not have any outstanding debt for the period ending March 31, 2011 and limited operating results, an individual product report was not created.

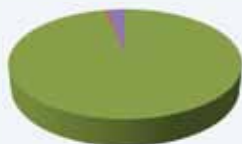




# Nontraded REIT Industry Review: First Quarter 2011

## Apartment Trust of America, Inc.

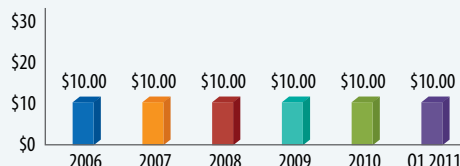
Total Assets.....	\$362.7 Million
Real Estate Assets .....	\$350.2 Million
Cash .....	\$2.1 Million
Securities .....	\$0.0 Million
Other .....	\$10.4 Million



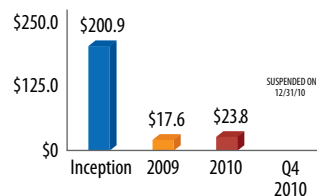
Initial Offering Date: ..... July 19, 2006  
 Number of Months Fundraising: ..... 53  
 Anticipated Offering Close Date: ..... July 17, 2011  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 0.6%  
 Asset Type: ..... Multifamily  
 Number of Properties: ..... 15  
 Square Feet / Units / Rooms / Acres: ..... 3,973 units  
 Percent Leased: ..... Not Reported

### Historical Price



### Gross Dollars Raised\*

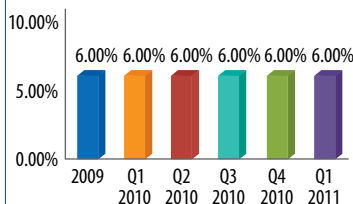


\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 6.00%

### Historical Distribution



### Contact Information

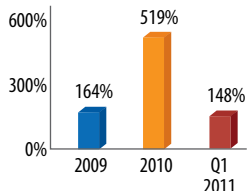
[www.ATAREIT.com](http://www.ATAREIT.com)  
**Apartment Trust of America**  
**Corporate Office**  
**10467 White Granite Drive**  
**Suite 300**  
**Oakton, VA 22124**  
**703-279-1300**

### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 148%

YTD Distributions Paid:.... \$2,000,000  
 YTD FFO: ..... \$1,355,000

### Historical FFO Payout Ratio

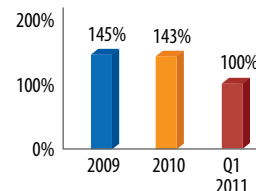


### Year to Date MFFO Payout Ratio

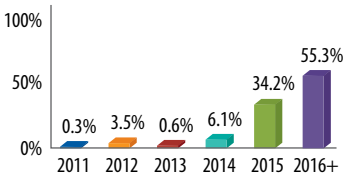
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .. 100%

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

### Historical MFFO Payout Ratio



### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 69.4%

### Debt Breakdown



### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.6

EBITDA: ..... \$5,072,000  
 Interest Expense: ..... \$3,074,000

### Redemptions

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

Redemptions Year to Date: ..... SUSPENDED  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 18,356,824

### Lease Expirations

The majority of leases are  
 12 months or less

### Notes

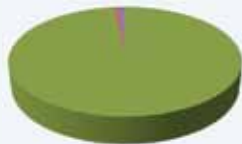
On February 25, 2011, the Company entered into a new advisory agreement with ROC REIT Advisors, LLC. The Advisor is affiliated with the Company in that ROC REIT Advisors is owned by Stanley J. Olander, Jr., David L. Carneal and Gustav G. Remppies, each of whom are executive officers of the Company. The new advisory agreement has a one-year term and may be renewed for an unlimited number of successive one-year terms. In February 2011, the board of directors determined that it is in the best interest of the Company and its stockholders to preserve the Company's cash, and terminated the share repurchase plan. Accordingly, pending share repurchase requests will not be fulfilled. The Company did not repurchase any shares of common stock in the three months ended March 31, 2011. Beginning in March 2009, the board of directors reduced the annualized distribution rate to 6.0% based upon a purchase price of \$10.00 per share. The Company paid distributions to stockholders at this annualized rate through February 2011. On February 24, 2011, the board of directors authorized an annualized distribution rate of 3.0% based upon a purchase price of \$10.00 per share for the period commencing on March 1, 2011 and ending on June 30, 2011. MFFO is company reported and Blue Vault Partners did not identify additional adjustments. For the three months ended March 31, 2011, the Company paid aggregate distributions of \$2,000,000 (\$1,221,000 in cash and \$779,000 in shares of common stock pursuant to the DRIP), as compared to cash flows from operations of (-\$1,288,000). From inception through March 31, 2011, the cumulative distributions paid in excess of cash flows from operations were paid using net proceeds from the offerings.



# Nontraded REIT Industry Review: First Quarter 2011

## Cornerstone Core Properties REIT, Inc.

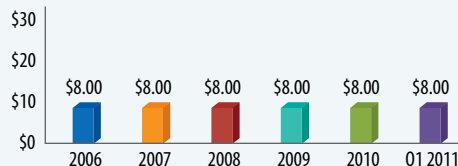
Total Assets.....	\$137.4 Million
Real Estate Assets .....	\$134.9 Million
Cash .....	\$1.0 Million
Securities .....	\$0.0 Million
Other .....	\$1.5 Million



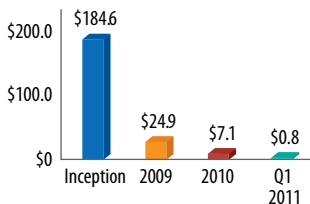
Initial Offering Date: ..... January 6, 2006  
 Number of Months Fundraising: ..... Suspended  
 Anticipated Offering Close Date: ..... June 10, 2011  
 Current Price per Share: ..... \$8.00  
 Reinvestment Price per Share: ..... \$7.60

Cash to Total Assets Ratio: ..... 0.7%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 13  
 Square Feet / Units / Rooms / Acres: ..... 1.2 Million  
 Percent Leased: ..... 71.76%

### Historical Price



### Gross Dollars Raised\*

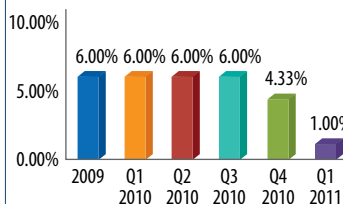


\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 1.00%

### Historical Distribution



### Contact Information

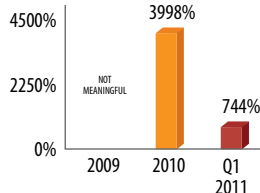
**www.CREFund.com**  
**Pacific Cornerstone Capital**  
**1920 Main Street, Suite 400**  
**Irvine, CA 92614**  
**877-805-3333**

### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 744%

YTD Distributions Paid:..... \$454,000  
 YTD FFO: ..... \$61,000

### Historical FFO Payout Ratio

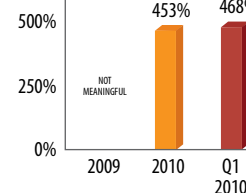


### Year to Date MFFO Payout Ratio

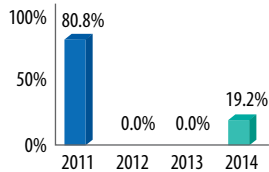
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 468%

YTD Distributions Paid:..... \$454,000  
 YTD MFFO: ..... \$97,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 25.8%

### Debt Breakdown



Total: ..... \$35.4 Million  
 Fixed: ..... \$6.8 Million  
 Variable: ..... \$28.6 Million  
 Rate: ..... 1.4 – 5.89%  
 Term: ..... <1 – 3 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.2

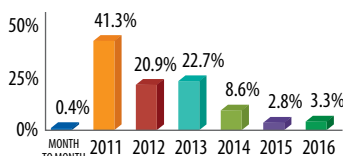
EBITDA: ..... \$435,000  
 Interest Expense: ..... \$374,000

### Redemptions

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

Redemptions Year to Date: ..... 47,146  
 Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 22,921,142

### Lease Expirations



\*As a percent of expiring base rent.  
 As of 12/31/10

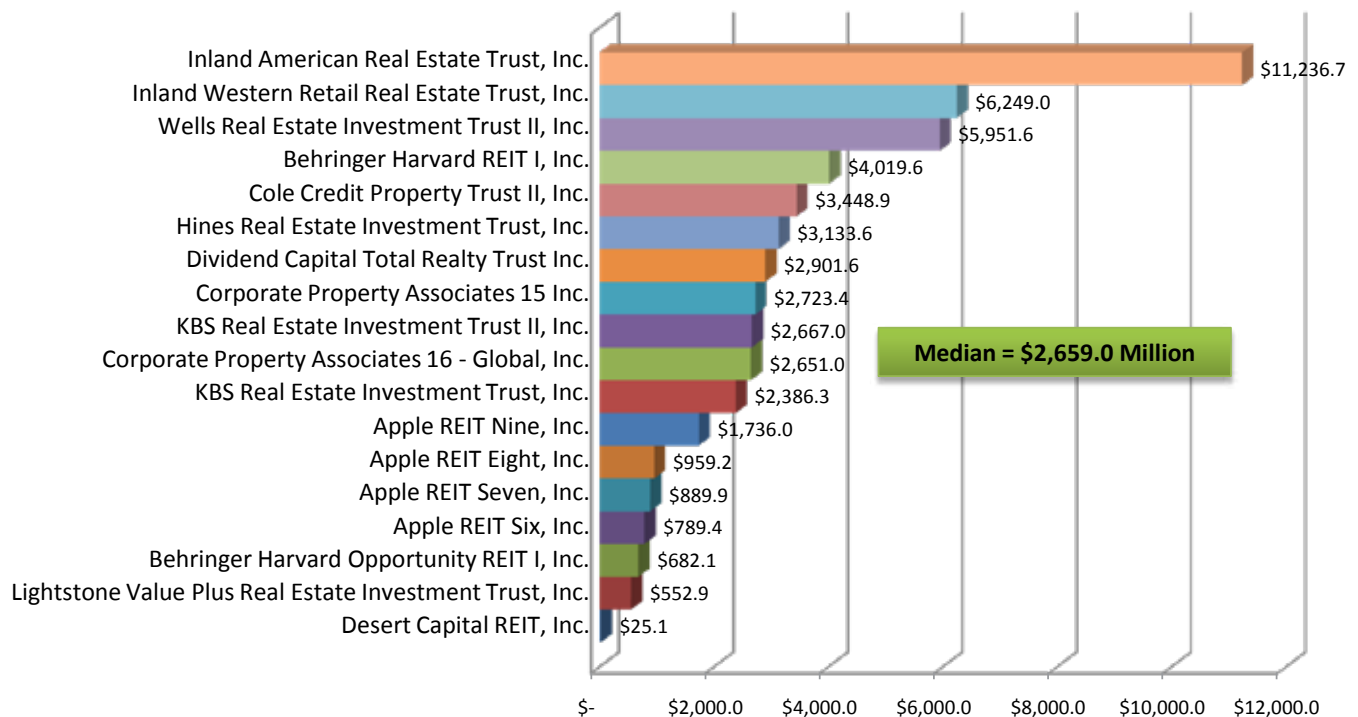
### Notes

The Company computes 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). The board of directors resolved to reduce distributions on the common stock to a current annualized rate of \$0.08 per share (1% based on a share price of \$8.00) from the prior annualized rate of \$0.48 per share (6% based on a share price of \$8.00), effective December 1, 2010. The Company expects to pay these distributions from cash flow from operations. The rate and frequency of distributions is subject to the discretion of the board of directors and may change from time to time based on the Company's operating results and cash flow. For the three months ended March 31, 2011, cash distributions to stockholders of approximately \$0.5 million were paid from cash flow from operations. Effective December 14, 2010, the Company suspended the distribution reinvestment plan. As a result, all distributions paid after that date will be in cash until further notice. On November 23, 2010, the board of directors concluded that the Company would not have sufficient funds available to 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. During the three months ended March 31, 2011, the Company received requests to have an aggregate of 19,694 shares redeemed pursuant to the stock repurchase program, however, due to the current suspension of the stock repurchase program, the Company was not able to fulfill any of these requests. The board of directors is currently evaluating strategic alternatives for the follow-on offering, but the Company does not expect its follow-on offering to be a material source of capital until such evaluation is completed.

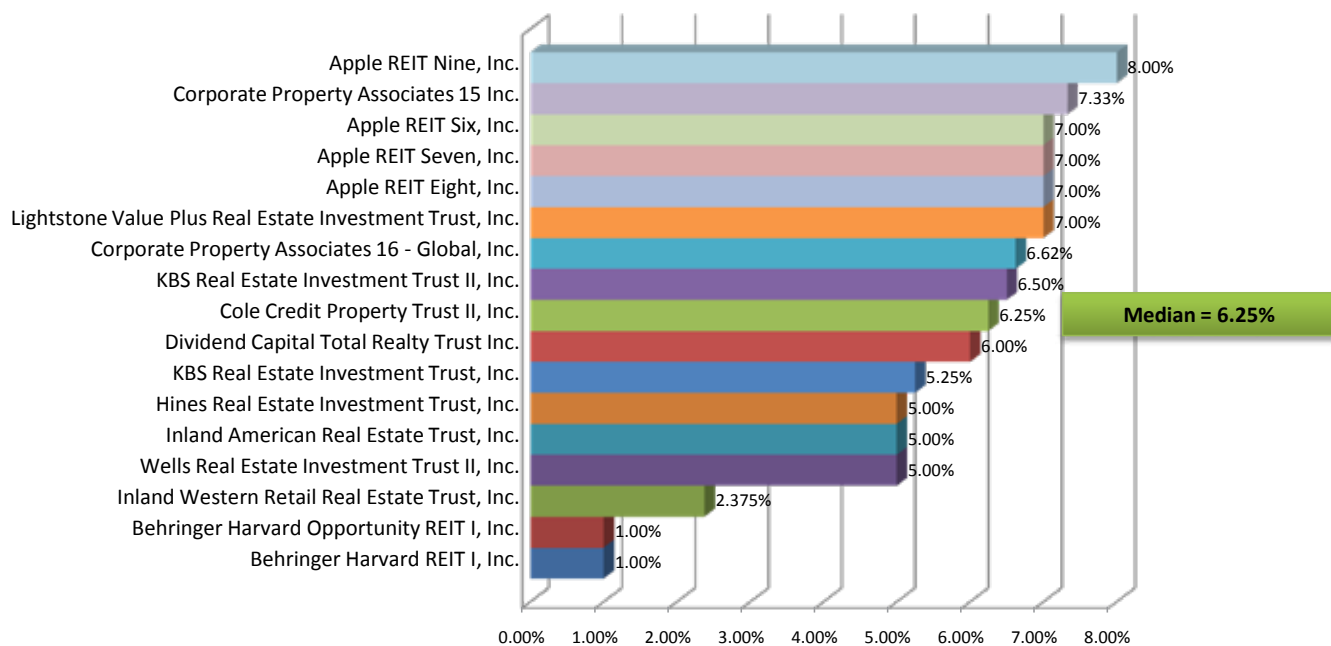
# Nontraded REIT Industry Review: First Quarter 2011



## Total Assets (\$ Millions) – Closed Nontraded REITs



## Current Distribution Yield – Closed Nontraded REITs

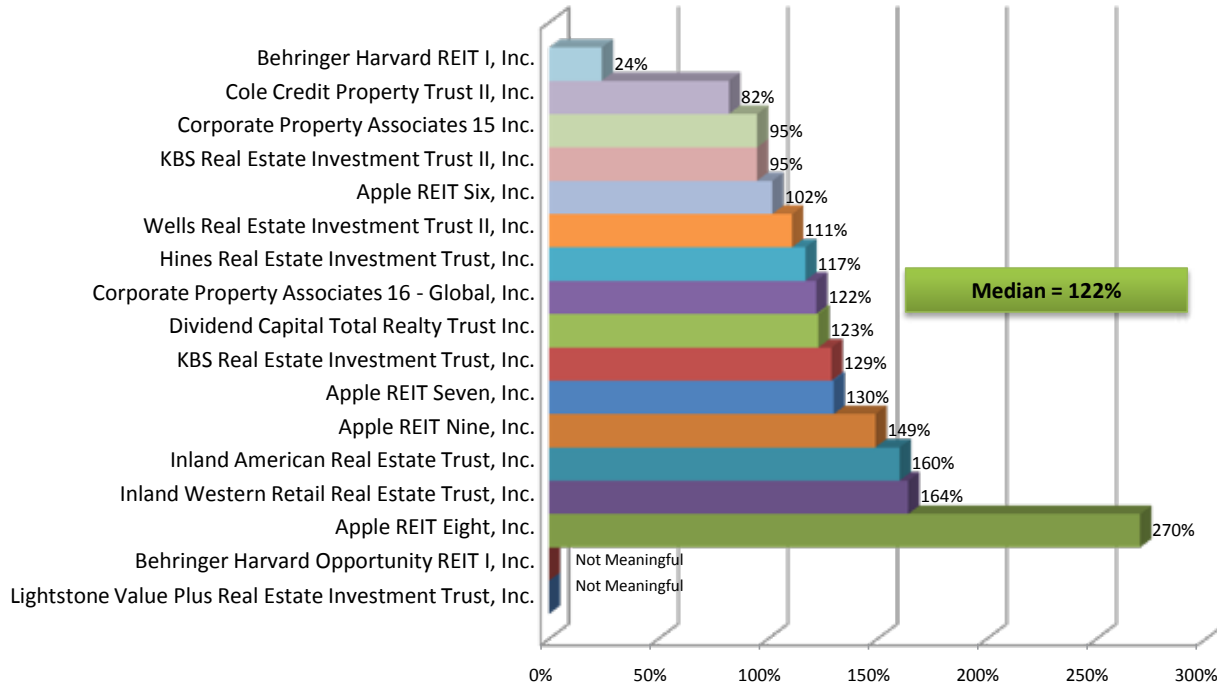


Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

# Nontraded REIT Industry Review: First Quarter 2011

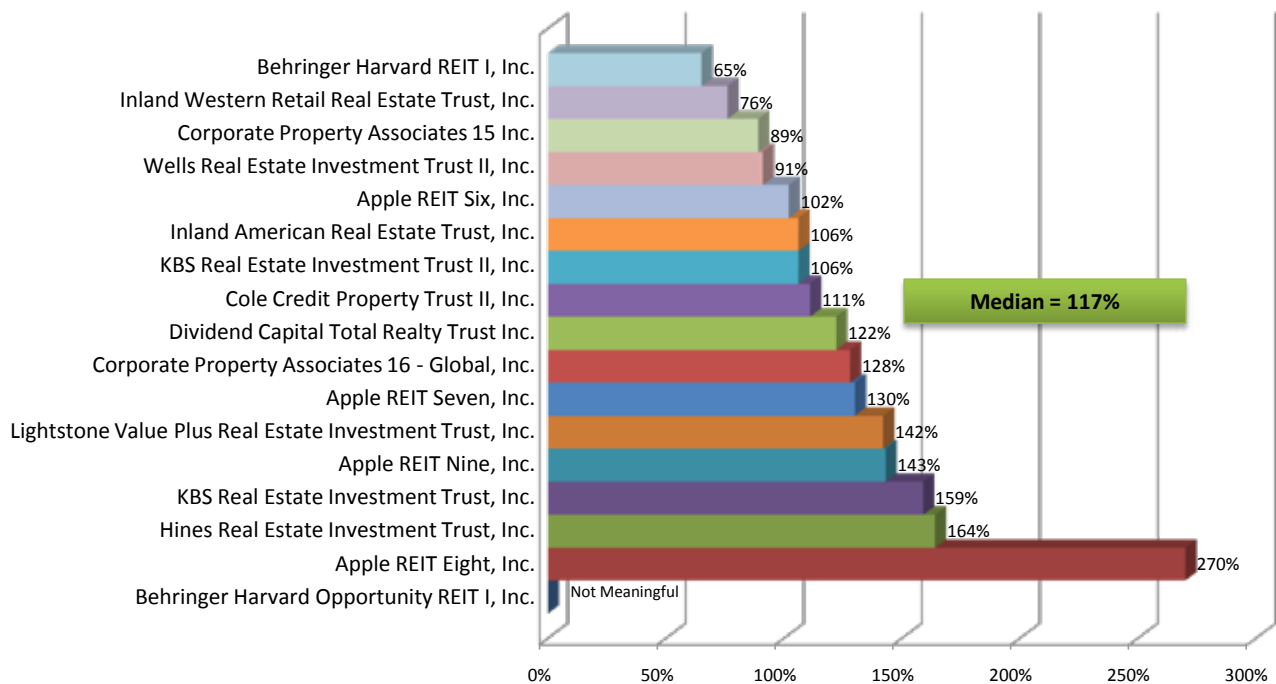


## Year to Date Distribution / FFO Payout Ratio – Closed Nontraded REITs



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

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

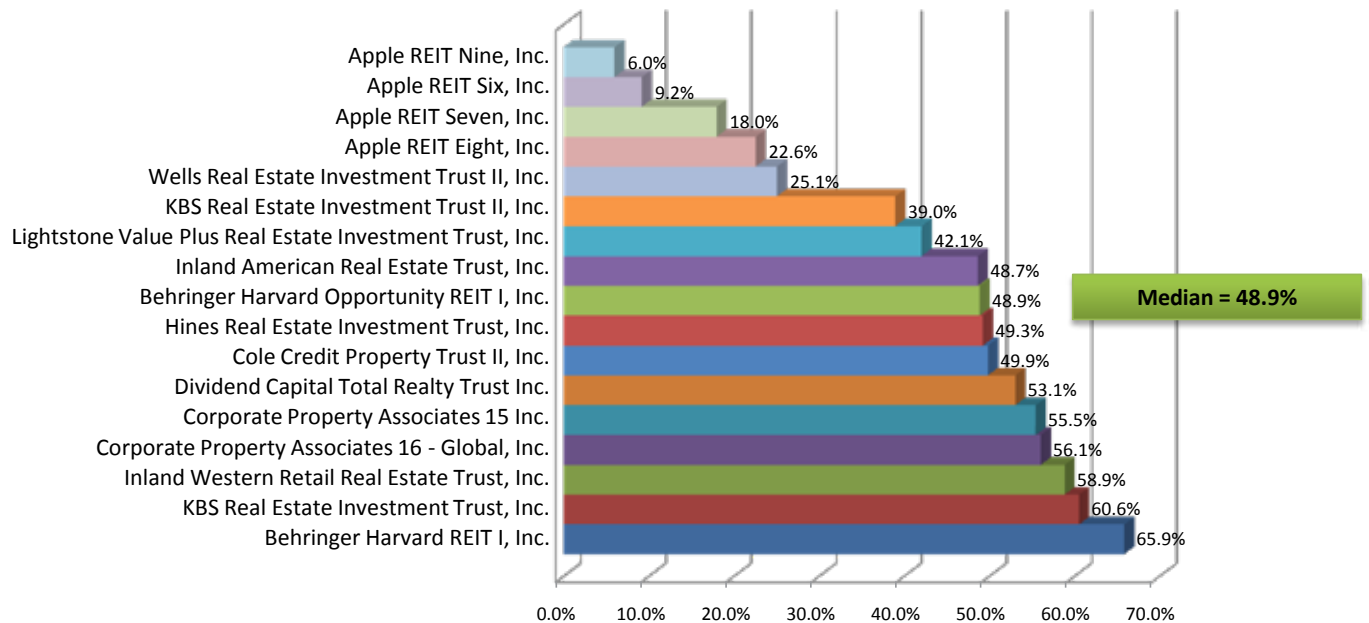


Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.

# Nontraded REIT Industry Review: First Quarter 2011

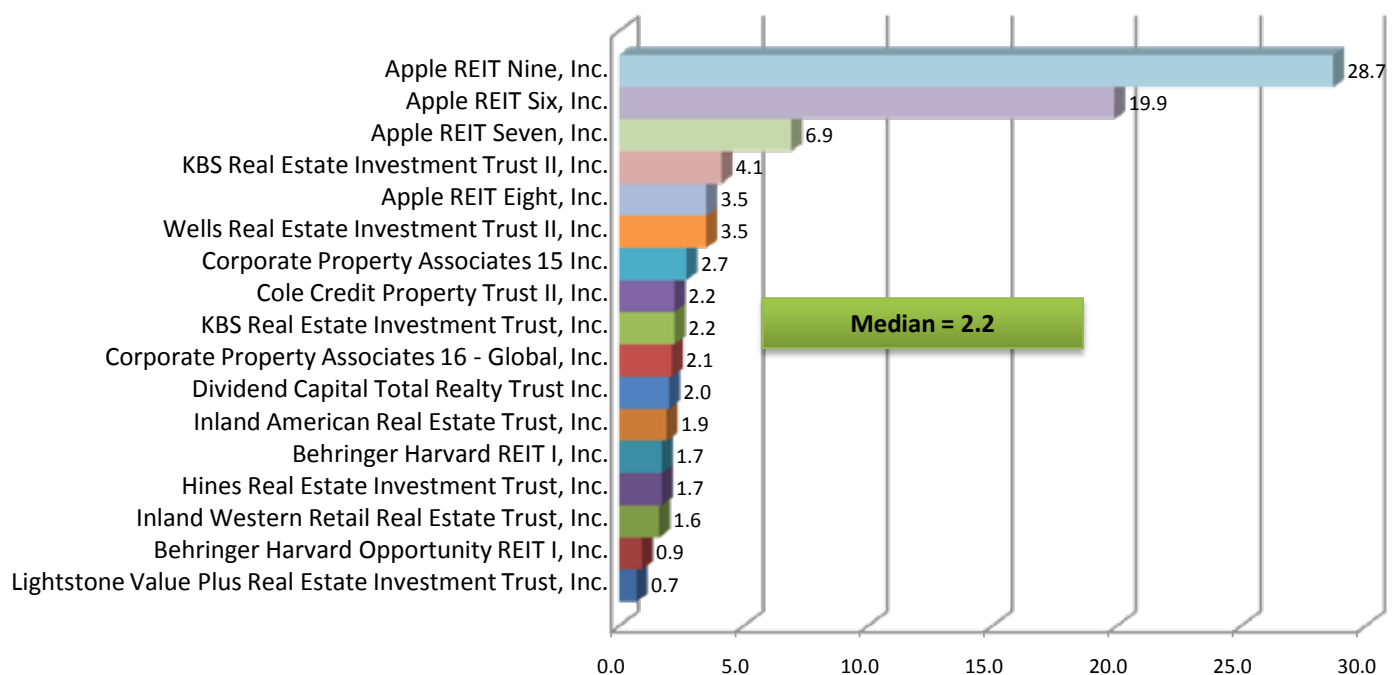


## Debt to Total Assets Ratio – Closed Nontraded REITs



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

## Year to Date Interest Coverage Ratio – Closed Nontraded REITs



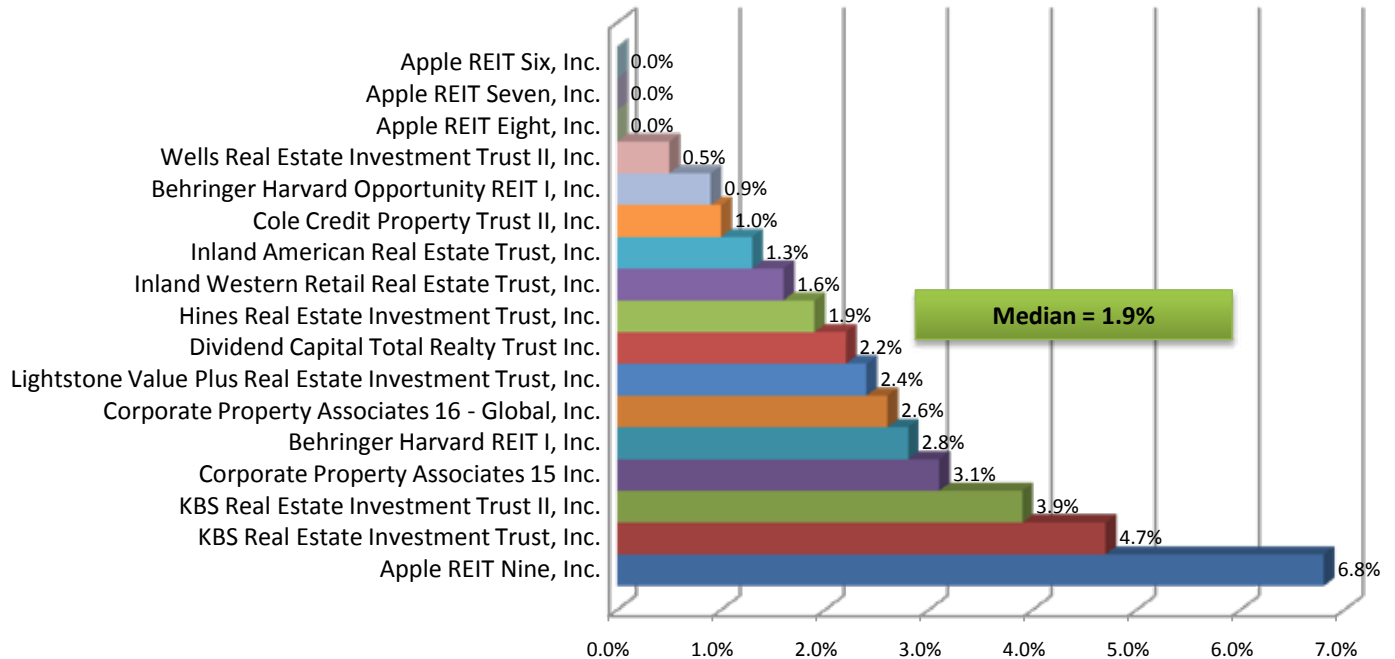
Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.



# Nontraded REIT Industry Review: First Quarter 2011



## Cash to Total Assets Ratio – Closed Nontraded REITs



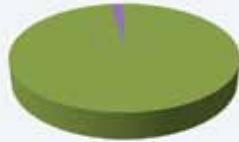
Desert Capital REIT, Inc. and Shopoff Properties Trust were not included in the rankings above because the company reported limited operating results.



# Nontraded REIT Industry Review: First Quarter 2011

## Apple REIT Six, Inc.

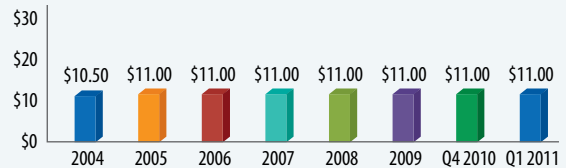
Total Assets.....	\$789.4 Million
Real Estate Assets .....	\$770.9 Million
Cash .....	\$0.0 Million
Securities .....	\$0.0 Million
Other .....	\$18.5 Million



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: ..... 7,898 rooms  
 Percent Leased: ..... 69%

### Historical Price



### Redemptions

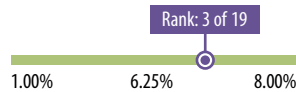
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.66%

Program Open

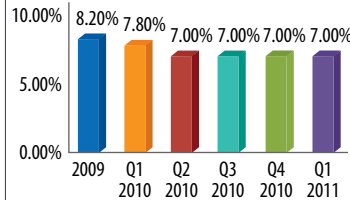
Redemptions Year to Date: ...606,064  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 91,323,000

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

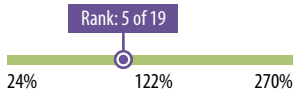


### Contact Information

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

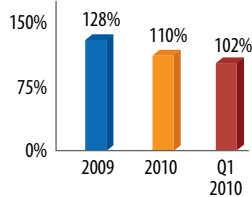
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 102%



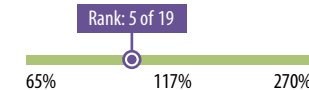
YTD Distributions Paid: \$17,574,000  
 YTD FFO: ..... \$17,313,000

### Historical FFO Payout Ratio



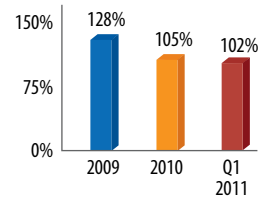
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...102%

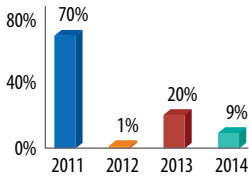


YTD Distributions Paid: \$17,574,000  
 YTD MFFO: ..... \$17,313,000  
 \*Blue Vault calculated MFFO – see notes

### Historical MFFO Payout Ratio



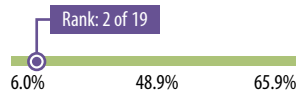
### Debt Maturity



\*As of 12/31/10

### Current Debt Ratio

Debt to Total Assets Ratio: ..... 9.2%



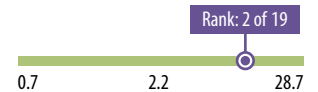
### Debt Breakdown



Total: ..... \$72.7 Million  
 Fixed: ..... \$23.9 Million  
 Variable: ..... \$48.8 Million  
 Rate: ..... 5.00 – 8.52%  
 Term: ..... <1 – 4 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 19.9



EBITDA: ..... \$17,687,000  
 Interest Expense: ..... \$889,000

### Lease Expirations

Not Reported

### Notes

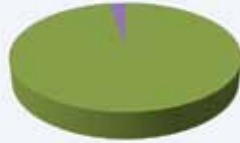
The Company did not report 1Q 2011 MFFO. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. Distributions in the first three months of 2011 totaled \$17.6 million. For the same period the Company's cash generated from operations was \$11.4 million. The shortfall includes a return of capital and was funded primarily by borrowings on the credit facility.



# Nontraded REIT Industry Review: First Quarter 2011

## Apple REIT Seven, Inc.

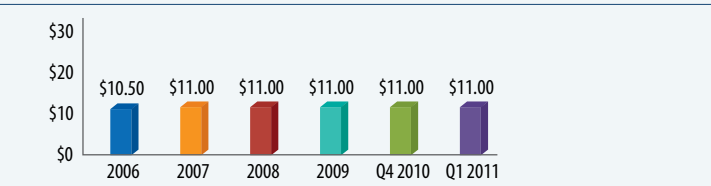
Total Assets.....	\$889.9 Million
Real Estate Assets .....	\$865.5 Million
Cash.....	\$0.0 Million
Securities .....	\$0.0 Million
Other.....	\$24.5 Million



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: ..... 70%

### Historical Price



### Redemptions

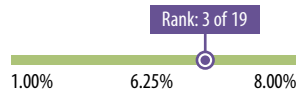
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 0.79%

Program Open

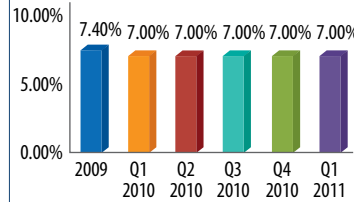
Redemptions Year to Date: ..728,135  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 92,627,000

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

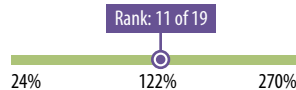


### Contact Information

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

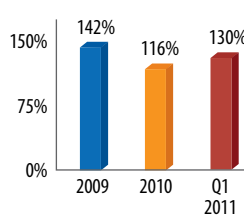
### Year to Date FFO Payout Ratio

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



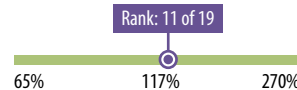
YTD Distributions Paid: \$17,658,000  
 YTD FFO: ..... \$13,555,000

### Historical FFO Payout Ratio



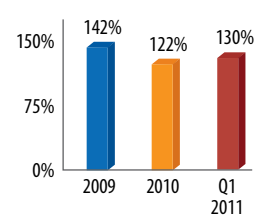
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .. 130%

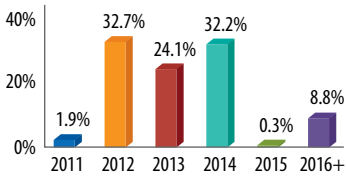


YTD Distributions Paid: \$17,658,000  
 YTD MFFO: ..... \$13,555,000  
 \*Blue Vault calculated MFFO – see notes

### Historical MFFO Payout Ratio



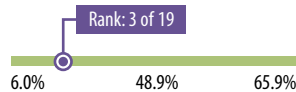
### Debt Maturity



\*As of 12/31/10

### Current Debt Ratio

Debt to Total Assets Ratio: ... 18.0%

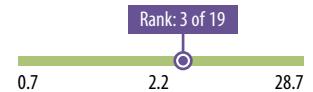


### Debt Breakdown

Total: ..... \$160.4 Million  
 Fixed: ..... \$112.8 Million  
 Variable: ..... \$47.6 Million  
 Rate: ..... 5 – 6.95%  
 Term: ..... 1 – 6 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 6.9



EBITDA: ..... \$15,836,000  
 Interest Expense: ..... \$2,281,000

### Lease Expirations

Not Reported

### Notes

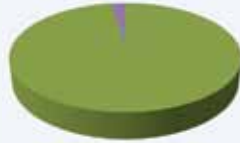
The Company did not report 1Q 2011 MFFO. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. Distributions in the first three months of 2011 totaled \$17.7 million. For the same three month period, the Company's cash generated from operations was approximately \$8.6 million. This shortfall includes a return of capital and was funded primarily by increases in the Company's total borrowings, including the Company's revolving credit facility.



# Nontraded REIT Industry Review: First Quarter 2011

## Apple REIT Eight, Inc.

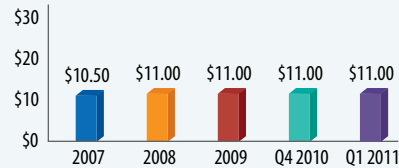
Total Assets.....	\$959.2 Million
Real Estate Assets .....	\$937.1 Million
Cash .....	\$0.0 Million
Securities .....	\$0.0 Million
Other .....	\$22.0 Million



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: ..... 66%

### Historical Price



### Redemptions

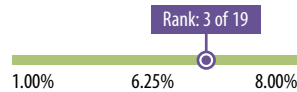
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 0.78%

Program Open

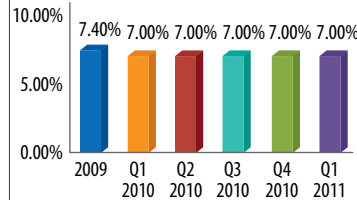
Redemptions Year to Date: ... 732,647  
 Wtd. Avg. Shares Outstanding as of 12/31/10: .....94,170,000

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution

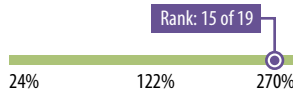


### Contact Information

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

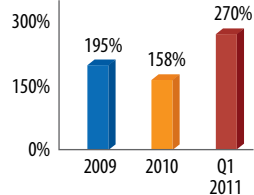
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 270%



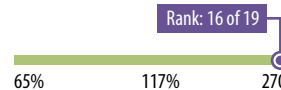
YTD Distributions Paid: \$18,157,000  
 YTD FFO: ..... \$6,724,000

### Historical FFO Payout Ratio



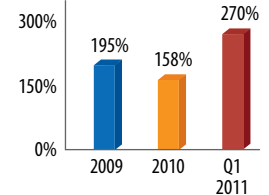
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...270%

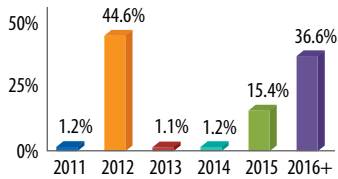


YTD Distributions Paid: \$18,157,000  
 YTD MFFO: ..... \$6,724,000  
 \*Blue Vault calculated MFFO – see notes

### Historical MFFO Payout Ratio



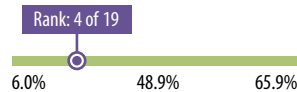
### Debt Maturity



\*As of 12/31/10

### Current Debt Ratio

Debt to Total Assets Ratio: ... 22.6%

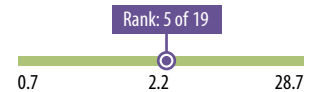


### Debt Breakdown

Total: .....\$216.7 Million  
 Fixed: .....\$148.0 Million  
 Variable: .....\$68.7 Million  
 Rate: ..... 3.5 – 6.29%  
 Term: ..... 1 – 7 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.5



EBITDA: ..... \$9,419,000  
 Interest Expense: ..... \$2,695,000

### Lease Expirations

Not Reported

### Notes

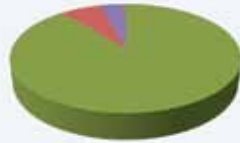
The Company did not report 1Q 2011 MFFO. The 1Q 2011 MFFO figure is a Blue Vault Partners estimate. Distributions in the first three months of 2011 totaled \$18.2 million. For the same three month period, the Company's cash generated from operations was approximately \$4.7 million. This shortfall includes a return of capital and was funded primarily by additional borrowings under the Company's credit facility. In March 2011, the Company requested the loans secured by the Winston-Salem, North Carolina Courtyard, Tampa, Florida TownePlace Suites, Greenville, South Carolina Residence Inn and Suffolk, Virginia TownePlace Suites and Courtyard to be placed with a special servicer to negotiate the terms of the loans. To have the loans placed with the special servicer the Company suspended making its scheduled monthly debt payments beginning in March 2011. The Company has received default notices from the lenders and does not know the timing and resolution of the anticipated negotiations. The total outstanding balance including unpaid interest of the five loans at March 31, 2011 was approximately \$37.0 million. The net book value of the properties securing these loans at March 31, 2011 was approximately \$52.8 million. If the Company is unable to renegotiate the loans, it may be more cost beneficial to pursue a deed in lieu of foreclosure with the lender(s). On April 19, 2011, the Company entered into a Loan Agreement with Bank of America, N.A. The Loan Agreement provides for a revolving credit facility of \$20 million and a maturity date of April 19, 2012. The Loan Agreement is guaranteed by Glade M. Knight, the Company's Chairman and Chief Executive Officer and is secured by assets of Mr. Knight. Mr. Knight will not receive any consideration in exchange for providing this guaranty and security. Proceeds of the loan will be used by the Company for general working capital purposes, including the payment of redemptions and distributions. The independent directors of the Company's Board of Directors approved Mr. Knight providing a guaranty under the Loan Agreement.



# Nontraded REIT Industry Review: First Quarter 2011

## Apple REIT Nine Inc.

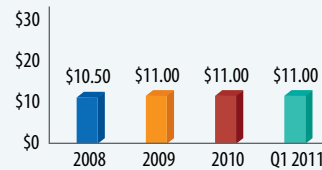
Total Assets.....	\$1,736.0 Million
Real Estate Assets ...	\$1,543.3 Million
Cash.....	\$117.6 Million
Securities .....	\$0.0 Million
Other.....	\$75.1 Million



Initial Offering Date: .....April 25, 2008  
 Offering Close Date: ..... December 9, 2010  
 Current Price per Share: .....\$11.00  
 Reinvestment Price per Share: .....\$11.00

Cash to Total Assets Ratio: .....6.8%  
 Asset Type: .....Hotels  
 Number of Properties: .....83  
 Square Feet / Units / Rooms / Acres: .....10,500  
 Percent Leased: .....67%

### Historical Price



### Redemptions

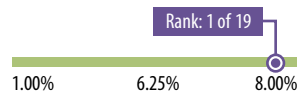
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:.....0.23%

Program Open

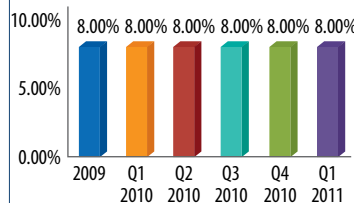
Redemptions Year to Date: ..318,891  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 135,825,000

### Current Distribution

Current Distribution Yield: ... 8.00%



### Historical Distribution

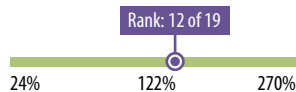


### Contact Information

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

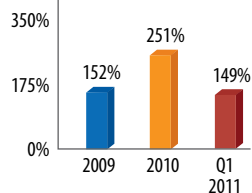
### Year to Date FFO Payout Ratio

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



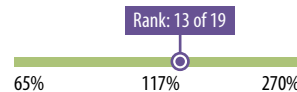
YTD Distributions Paid: ..\$39,914,000  
 YTD FFO:.....\$26,847,000

### Historical FFO Payout Ratio



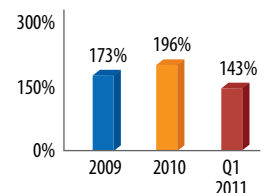
### Year to Date MFFO Payout Ratio

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

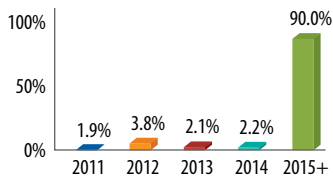


YTD Distributions Paid: \$39,914,000  
 YTD MFFO:.....\$27,916,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



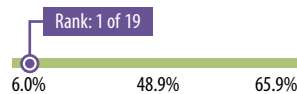
### Debt Maturity



\*As of 12/31/10

### Current Debt Ratio

Debt to Total Assets Ratio: ..... 6.0%

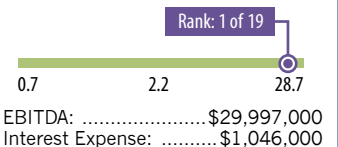


### Debt Breakdown

Total: .....\$104.4 Million  
 Fixed: .....\$104.4 Million  
 Variable: .....\$0.0 Million  
 Rate: ..... 0 – 6.59%  
 Term: .....1 – 6 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ... 28.7



### Lease Expirations

Not Reported

### Notes

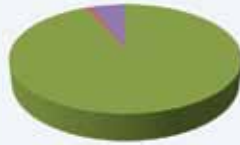
MFFO is company reported and Blue Vault Partners did not identify additional adjustments. Distributions during the first three months of 2011 totaled approximately \$39.9 million. For the same period the Company's net cash generated from operations was approximately \$17.9 million. During the initial 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. The Company's real estate portfolio also includes approximately 410 acres of land and improvements located on 111 sites in the Ft. Worth, Texas area that are being leased to a subsidiary of Chesapeake Energy Corporation for the production of natural gas.



# Nontraded REIT Industry Review: First Quarter 2011

## Behringer Harvard Opportunity REIT I, Inc.

Total Assets.....	\$682.1 Million
Real Estate Assets .....	\$636.3 Million
Cash .....	\$6.4 Million
Securities .....	\$0.0 Million
Other .....	\$39.5 Million

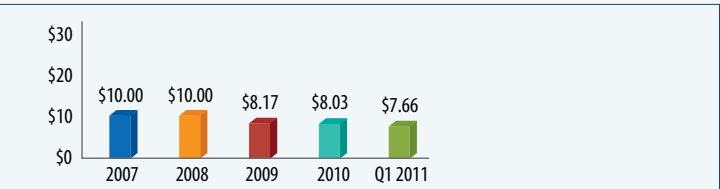


Initial Offering Date: ..... September 20, 2005  
 Offering Close Date: ..... December 28, 2007  
 Current Price per Share\*: ..... \$7.66  
 Reinvestment Price per Share: ..... \$7.66

\*See notes

Cash to Total Assets Ratio: ..... 0.9%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 22  
 Square Feet / Units / Rooms / Acres: ..... Not Reported  
 Percent Leased: ..... Not Reported

### Historical Price



### Redemptions

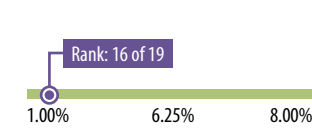
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.00%

Suspended

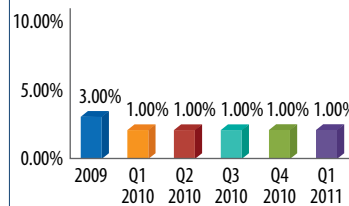
Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 56,255,000

### Current Distribution

Current Distribution Yield: ... 1.00%



### Historical Distribution

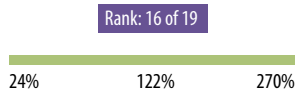


### Contact Information

[www.BehringerHarvard.com](http://www.BehringerHarvard.com)  
**Behringer Harvard Investment Services**  
 15601 Dallas Pkwy, Suite 600  
 Addison, TX 75001  
 866-655-3600

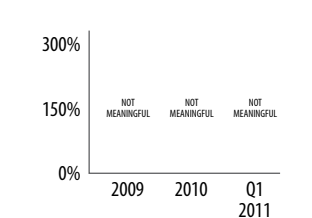
### Year to Date FFO Payout Ratio

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



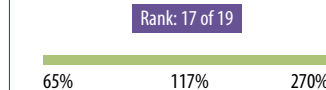
YTD Distributions Paid: \$1,410,000  
 YTD FFO: ..... (\$5,228,000)

### Historical FFO Payout Ratio



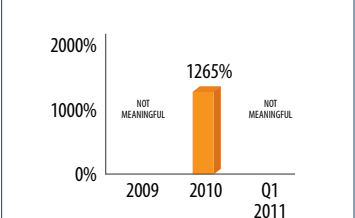
### Year to Date MFFO Payout Ratio

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

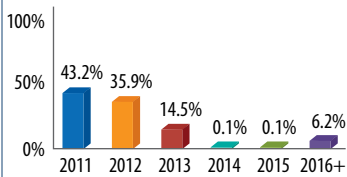


YTD Distributions Paid: \$1,410,000  
 YTD MFFO: ..... (\$3,502,000)  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

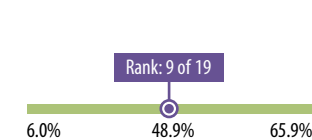


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 48.9%

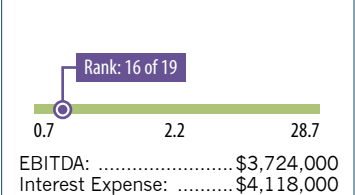


### Debt Breakdown

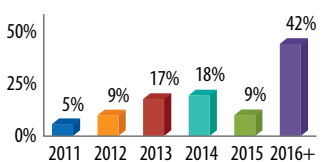
Total: ..... \$333.3 Million  
 Fixed: ..... \$29.5 Million  
 Variable: ..... \$303.8 Million  
 Rate: ..... 1.7 – 15%  
 Term: ..... <1 – 5 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.9



### Lease Expirations\*



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

### Notes

The Company calculates Modified Funds From Operations or "MFFO" as defined by the Investment Program Association ("IPA"). Distribution yields based on \$10 share price. In connection with entering the disposition phase, on March 28, 2011, the Company's board of directors discontinued regular, quarterly distributions in favor of those that may arise from proceeds available to be distributed from the sale of assets. On January 10, 2011, as is customary for REITs entering the disposition phase and in accordance with the Company's third amended and restated share redemption program, the board suspended the redemption program with respect to all redemption requests until further notice. In January 2011, the Company obtained a deferral from the Advisor of the payment of all asset management fees accruing during the months of May 2010 through March 2011 and all debt financing fees and expense reimbursements accruing during the months of July 2010 through March 2011 until the earlier of January 10, 2013 or such time as the Company has sufficient (a) net sales proceeds, (b) net refinancing proceeds or (c) cash flow from operations, after establishing appropriate working capital reserves, to enable the Company to make payments thereon. Also in January 2011, BH Property Management deferred the Company's obligation to pay property management oversight fees accruing during the months of July 2010 through March 2011 until the earlier of January 10, 2013 or such time as the Company has sufficient (a) net sales proceeds, (b) net refinancing proceeds, or (c) cash flow from operations, after establishing appropriate working capital reserves, to enable the Company to make payments thereon. The total deferred fees and expenses at March 31, 2011 was \$3 million. No such deferral existed as of December 31, 2010.

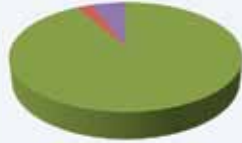




# Nontraded REIT Industry Review: First Quarter 2011

## Behringer Harvard REIT I, Inc.

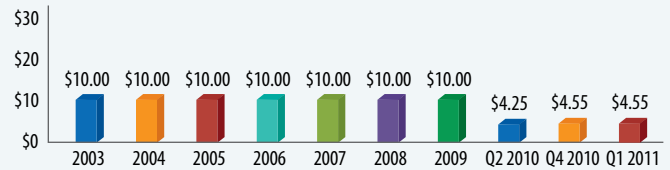
Total Assets.....	\$4,019.6 Million
Real Estate Assets ...	\$3,682.3 Million
Cash.....	\$111.1 Million
Securities .....	\$0.0 Million
Other.....	\$226.1 Million



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: ..... 2.8%  
 Asset Type: ..... Office  
 Number of Properties: ..... 63  
 Square Feet / Units / Rooms / Acres: ..... 23.4 million sq. ft.  
 Percent Leased: ..... 84.0%

### Historical Price



### Redemptions

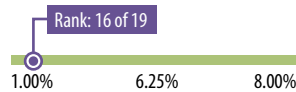
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.08%

Suspended – death and disability redemptions only

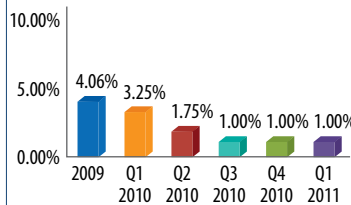
Redemptions Year to Date: ... 234,323  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 294,241,424

### Current Distribution

Current Distribution Yield: ... 1.00%



### Historical Distribution

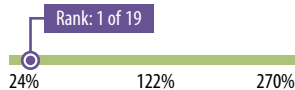


### Contact Information

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

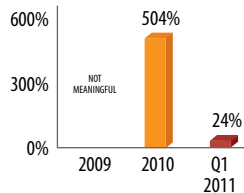
### Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: ..... 24%



YTD Distributions Paid\*: \$7,386,000  
 YTD FFO: ..... \$31,315,000

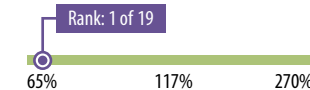
### Historical FFO Payout Ratio



\*See notes.

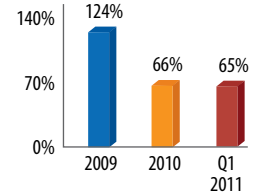
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: ..... 65%



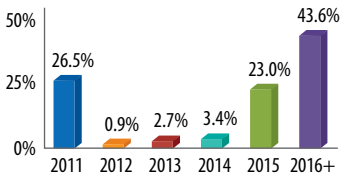
YTD Distributions Paid\*: \$7,386,000  
 YTD MFFO: ..... \$11,373,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



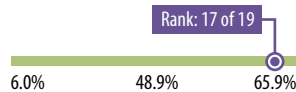
\*See notes.

### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 65.9%

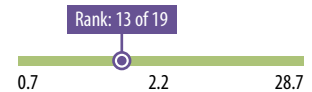


### Debt Breakdown

Total: ..... \$2,649.4 Million  
 Fixed: ..... \$2,530.3 Million  
 Variable: ..... \$119.1 Million  
 Rate: ..... 3.01 – 7.78%  
 Term: ..... <1 – 7 yrs

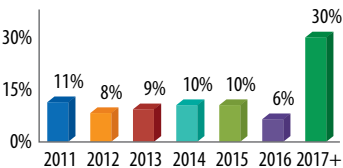
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.7



EBITDA: ..... \$67,410,000  
 Interest Expense: ..... \$40,172,000

### Lease Expirations\*



\* As of 12/31/10.

### Notes

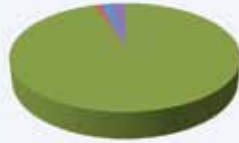
The MFFO Payout Ratio for 2009 was not calculated using the same methodology as ratios reported for 2010 and 1Q 2011. Effective January 1, 2011, the Company has modified its definition of MFFO to be consistent with the definition established by the IPA. Distribution yields based on \$10 per share price. Reported distributions are those paid to common shareholders. In 2009, the board determined to suspend until further notice redemptions other than those submitted in respect of a stockholder's death, disability or confinement to a long-term care facility (referred to herein as "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. In January 2011 and February 2011, pursuant to a deed-in-lieu of foreclosure and a foreclosure, the Company transferred ownership of its Executive Park and Grandview II properties, respectively, to the lenders associated with each property. As of March 31 2011, the Company was in default on an additional non-recourse property loan with an outstanding balance of approximately \$61.2 million secured by the 17655 Waterview, Gateway 12, Gateway 23 and Southwest Center properties. As of March 31, 2011, the Company's 1300 Main property is under receivership and is held as security for non-recourse debt of approximately \$34.6 million, which is also in default and may result in foreclosure or transfer of ownership of the property to the lender. The Company has approximately 2.0 million square feet of scheduled lease expirations in the remainder of 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 the near future.



# Nontraded REIT Industry Review: First Quarter 2011

## Cole Credit Property Trust II, Inc.

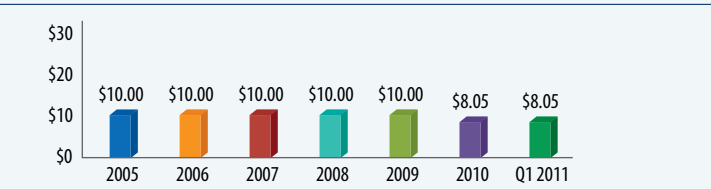
Total Assets.....	\$3,448.9 Million
Real Estate Assets ...	\$3,269.7 Million
Cash.....	\$34.2 Million
Securities .....	\$60.9 Million
Other.....	\$84.1 Million



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: ..... 1.0%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 727  
 Square Feet / Units / Rooms / Acres: ..... 20.7 million  
 Percent Leased: ..... 95.0%

### Historical Price



### Redemptions

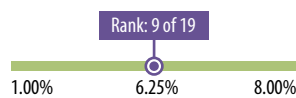
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.73%



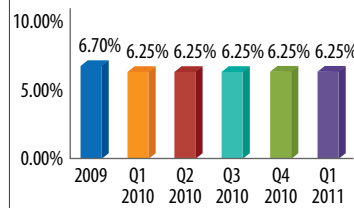
Redemptions Year to Date: 1,513,968  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 207,198,078

### Current Distribution

Current Distribution Yield: ... 6.25%



### Historical Distribution

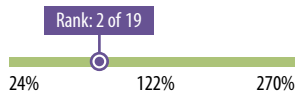


### Contact Information

[www.ColeCapital.com](http://www.ColeCapital.com)  
**Cole Capital Corporation**  
 2575 E. Camelback Road  
 Suite 500  
 Phoenix, AZ 85016  
 866-341-2653

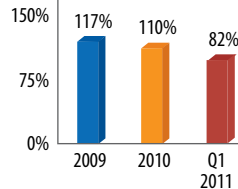
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 82%



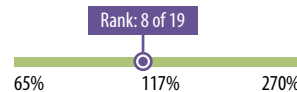
YTD Distributions Paid: .. \$32,200,000  
 YTD FFO: ..... \$39,339,000

### Historical FFO Payout Ratio



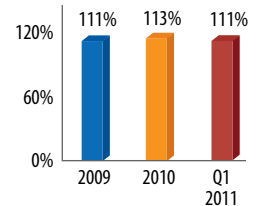
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 111%

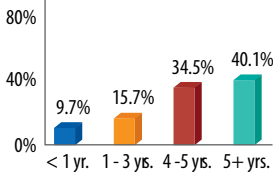


YTD Distributions Paid: \$32,200,000  
 YTD MFFO: ..... \$29,134,000  
 \*BVP adjusted MFFO – see notes

### Historical MFFO Payout Ratio

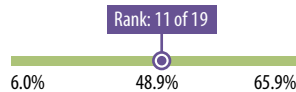


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 49.9%

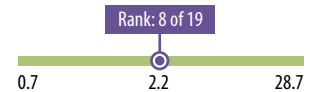


### Debt Breakdown

Total: ..... \$1,721.0 Million  
 Fixed: ..... \$1,666.7 Million  
 Variable: ..... \$54.3 Million  
 Rate: ..... 1.46 – 7.22%  
 Term: ..... <1 – 20 yrs

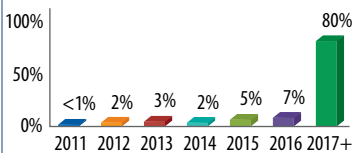
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.2



EBITDA: ..... \$57,813,000  
 Interest Expense: ..... \$26,521,000

### Lease Expirations\*



\* As of 12/31/10

### Notes

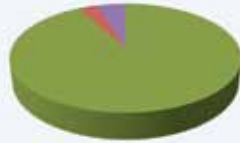
The Company reported 1Q 2011 MFFO of \$39,701,000. Blue Vault Partners has included straight-line rent adjustments of (\$2,708,000) and eliminated the \$7,895,000 gain on the sale of two CMBS bonds to estimate 1Q 2011 MFFO of approximately \$29,134,000. Had the \$7,895,000 gain on the sale of the two CMBS bonds been included, MFFO would be \$36,993,000 and the MFFO payout ratio for 1Q 2011 would be 87%. As of March 31, 2011, the Company also owned 69 mortgage notes receivable; four 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. Distribution yields are based on a \$10 price per share. Distributions for the three months ended March 31, 2011 were funded by net cash provided by operating activities of \$26.1 million, return of capital from unconsolidated joint ventures of \$1.0 million, and proceeds from the sale of marketable securities of \$5.1 million. The Board of Directors approved an amendment to the share redemption program that adjusted the minimum number of shares that may be presented for redemption. Effective June 27, 2011, stockholders who have held their shares for at least one year may present all, or a portion consisting of at least the lesser of (1) 25% of the holder's shares, or (2) a number of shares with an aggregate redemption price of at least \$2,500, to the Company for redemption at any time, subject to the conditions and limitations described in the prospectus for the Company's public offering. Prior to the Effective Date, a stockholder presenting a portion of the holder's shares for redemption will be required to present a portion consisting of at least 25% of the holder's shares.



# Nontraded REIT Industry Review: First Quarter 2011

## Corporate Property Associates 15 Inc.

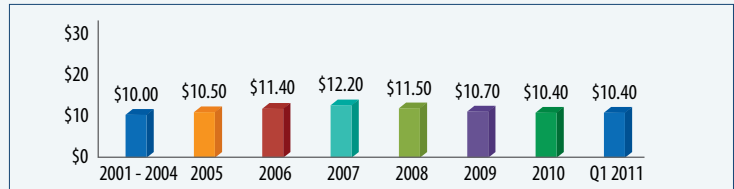
Total Assets.....	\$2,723.4 Million
Real Estate Assets ...	\$2,507.6 Million
Cash.....	\$84.1 Million
Securities .....	\$0.0 Million
Other.....	\$131.7 Million



Initial Offering Date: ..... November 30, 2001  
 Offering Close Date: ..... August 7, 2003  
 Current Price per Share: ..... \$10.40  
 Reinvestment Price per Share: ..... \$10.40

Cash to Total Assets Ratio: ..... 3.1%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 351  
 Square Feet / Units / Rooms / Acres: ..... 30 million sq. ft.  
 Percent Leased: ..... 97.0%

### Historical Price



### Redemptions

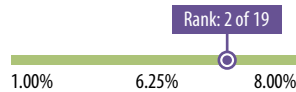
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.04%

**Suspended – death and disability redemptions only**

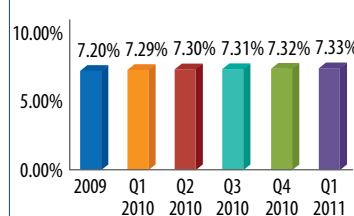
Redemptions Year to Date: ..... 46,011  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 127,312,274

### Current Distribution

Current Distribution Yield: ... 7.33%



### Historical Distribution

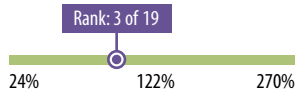


### Contact Information

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

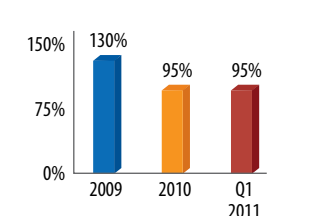
### Year to Date FFO Payout Ratio

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



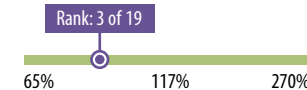
YTD Distributions Paid: \$23,334,000  
 YTD FFO: ..... \$24,528,000

### Historical FFO Payout Ratio



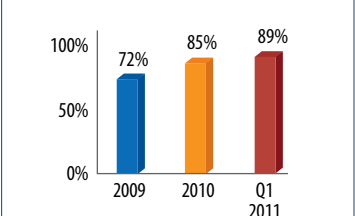
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 89%

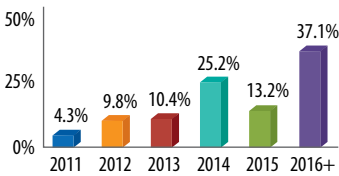


YTD Distributions Paid: \$23,334,000  
 YTD MFFO: ..... \$26,164,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

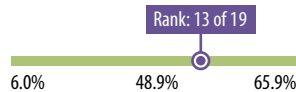


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 55.5%

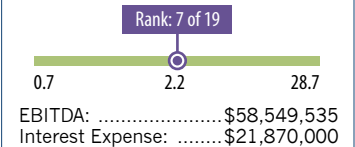


### Debt Breakdown

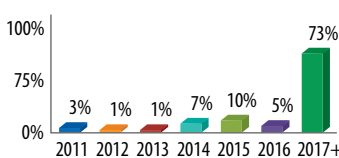
Total: ..... \$1,512.6 Million  
 Fixed: ..... \$1,233.1 Million  
 Variable: ..... \$279.5 Million  
 Rate: ..... 4.3 – 10%  
 Term: ..... 1 – 16 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.7



### Lease Expirations\*



\*As of 12/31/10.

### Notes

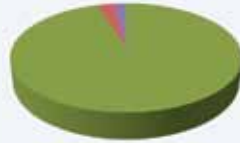
The 1Q 2011 MFFO figure reported above are the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. During the three months ended March 31, 2011, the Company used cash flows from operating activities of \$34.6 million to fund cash distributions to shareholders of \$18.5 million, excluding \$4.8 million in dividends that were reinvested by shareholders. For 2011 and 2010, the advisor elected to receive its asset management fees in cash and 80% of its performance fees in restricted shares, with the remaining 20% payable in cash. At March 31, 2011, the advisor owned 9,416,540 shares (7.3%) of the Company's common stock. In June 2009, the board of directors approved the suspension of the Company's redemption plan. The Company may make limited exceptions to the suspension of the plan in cases of death or qualifying disability. The suspension continues as of the date of this Report and will remain in effect until the board of directors, in its discretion, determines to reinstate the redemption plan. In February 2011, a consolidated subsidiary consented to a court order appointing a receiver when the Company stopped making payments on the related non-recourse debt obligation involving properties that were previously leased to Advanced Accessory Systems LLC. The related non-recourse mortgage loan had an outstanding balance of \$6.1 million.



# Nontraded REIT Industry Review: First Quarter 2011

## Corporate Property Associates 16 – Global, Inc.

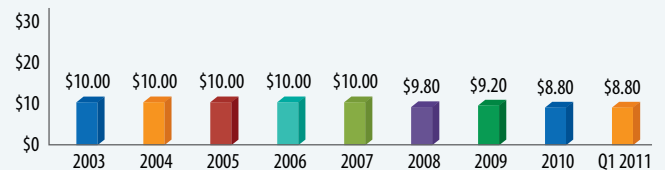
Total Assets	\$2,651.0 Million
Real Estate Assets	\$2,522.8 Million
Cash	\$68.3 Million
Securities	\$0.0 Million
Other	\$59.9 Million



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: 2.6%  
 Asset Type: Diversified  
 Number of Properties: 394  
 Square Feet / Units / Rooms / Acres: 30 million sq. ft.  
 Percent Leased: 99.0%

### Historical Price



### Redemptions

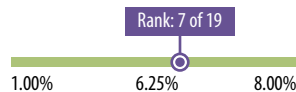
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: 0.27%

Program Open

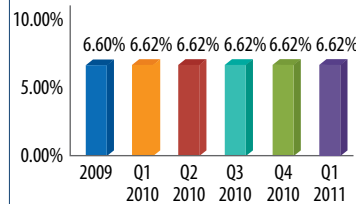
Redemptions Year to Date: 333,005  
 Wtd. Avg. Shares Outstanding as of 12/31/10: 124,631,975

### Current Distribution

Current Distribution Yield: 6.62%



### Historical Distribution

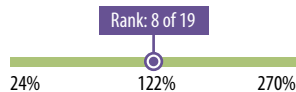


### Contact Information

[www.WPCarey.com](http://www.WPCarey.com)  
**W.P. Carey & Co. LLC**  
 50 Rockefeller Plaza  
 New York, NY 10020  
**800-WPCAREY**

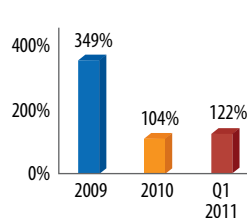
### Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: 122%



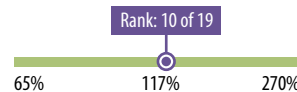
YTD Distributions Paid: \$20,825,000  
 YTD FFO: \$17,034,000

### Historical FFO Payout Ratio



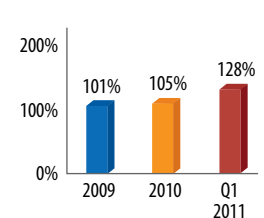
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: 128%

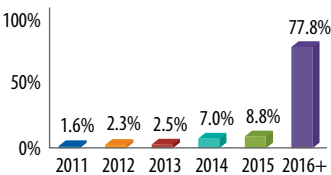


YTD Distributions Paid: \$20,825,000  
 YTD MFFO: \$16,218,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

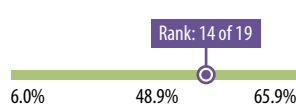


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: 56.1%

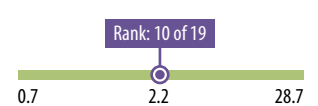


### Debt Breakdown

Total: \$1,487.4 Million  
 Fixed: \$1,389.9 Million  
 Variable: \$97.5 Million  
 Rate: 2 – 7.7%  
 Term: 4 – 21 yrs

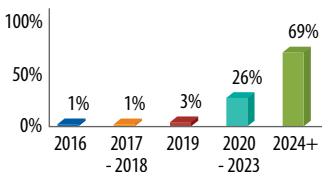
### Interest Coverage Ratio

YTD Interest Coverage Ratio: 2.1



EBITDA: \$44,987,000  
 Interest Expense: \$21,363,000

### Lease Expirations\*



\*As of 12/31/2010

### Notes

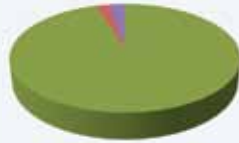
The 1Q 2011 MFFO figure reported above is the same as AFFO, or Adjusted Funds From Operations, reported by the Company and Blue Vault Partners did not identify additional adjustments. For 2011 and 2010, the advisor elected to receive its asset management fees in cash and 80% of its performance fees in restricted shares, with the remaining 20% payable in cash. At March 31, 2011, the advisor owned 7,326,624 shares (5.8%) of the Company's common stock. During the three months ended March 31, 2011, the Company used cash flows from operating activities of \$27.4 million primarily to fund distributions to shareholders of \$13.3 million, which excluded \$7.5 million in dividends that were reinvested by shareholders. The Company also used cash distributions received from equity investments in real estate in excess of equity income of \$0.8 million and existing cash resources to fund these payments. Variable-rate debt at March 31, 2011 included (i) \$3.8 million that has been effectively converted to a fixed rate through an interest rate swap derivative instrument and (ii) \$86.3 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 March 31, 2011, the Company has no interest rate resets or expirations of interest rate swaps or caps scheduled to occur during the next twelve months. In May 2011, the Company acquired a portfolio of 178 properties from affiliate, Corporate Property Associates 14 Incorporated ("CPA-14"). Following the consummation of the Merger with CPA-14, the Company implemented an internal reorganization as an umbrella partnership real estate investment trust (an "UPREIT"), to hold substantially all assets and liabilities in CPA 16 LLC, a newly formed Delaware limited liability company subsidiary. To give effect to the UPREIT Reorganization, the Company entered into an amended and restated advisory agreement with the advisor, which changes the advisory fee arrangement. Changes include, among others, a reduction in the Company's asset management fee from 1% of the property value of the assets under management to 0.5% and a new requirement for a distribution of 10% of the available cash of the operating partnership to the advisor. The Company currently expects that the sum of the new 0.5% asset management fee and annual distribution of 10% of available cash will be lower than the 1% asset management fee previously paid to the advisor. The advisor has also waived any acquisition fees payable by the Company under the advisory agreement in respect of the properties acquired in the Merger and also waived any disposition fees that may subsequently be payable to the Company upon a sale of such assets.



# Nontraded REIT Industry Review: First Quarter 2011

## Dividend Capital Total Realty Trust Inc.

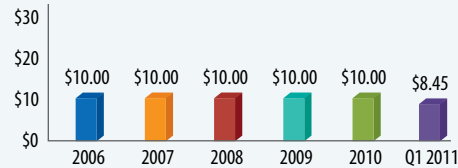
Total Assets.....	\$2,901.6 Million
Real Estate Assets ...	\$2,756.2 Million
Cash.....	\$64.8 Million
Securities .....	\$5.3 Million
Other.....	\$75.2 Million



Initial Offering Date: ..... January 27, 2006  
 Offering Close Date: ..... September 30, 2009  
 Current Price per Share: ..... \$8.45  
 Reinvestment Price per Share: ..... \$8.45

Cash to Total Assets Ratio: ..... 2.2%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 101  
 Square Feet / Units / Rooms / Acres: ..... 19.2 million sq. ft.  
 Percent Leased: ..... 95.0%

### Historical Price



### Redemptions

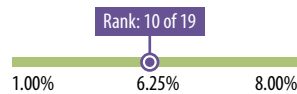
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.69%

Program Open

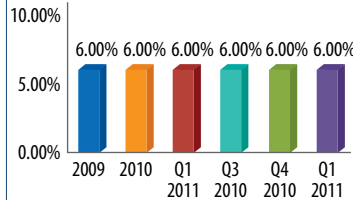
Redemptions Year to Date: 1,276,333  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 184,215,000

### Current Distribution

Current Distribution Yield: ... 6.00%



### Historical Distribution

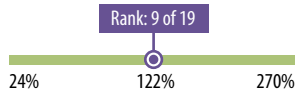


### Contact Information

[www.DividendCapital.com](http://www.DividendCapital.com)  
**Dividend Capital Securities**  
 518 Seventeenth St.  
 17th Floor  
 Denver, CO 80202  
 866-324-7348

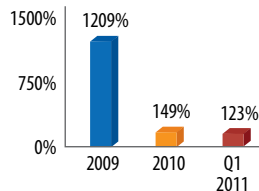
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 123%



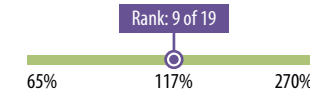
YTD Distributions Paid: ..\$27,603,000  
 YTD FFO:.....\$22,462,000

### Historical FFO Payout Ratio



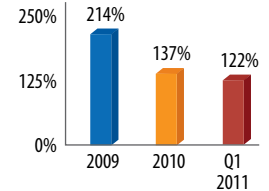
### Year to Date MFFO Payout Ratio

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

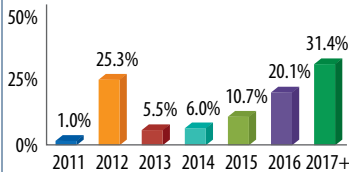


YTD Distributions Paid: \$27,603,000  
 YTD MFFO: \$22,628,000  
 \*BVP adjusted MFFO – see notes

### Historical MFFO Payout Ratio

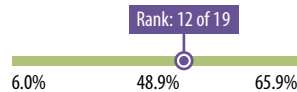


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 53.1%

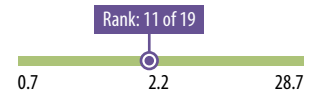


### Debt Breakdown

Total: .....\$1,541.6 Million  
 Fixed: .....\$1,111.8 Million  
 Variable: .....\$429.8 Million  
 Rate: ..... 1.4 – 7.8%  
 Term: ..... 1 – 18 yrs

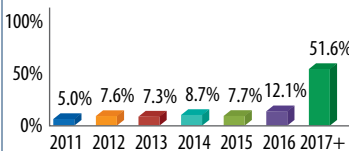
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.0



EBITDA: .....\$46,138,000  
 Interest Expense: .....\$23,100,000

### Lease Expirations\*



\*As a percent of expiring base rent.

### Notes

Company defined FFO of \$25,598,000 does not include straight line rent adjustments of (-\$2,793,000); amortization of above market lease assets of \$2,260,000; and amortization of below-market lease liabilities of (-\$2,437,000). Blue Vault Partners has included those adjustments to report 1Q 2011 MFFO of \$22,628,000. For the three months ended March 31, 2011, the Company reported \$26.6 million of cash provided by operating activities. This amount was reduced by approximately \$455,000 of acquisition related expenses, which were funded from the net proceeds received from the public offerings. As a result, the distributions declared payable to common stockholders for the three months ended March 31, 2011 were funded with approximately \$27.1 million from operating activities (excluding acquisition related expenses) and the remaining amount of approximately \$400,000, were funded from borrowings. As of March 31, 2011, certain consolidated subsidiaries had defaulted on four mortgage note borrowings totaling \$51.2 million, all of which were collateralized by office properties with gross investment amounts totaling \$75.8 million that the Company holds in joint ventures in which the Company is not the managing partner. The Company's ownership of these joint ventures ranges from 80.0% to 97.5% and the defaults occurred either due to the Company not repaying the outstanding loan balance upon the contractual maturity date of the mortgage loan or as a result of the Company not making monthly debt service payments as required by the respective loan agreements. The Company is in various stages of communication with the respective lenders in an effort to restructure the loan terms so that they would be mutually agreeable to both parties. However, there are no assurances that the Company will be successful in negotiations with the lenders. Effective March 11, 2011, the Company amended the DRIP Plan to offer shares of common stock at the estimated per share value of \$8.45.

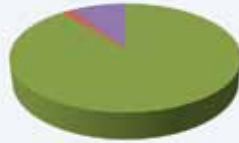




# Nontraded REIT Industry Review: First Quarter 2011

## Hines Real Estate Investment Trust, Inc.

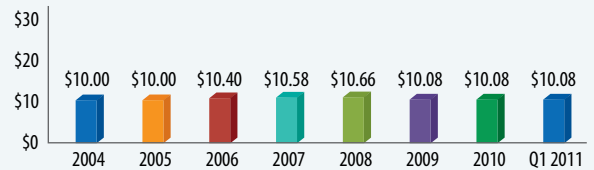
Total Assets.....	\$3,133.6 Million
Real Estate Assets ...	\$2,785.9 Million
Cash.....	\$58.7 Million
Securities .....	\$0.0 Million
Other.....	\$289.0 Million



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: ..... 1.9%  
 Asset Type: ..... Office  
 Number of Properties: ..... 59  
 Square Feet / Units / Rooms / Acres: ..... 29,240,123 sq. ft.  
 Percent Leased: ..... 89.0%

### Historical Price



### Redemptions

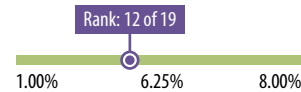
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.14%

Suspended – death and disability redemptions only

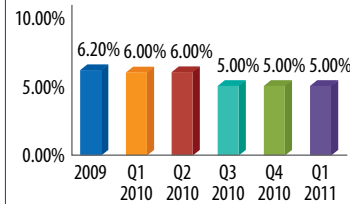
Redemptions Year to Date: ...320,159  
 Wtd. Avg. Shares Outstanding as of 12/31/10: .....220,896,000

### Current Distribution

Current Distribution Yield: ... 5.00%



### Historical Distribution

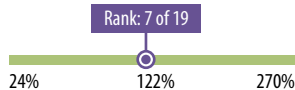


### Contact Information

[www.HinesREI.com](http://www.HinesREI.com)  
**Hines REIT**  
**P.O. Box 219010**  
**Kansas City, MO 64121-9010**  
**888-220-6121**

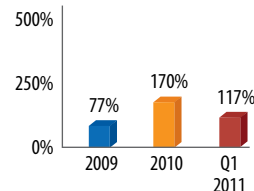
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 117%



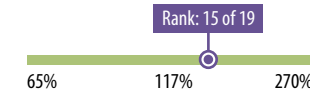
YTD Distributions Paid: .. \$28,303,000  
 YTD FFO: ..... \$24,258,000

### Historical FFO Payout Ratio



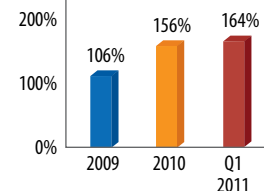
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...164%

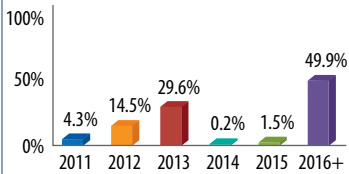


YTD Distributions Paid: .. \$28,303,000  
 YTD MFFO: ..... \$17,265,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

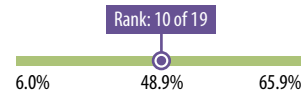


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 49.3%

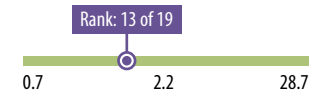


### Debt Breakdown

Total: ..... \$1,544.1 Million  
 Fixed: ..... \$1,462.3 Million  
 Variable: ..... \$81.8 Million  
 Rate: ..... 3.50 – 7.39%  
 Term: ..... <1 – 6 yrs

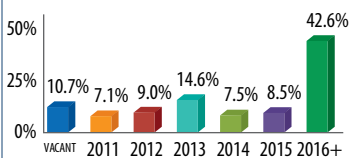
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.7



EBITDA: ..... \$38,487,000  
 Interest Expense: ..... \$22,527,000

### Lease Expirations\*



\*As a percent of expiring square footage as of 12/31/10.

### Notes

The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA"). Distribution yield based on \$10.08 share price. For the three months ended March 31, 2011, the Company funded cash distributions with distributions received from its unconsolidated investments, proceeds from the sales of real estate investments and cash generated during prior periods, which included cash flows from operating activities and distributions received from its unconsolidated investments in excess of distributions. On May 24, 2011, the board of directors established an estimated per-share value of the Company's common stock of \$7.78. Effective for the distributions scheduled to be paid for the second quarter of 2011, participants in the Company's dividend reinvestment plan will acquire shares at a fixed price of \$7.78 per share rather than at the current price of \$9.58. On November 30, 2009, the Board determined that it was in the Company's best interest to suspend its share redemption program, except with respect to redemption requests made in connection with the death or disability of a shareholder, i.e., "Special Redemption Requests." Any Special Redemption Requests to be redeemed on June 30, 2011 will be redeemed at a price of \$7.78 per share, rather than at the Company's current redemption price of \$9.15 per share. The board has declared the distribution rate beginning July 1, 2011 of 5% based on the prior offering price of \$10.08, and will represent an annual distribution rate of 6.5% on the new estimated share value of \$7.78. The distribution will be paid from two sources. Approximately 70% will be paid from funds generated by operations and approximately 30% will be a special distribution from the profits on sales of certain properties. This special distribution represents a return of invested capital. The portfolio was 58% leveraged as of March 31, 2011, with 92% of 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.

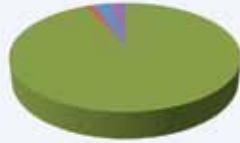




# Nontraded REIT Industry Review: First Quarter 2011

## Inland American Real Estate Trust, Inc.

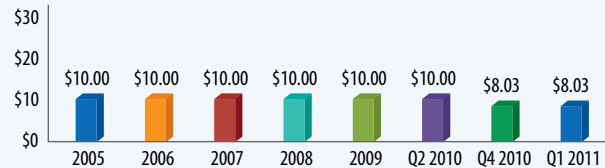
Total Assets .....	\$11,236.7 Million
Real Estate Assets ..	\$10,488.8 Million
Cash .....	\$150.4 Million
Securities .....	\$274.2 Million
Other .....	\$323.3 Million



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: ..... 1.3%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 983  
 Square Feet / Units / Rooms / Acres: ..... 48.6 Million/  
 15,732 Rooms/9,790 Units  
 Percent Leased: ..... See notes

### Historical Price



### Redemptions

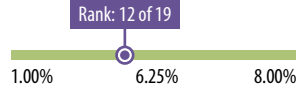
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.00%

Suspended – death redemptions only

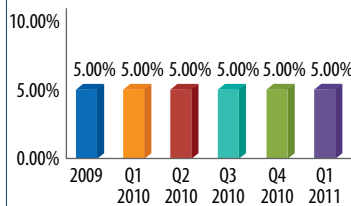
Redemptions Year to Date: ..... 0.00  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 835,131,057

### Current Distribution

Current Distribution Yield: ... 5.00%



### Historical Distribution

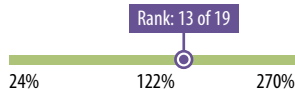


### Contact Information

[www.Inland-American.com](http://www.Inland-American.com)  
**Inland American Real Estate Trust Inc.**  
 2901 Butterfield Road  
 Oak Brook, IL 60523  
 800-826-8228

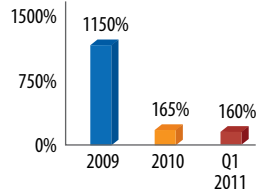
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 160%



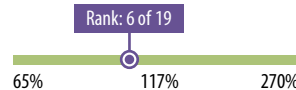
YTD Distributions Paid: \$106,061,000  
 YTD FFO: ..... \$66,429,000

### Historical FFO Payout Ratio



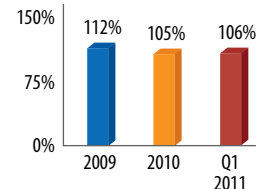
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ... 106%

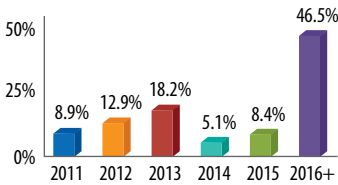


YTD Distributions Paid: \$106,061,000  
 YTD MFFO: ..... \$100,369,000  
 \*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio

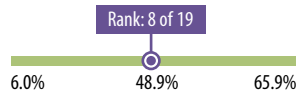


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 48.7%

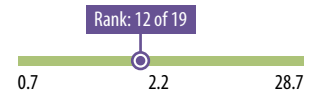


### Debt Breakdown

Total: ..... \$5,468.6 Million  
 Fixed: ..... \$3,799.1 Million  
 Variable: ..... \$1,669.5 Million  
 Rate: ..... 0.608 – 5.89%  
 Term: ..... 1 – 36 years

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.9



EBITDA: ..... \$160,870,000  
 Interest Expense: ..... \$83,908,000

### Lease Expirations

Not Reported

### Notes

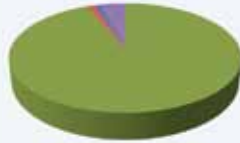
The Company did not report MFFO for 1Q 2011. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. Distributions yields are based on a \$10.00 share price. As of March 31, 2011, the retail properties, the industrial properties, the multi-family properties, lodging properties and the office properties were 93%, 92%, 91%, 67% and 94% occupied based on a weighted average basis, respectively. Cash distributions of \$106.3 million were paid with \$77.3 million from cash flow from operations, \$9.5 million provided by distributions from unconsolidated entities, and excess coverage from prior years. The board of directors voted to suspend the share repurchase program until further notice, effective March 30, 2009. Effective April 11, 2011, the Company will begin accepting share repurchase requests due to the death of any beneficial owner of shares, with checks distributed by the end of the calendar quarter. There is \$5 million available each quarter to repurchase shares at a price per share of \$7.23, which is equal to 90% of the most recently disclosed estimated per share value of \$8.03. Additionally in accordance with the plan, the aggregate number of shares repurchased is limited to 5.0% of the total number of issued and outstanding shares during any consecutive 12 calendar month period. For the three months ended March 31, 2011, the Company paid a business management fee of \$10 million, or approximately 0.5% of average invested assets on an annual basis, as well as an investment advisory fee of approximately \$382,000, together which are less than the full 1% fee that the business manager could be paid. As of March 31, 2011, the Company was in default on six mortgage loans with a carrying value of approximately \$98.6 million and one loan for a consolidated joint venture with a carrying value of \$10.1 million; none of which are cross collateralized with any other mortgage loans. The mortgage loans in default are not classified as current maturities, but rather by the original maturity date. During the first quarter of 2011, the Company fully amortized the \$10.4 million of a mark to market mortgage discount on three properties. The recognition of the \$10.4 million discount was recorded as a result of the properties' mortgage loans, totaling \$64.0 million, being in default. If the lender takes possession of any of the properties through a consensual transfer, the Company will likely recognize a gain on the forgiveness of debt comparable to the discount being recognized this period.



# Nontraded REIT Industry Review: First Quarter 2011

## Inland Western Retail Real Estate Trust, Inc.

Total Assets.....	\$6,249.0 Million
Real Estate Assets ...	\$5,840.2 Million
Cash.....	\$97.0 Million
Securities .....	\$36.8 Million
Other.....	\$275.0 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: ..... 1.6%  
 Asset Type: ..... Retail  
 Number of Properties: ..... 282  
 Square Feet / Units / Rooms / Acres: ..... 42.2 Million  
 Percent Leased: ..... 88.5%

### Historical Price



### Redemptions

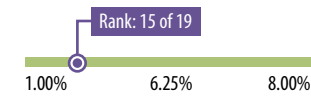
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.00%



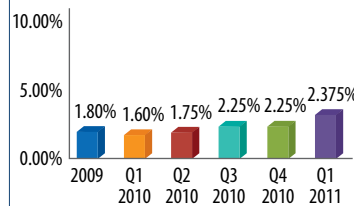
Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 483,743,000

### Current Distribution

Current Distribution Yield: ... 2.375%



### Historical Distribution

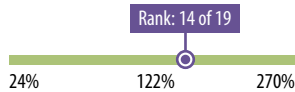


### Contact Information

[www.Inland-Western.com](http://www.Inland-Western.com)  
**Inland Western Retail Real Estate Trust Inc.**  
 2901 Butterfield Road  
 Oak Brook, IL 60523  
 800-826-8228

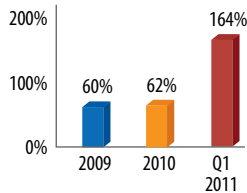
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 164%



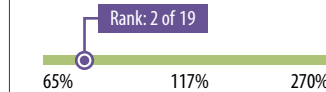
YTD Distributions Paid: .. \$26,851,000  
 YTD FFO: ..... \$16,371,000

### Historical FFO Payout Ratio



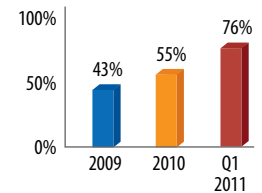
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 76%

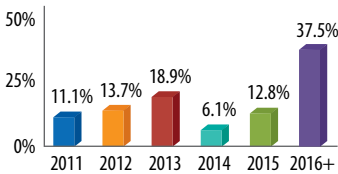


YTD Distributions Paid: .. \$26,851,000  
 YTD MFFO: ..... \$35,194,000  
 \*BVP calculated MFFO – see notes

### Historical MFFO Payout Ratio

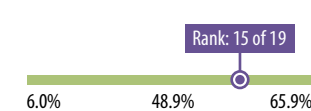


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 58.9%

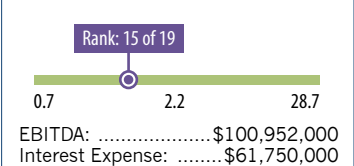


### Debt Breakdown

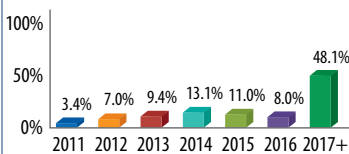


### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 1.6



### Lease Expirations\*



\*Excludes month-to-month leases.

### Notes

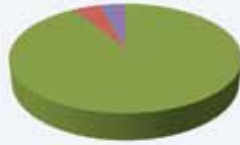
The Company did not report MFFO for 1Q 2011. The 1Q 2011 MFFO figure is a Blue Vault Partners' estimate. Distribution yields based on \$10 share price. Share repurchase program suspended as of November 19, 2008. As of March 31, 2011, the Company had \$73.0 million of mortgages payable that had matured and had not been repaid or refinanced as of March 31, 2011. During the second quarter of 2010, in order to prompt discussions with the lender, the Company ceased making the monthly debt service payment on a \$30.0 million mortgage loan. That loan has matured and the \$26.9 million that was outstanding at March 31, 2011 is included in the \$73.0 million of total matured debt. The non-payment of this monthly debt service payment amounts to \$1.3 million annualized and does not result in noncompliance under any of the Company's other mortgages payable and secured credit agreements. The Company has attempted to negotiate and has made offers to the lender to determine an appropriate course of action under the non-recourse loan agreement. No assurance can be provided that negotiations will result in a favorable outcome for the Company. The lender has asserted that certain events have occurred that trigger recourse to the Company. However, the Company believes that it has substantive defenses with respect to those claims.



# Nontraded REIT Industry Review: First Quarter 2011

## KBS Real Estate Investment Trust, Inc.

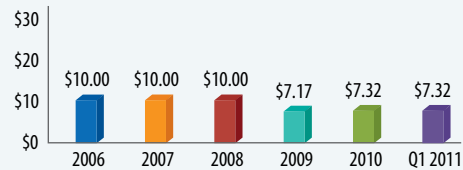
Total Assets.....	\$2,386.3 Million
Real Estate Assets ...	\$2,177.3 Million
Cash.....	\$111.1 Million
Securities .....	\$19.1 Million
Other.....	\$78.8 Million



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: ..... 4.7%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 64 properties, 15 real estate related assets  
 Square Feet / Units / Rooms / Acres: ..... 20.4 million  
 Percent Leased: ..... 79.0%

### Historical Price



### Redemptions

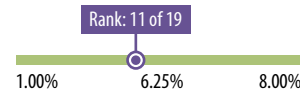
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.11%

Limited to death and disability

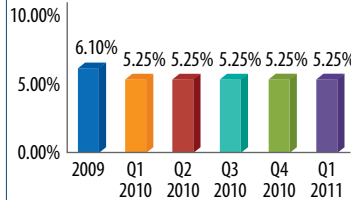
Redemptions Year to Date: ... 206,425  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 182,437,352

### Current Distribution

Current Distribution Yield: ... 5.25%



### Historical Distribution

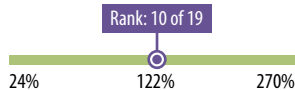


### Contact Information

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

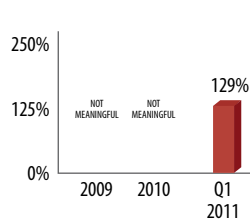
### Year to Date FFO Payout Ratio

FFO Payout Ratio: YTD Distributions/YTD FFO: ..... 129%



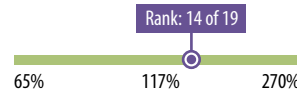
YTD Distributions Paid: .. \$24,026,000  
 YTD FFO: ..... \$18,634,000

### Historical FFO Payout Ratio



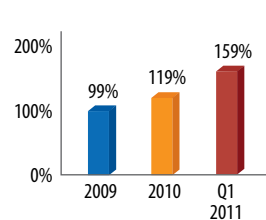
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio: YTD Distributions/YTD MFFO: .. 159%

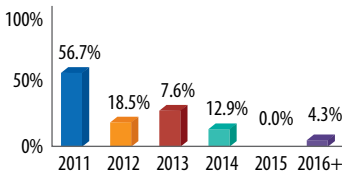


YTD Distributions Paid: \$24,026,000  
 YTD MFFO: ..... \$15,125,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

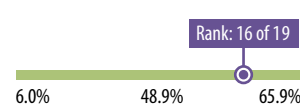


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 60.6%

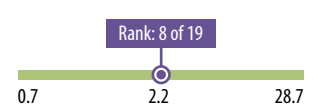


### Debt Breakdown

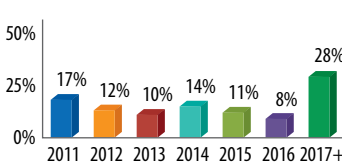
Total: ..... \$1,446.1 Million  
 Fixed: ..... \$533.3 Million  
 Variable: ..... \$912.8 Million  
 Rate: ..... 1.1 – 6.4%  
 Term: ..... <1 – 5+ yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 2.2



### Lease Expirations\*



\*As a percent of expiring base rent as of 12/31/10.

### Notes

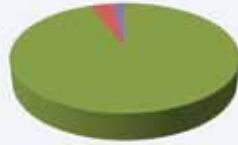
The Company computes MFFO in accordance with the definition issued by the Investment Program Association ("IPA") in November 2010. Distribution yields based on \$10 share price. For the three months ended March 31, 2011, the Company paid aggregate distributions of \$24.0 million, including \$12.5 million of distributions paid in cash and \$11.5 million of distributions reinvested through the dividend reinvestment plan. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$1.7 million of current period operating cash flows and \$22.3 million of operating cash reserves from prior periods and proceeds from the sale of properties in 2010. The Company also owns one master lease, 11 real estate loans receivable, two investments in securities directly or indirectly backed by commercial mortgage loans, and a preferred membership interest in a real estate joint venture. Also, as of March 31, 2011, the Company owned a 10-story condominium building with 62 units acquired through foreclosure, of which eight condominium units, two retail spaces and parking spaces were held for sale. On April 28, 2011, in connection with the amendment and restatement of the repurchase agreements related to the investment in the GKK Mezzanine Loan, the Company agreed that during the term of the repurchase agreements, it would continue to limit redemptions under the share redemption program to those sought upon a stockholder's death, "qualifying disability" or "determination of incompetence." Of the \$912.8 million of variable rate notes payable and repurchase agreements, \$164.7 million are effectively fixed through interest rate swaps and \$440.2 million are subject to interest rate caps.



# Nontraded REIT Industry Review: First Quarter 2011

## KBS Real Estate Investment Trust II, Inc.

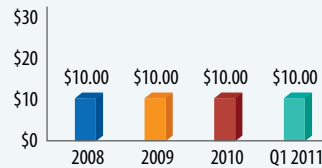
Total Assets.....	\$2,667.0 Million
Real Estate Assets ...	\$2,510.7 Million
Cash.....	\$104.7 Million
Securities .....	\$0.0 Million
Other.....	\$51.6 Million



Initial Offering Date: .....April 22, 2008  
 Offering Close Date: ..... December 31, 2010  
 Current Price per Share: .....\$10.00  
 Reinvestment Price per Share: .....\$9.50

Cash to Total Assets Ratio: ..... 3.9%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 24 properties, 7 real-estate related assets  
 Square Feet / Units / Rooms / Acres: ..... 10.1 million sq. ft  
 Percent Leased: ..... 96%

### Historical Price



### Redemptions

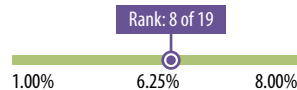
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 0.38%

Program Open

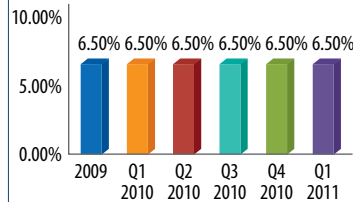
Redemptions Year to Date: ..482,826  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 125,894,756

### Current Distribution

Current Distribution Yield: ... 6.50%



### Historical Distribution

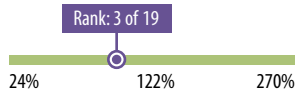


### Contact Information

[www.KBS-CMG.com](http://www.KBS-CMG.com)  
**KBS Real Estate Investment Trust II**  
 P.O. Box 219015  
 Kansas City, MO 64121-9015  
 866-584-1381

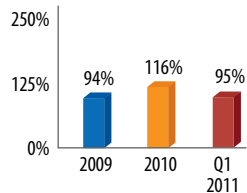
### Year to Date FFO Payout Ratio

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



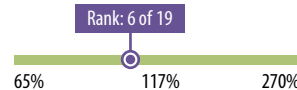
YTD Distributions Paid:..\$28,716,000  
 YTD FFO:.....\$30,365,000

### Historical FFO Payout Ratio



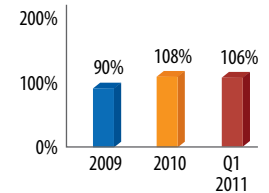
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ...106%

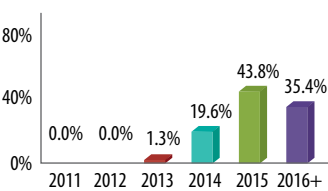


YTD Distributions Paid:..\$28,716,000  
 YTD MFFO:.....\$27,034,000  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

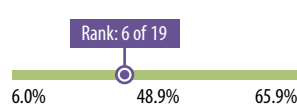


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 39.0%



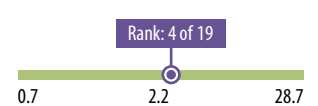
### Debt Breakdown

Total: .....\$1,040.0 Million  
 Fixed: .....\$443.9 Million  
 Variable: .....\$596.1 Million  
 Rate: ..... 3.4 – 5.9%  
 Term: .....2 – 5 yrs



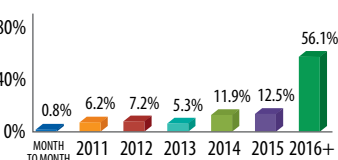
### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 4.1



EBITDA: .....\$45,569,000  
 Interest Expense: .....\$11,244,000

### Lease Expirations\*



\*As of 12/31/10.

### Notes

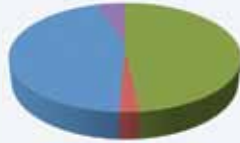
The Company computes MFFO in accordance with the definition issued by the Investment Program Association ("IPA") in November 2010. The Company funded total distributions paid, which includes net cash distributions and dividends reinvested by stockholders, with \$9.4 million of current period operating cash flows and \$19.3 million of debt financing. The interest rates on \$561.2 million of the variable rate notes payable are effectively fixed through interest rate swap agreements.



# Nontraded REIT Industry Review: First Quarter 2011

## Lightstone Value Plus Real Estate Investment Trust, Inc.

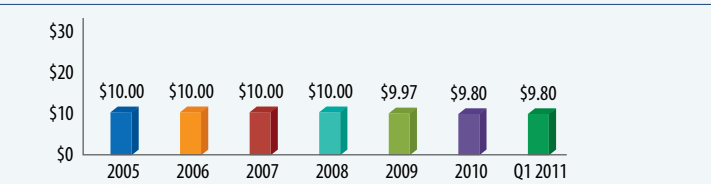
Total Assets.....	\$552.9 Million
Real Estate Assets .....	\$267.0 Million
Cash .....	\$13.0 Million
Securities .....	\$247.3 Million
Other .....	\$25.6 Million



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: ..... 2.4%  
 Asset Type: ..... Diversified  
 Number of Properties: ..... 31  
 Square Feet / Units / Rooms / Acres: ..... 3.1 million sq. ft.,  
 1,585 units, 656 rooms  
 Percent Leased: ..... See notes

### Historical Price



### Redemptions

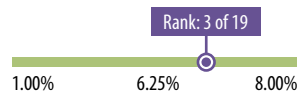
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: ..... 0.00%

Program Open

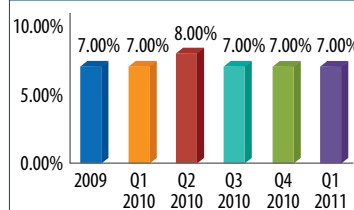
Redemptions Year to Date: ..... 0  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 31,755,268

### Current Distribution

Current Distribution Yield: ... 7.00%



### Historical Distribution



### Contact Information

[www.LightstoneGroup.com](http://www.LightstoneGroup.com)  
**The Lightstone Group**  
 460 Park Avenue, 13th Floor  
 New York, NY 10022  
 212-616-9969

### Year to Date FFO Payout Ratio

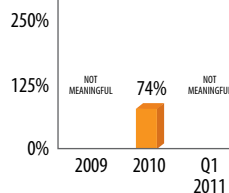
FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL

Rank: 16 of 19

24% 122% 270%

YTD Distributions Paid: \$5,477,038  
 YTD FFO: ..... (\$1,058,518)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

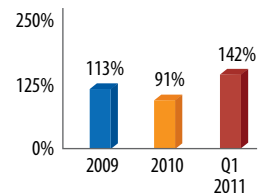
MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: .. 142%

Rank: 12 of 19

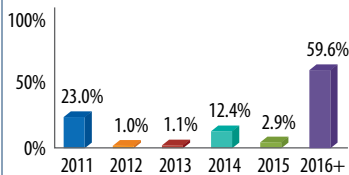
65% 117% 270%

YTD Distributions Paid: .. \$5,477,038  
 YTD MFFO: ..... \$3,847,696  
 \*Company reported MFFO – see notes

### Historical MFFO Payout Ratio



### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ... 42.1%

Rank: 7 of 19

6.0% 48.9% 65.9%

### Debt Breakdown

Total: ..... \$232.8 Million  
 Fixed: ..... \$174.9 Million  
 Variable: ..... \$57.9 Million  
 Rate: ..... 1.10 – 6.75%  
 Term: ..... <1 – 6 yrs

### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 0.7

Rank: 17 of 19

0.7 2.2 28.7

EBITDA: ..... \$2,162,443  
 Interest Expense: ..... \$2,975,246

### Lease Expirations

Not Reported

### Notes

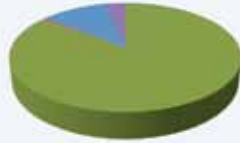
MFFO has been determined in accordance with the Investment Program Association (“IPA”) definition of MFFO. As of March 31, 2011, the retail properties, the industrial properties, the multi-family residential properties and the office property were 83.7%, 74.8%, 92.2% and 78.6% occupied based on a weighted-average basis, respectively. The hotel hospitality properties were 67.7% occupied for the three months ended March 31, 2011. Of the \$5.5 million in distributions paid for the three months ended March 31, 2011, \$2.4 million were funded from cash flow from operations; \$1.2 million from proceeds from investment in affiliates and excess cash; and \$1.9 million from proceeds from issuance of common stock through the DRP.



# Nontraded REIT Industry Review: First Quarter 2011

## Wells Real Estate Investment Trust II, Inc.

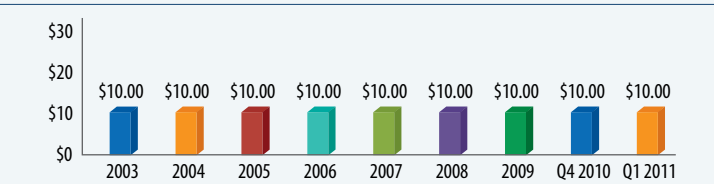
Total Assets.....	\$5,951.6 Million
Real Estate Assets ...	\$5,064.4 Million
Cash.....	\$32.6 Million
Securities .....	\$646.0 Million
Other.....	\$208.5 Million



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: ..... 0.5%  
 Asset Type: ..... Office  
 Number of Properties: ..... 72  
 Square Feet / Units / Rooms / Acres: ..... 22.8 million  
 Percent Leased: ..... 94.6%

### Historical Price



### Redemptions

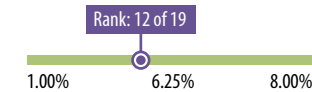
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding: .. 0.0003%

Program Open

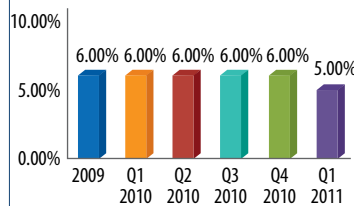
Redemptions Year to Date: ..... 1,818  
 Wtd. Avg. Shares Outstanding as of 12/31/10: ..... 524,848,000

### Current Distribution

Current Distribution Yield: ... 5.00%



### Historical Distribution

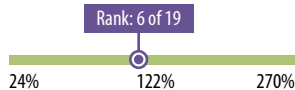


### Contact Information

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

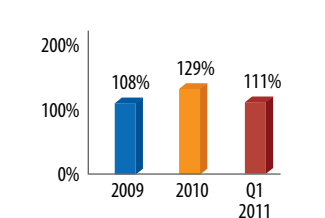
### Year to Date FFO Payout Ratio

FFO Payout Ratio:  
 YTD Distributions/YTD FFO: ..... 111%



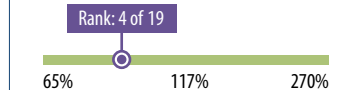
YTD Distributions Paid: .. \$67,485,000  
 YTD FFO: ..... \$60,925,000

### Historical FFO Payout Ratio



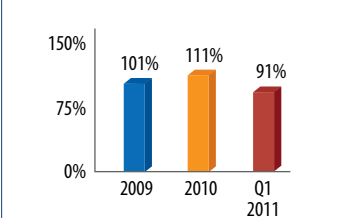
### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: ..... 91%

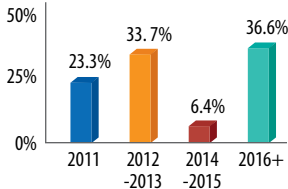


YTD Distributions Paid: .. \$69,096,000  
 YTD MFFO: ..... \$74,452,000  
 \*Blue Vault adjusted MFFO – see notes

### Historical MFFO Payout Ratio

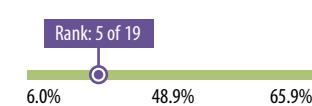


### Debt Maturity

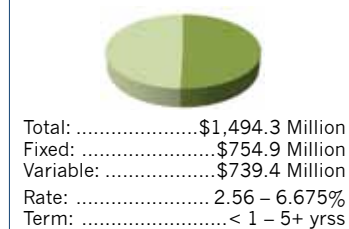


### Current Debt Ratio

Debt to Total Assets Ratio: ... 25.1%

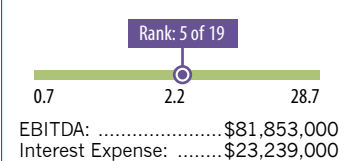


### Debt Breakdown

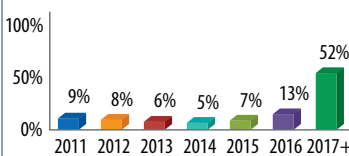


### Interest Coverage Ratio

YTD Interest Coverage Ratio: ..... 3.5



### Lease Expirations\*



\*As of 12/31/10

### Notes

Company reported 1Q 2011 AFFO of \$67,786,000 includes (-\$6,666,000) changes in assets and liabilities. Blue Vault Partners has eliminated this item to report 1Q 2011 MFFO of \$74,452,000. In the first quarter of 2011, the board of directors elected to reduce the quarterly stockholder distribution rate from \$0.15 per share (a 6.0% annualized yield on a \$10.00 original share price) to \$0.125 per share (a 5.0% annualized yield on a \$10.00 original share price) primarily due to economic conditions in the U.S. and deterioration in real estate market fundamentals. Pursuant to the limitations outlined in the Advisory Agreement, monthly asset management fees will be capped at \$2.7 million (or \$32.5 million annualized) beginning in April 2011 as a result of the March 2011 acquisition of the Market Square Buildings for \$603.4 million.





## Closed Nontraded REITs with Limited Operating Results

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**Desert Capital REIT, Inc.** was formed in December 2003. On May 5, 2011, an involuntary petition for protection under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et. seq., was filed against Desert Capital REIT, Inc. with the United States Bankruptcy Court for the District of Nevada, Las Vegas Division, thereby commencing an involuntary Chapter 11 bankruptcy case against the Company. On May 31, 2011, the Company entered into an Agreement for Services with MorrisAnderson & Associates, Ltd. to provide management services for the Company. Due to these events, information regarding this REIT will not be included in future reports.

**Shopoff Properties Trust, Inc.** became effective with the SEC in 2007. On May 13, 2011, the Company filed a termination of registration form with the SEC. As a result, information regarding this REIT will not be included in future reports.



## Publication Schedule

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	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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