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

**Re: Cole Real Estate Income Strategy (Daily NAV), Inc.
(f/k/a Cole Real Estate Income Trust, Inc.)
Request for No-Action Relief Under Rule 13e-4**

Dear Ms. Anderson and Ms. Duru:

Goodwin Procter LLP is counsel to Cole Real Estate Income Strategy (Daily NAV), Inc. (the "Company") in connection with its Registration Statement on Form S-11 under the Securities Act of 1933, as amended (the "Securities Act") (Registration Number 333-169535), filed with the Securities and Exchange Commission (the "Commission") on September 22, 2010 (the "Registration Statement"), as amended on December 6, 2010, May 16, 2011, August 26, 2011, November 3, 2011 and November [30], 2011, to register the offer and sale of up to $4,000,000,000 in shares of its common stock (or "shares"), in an initial public offering (the "Offering"), of which $3,500,000,000 in shares will be offered to the public in a primary offering and $500,000,000 in shares will be offered to stockholders of the Company pursuant to the Company's distribution reinvestment plan (the "DRIP"). The Company will not sell any shares until the date it has received and accepted purchase orders for at least $10,000,000 in shares and the Company's board of directors has authorized the release of these funds to the Company (the "Minimum Offering Date"). Prior to the Minimum Offering Date, subscriptions will be placed in an interest-bearing escrow account.

The Company was formed as a Maryland corporation on July 27, 2010 for the purpose of investing in single-tenant necessity commercial properties, which are leased to creditworthy tenants under long-term, net leases. The Company will be an externally advised investment vehicle that will operate and seek to qualify as a real estate investment trust ("REIT"). The

Company is not a mutual fund and does not intend to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Although the Company is offering a fixed amount of its shares pursuant to the Registration Statement, it intends to conduct a continuous offering of an unlimited amount of shares over an unlimited time period by filing a new registration statement prior to the end of each three-year period described in Rule 415 under the Securities Act. As a result, the Company considers itself to be an open-ended investment vehicle, as it has no finite date set for liquidation and no intention to list its shares for trading on an exchange or other trading market. After the Minimum Offering Date, the Company intends to offer for sale, on a daily basis, new shares at a price equal to the Company's net asset value ("NAV") divided by the number of its shares outstanding as of the end of business on such day (prior to giving effect to any share sales or redemptions to be effected on such day) ("NAV per share"). NAV per share will be based primarily on a valuation of the Company's real estate assets and liabilities, as determined by an independent valuation expert. Prior to the Minimum Offering Date, the price per share will be $15.00.

Because the Company does not have a defined life and does not intend to pursue a single liquidity event, the Company will make available to stockholders a share redemption plan (the "Redemption Plan") as the primary source of liquidity for their investment. Under the Redemption Plan, on a daily basis stockholders may request that the Company redeem all or any portion of their shares at a price equal to the Company's NAV per share next determined after receipt of their request. The Redemption Plan does not include limits on the sources of cash to fund redemptions. The Company expects that net redemption outflows will be funded first from cash on hand, by accessing its liquidity sleeve or drawings under available lines of credit, if any; and then by selling investment assets as needed. Net redemption inflows will be available for augmenting the liquidity sleeve and for investment in real estate. As discussed in greater detail later in this letter, redemptions may be limited in certain circumstances.

The principal target market for the Company's shares will be investors who pay their financial advisor a fee for their services (often referred to as "wrap accounts" or "fee-based accounts"). To accomplish this goal, the Company is structured in a way to address a number of issues that the Company believes have been viewed as limitations on investing in non-traded REITs by wrap account providers, such as: (1) a fixed offering price for a period that typically exceeds five years; (2) a defined life with a single liquidity event; (3) front-end selling commissions; and (4) limited liquidity. The Company's structure is designed to better suit these investors by: (A) valuing shares daily based on the work of an independent valuation expert so that neither new nor existing stockholders will suffer dilution; (B) lowering the overall costs of distribution and operation; and (C) allowing investors, or their financial advisors, to determine when to make and redeem their investment.

NO-ACTION REQUEST UNDER RULE 13e-4

The Company will adopt the Redemption Plan so as to provide stockholders with a measure of liquidity for their investment in the Company's shares. The Company believes that many features of its Redemption Plan are substantially similar to redemption plans of other companies with respect to which the staff of the Division of Corporation Finance of the Commission has granted no-action relief relative to the issuer tender offer rules found in Rule 13e-4 promulgated under the Securities Exchange Act of 1934, as amended (the "<u>Exchange Act</u>"), including the Clarion Partners Property Trust Inc. and American Realty Capital Daily Net Asset Value Trust, Inc. no-action letters.[1]

The Company requests that the staff of the Division of Corporation Finance issue the Company a letter stating that it will not recommend that the Commission take enforcement action under Rule 13e-4 with respect to redemptions made under the Redemption Plan.[2]

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1 *See* Clarion Partners Property Trust Inc., SEC No-Action Letter, 2011 WL 1999926 (May 17, 2011) and American Realty Capital Daily Net Asset Value Trust, Inc. 2011 WL 2938525 (July 21, 2011).

2 We will discuss later in this letter how the Redemption Plan meets the conditions for exemption from Rule 102(a) of Regulation M, as articulated in the Commission's letter dated October 22, 2007 granting class relief for non-listed real estate investment trust share redemption programs (Regulation M Rule 102 – TP File No. 08-06).

OVERVIEW OF THE COMPANY, THE OFFERING AND THE REDEMPTION PLAN

The Company and the Offering

The Company is externally managed by its advisor, Cole Real Estate Income Strategy (Daily NAV) Advisors, LLC (the "Advisor"). The dealer manager for the primary offering, Cole Capital Corporation (the "Dealer Manager"), is an affiliate of the Advisor. The Dealer Manager is not required to sell any specific number or dollar amount of the shares, but will use its best efforts to sell the shares offered in the primary offering. The Company plans to sell shares on a continuous basis and for an indefinite period of time at the daily NAV per share. The Company does not intend to list the shares on any exchange or other trading market now or in the future, and does not expect that any secondary trading market will develop. Unlike most non-listed REITs currently available to public investors, the Company is not required to list its common stock, or liquidate its assets and distribute the proceeds of such liquidation to stockholders, at or before any future date. In lieu of a single terminal liquidity event, the Company seeks to provide its stockholders with a measure of liquidity during its indefinite life through the Redemption Plan, whereby on each business day stockholders may request that the Company redeem all or any portion of their shares, without a premium or discount to NAV per share (subject to applicable short-term trading fees as discussed later in this letter).

The Company's Investment Strategy

The Company will seek to invest in a diversified portfolio consisting of income-producing necessity commercial properties in the retail, office and industrial sectors that are leased to creditworthy tenants under long-term net leases. In addition, the Company intends to invest in (1) notes receivable secured by commercial real estate, including the origination of loans, and (2) cash, cash equivalents, other short-term investments, liquid real estate-related, equity or debt securities and other investments for which there is reasonable liquidity. The Company's investment strategy of focusing on single-tenant properties subject to long term net-leases was developed by the Company's sponsor over the past three decades, and is designed to provide investors with a relatively predictable and stable stream of income and the potential for long-term capital appreciation. Neither the Company's investment guidelines nor charter, will limit the number, size or type of properties that the Company may acquire or on the percentage of net proceeds of the Offering that may be invested in a single property. However, the Company will continuously monitor its portfolio in order to maintain its qualification for exemption from registration under the Investment Company Act. Maintaining this exemption will limit the Company's ability to make certain investments.

The Company's board of directors, which will include a majority of independent directors, will approve investment guidelines governing asset acquisitions and dispositions, which the Advisor will be required to follow in making investment decisions for the Company. The independent directors will retain independent legal counsel to assist them in the discharge of their responsibilities.

The Redemption Plan

Differences Between the Redemption Plan and the Redemption Plans of Traditional Non-Listed REITs

The Company adopted a Redemption Plan in an effort to provide its stockholders with a measure of liquidity with respect to their investment in the Company's shares, subject to specified limitations. Through the Redemption Plan, stockholders can request redemption of all or a portion of their investment on any business day, at the Company's daily NAV per share (the same price at which newly issued shares are sold on that day). The Company's Redemption Plan is an important feature of the investment in the Company's shares because without an effective redemption plan, stockholders in the Company would generally be required to hold their shares for an indefinite time period, in light of the fact that there will be no established trading market for the shares upon issuance, the Company does not anticipate that a secondary trading market will develop, and, unlike typical non-listed REITs, the Company is not required to consummate a transaction providing liquidity to its stockholders on or before a specified future date (such as listing its common stock on a securities exchange or liquidation). Absent the Redemption Plan, investors may be reluctant to acquire shares in the Company, which may prevent the Company from raising adequate capital to acquire a diversified portfolio of suitable investments, and to obtain efficiencies of scale.

Although traditional non-listed REITs have adopted redemption plans, they are subject to limitations on the aggregate number of shares that may be redeemed in any particular period (typically 5% of the prior year's outstanding shares) and on the sources of cash to fund redemptions (typically limited to proceeds from the sale of additional shares through the issuer's distribution reinvestment plan). In addition, many traditional non-listed REITs have suspended their redemption plans after the expiration of the REIT's offering period.

As a result of the limited liquidity offered by most non-listed REITs, a limited secondary market has developed for shares of certain of these issuers. These markets are typically very small and inefficient, and generally result in purchase prices that are at a substantial discount to both the offering price for the shares and the prices offered by the issuers' redemption plans. Additionally, third parties have occasionally made "mini-tender offers" to stockholders in non-listed REITs. Mini-tender offers also have typically offered to purchase shares of these REITs at substantially discounted prices to the price originally paid for those shares, often with inadequate disclosure to stockholders and a significant risk of manipulative practices during the offer period. The Company believes that the mini-tender offers further evidence that sufficient liquidity options may not always exist for stockholders in non-listed REITs with traditional limited redemption plans. The Company believes that the limited liquidity of traditional non-listed REITs can be problematic for some investors, and is often cited by fee-based financial advisors as a primary disadvantage, from their perspective, of investing in non-listed REITs.

The Offering and the Redemption Plan are designed to provide investors with what the Company believes will be an alternative to traditional non-listed REITs, which are typically sold through commission-based financial advisors. Unlike the traditional commission-based, non-listed REIT offerings, the price of the Company's shares after the Minimum Offering Date will be based on an estimate of the underlying market value of the Company's assets and liabilities (NAV per share), rather than at a fixed offering price (typically, $10 per share). The Redemption Plan will also be based on the Company's daily NAV per share, as calculated at the end of each business day. The Company's Redemption Plan will provide greater liquidity than traditional non-listed REITs, by providing stockholders the ability to redeem all or a portion of their shares on a daily basis, subject to the following limitations (which are described in detail later in this letter):

(1) Under ordinary circumstances the total amount of net redemptions during a calendar quarter will be limited to five percent of the Company's total net assets on the last business day of the preceding quarter, with redemption requests being satisfied on a first-come, first-served basis.

(2) If net redemptions do not reach the five percent limit in a calendar quarter, the difference between the actual redemptions and the five percent limit will be carried over to the next quarter, except that the maximum amount of net redemptions during any quarter can never exceed ten percent of the Company's total net assets on the last business day of the preceding quarter and the cumulative amount carried over from quarter to quarter will never exceed fifteen percent.

(3) If net redemptions in a calendar quarter reach the five percent limit (plus any carried over amount), on the business day when the limit is reached redemption requests will be satisfied on a pro-rated basis and after that business day the Company will be unable to process any redemption requests for the rest of the calendar quarter in which the limit was reached.

(4) Then the Company will begin accepting redemption requests again on the first business day of the next calendar quarter, but will apply the five percent quarterly limitation on

redemptions on a per-stockholder basis, instead of a first-come, first-served basis, such that each stockholder will be able to redeem at any time during that quarter up to five percent of the stockholder's investment in the Company's shares as of the last business day of the preceding quarter, plus any new investment by the stockholder in the Company's shares during that quarter (subject to applicable short-term trading fees).

(5) The per-stockholder limit will remain in effect for the following quarter if total net redemptions are more than two and one-half percent of the Company's net assets on the last business day of the preceding quarter.

Subject to the foregoing limitations, the Company's goal is to provide its stockholders uninterrupted access to liquidity for their investment to the maximum extent possible. The Company's board of directors, including a majority of the independent directors, acting in accordance with their fiduciary duties to all stockholders, may modify or suspend the Redemption Plan in their discretion if they believe that such action is in the best interests of all stockholders of the Company.

The Company's NAV per share will be calculated once daily as of the close of business using its valuation methodologies discussed below, and the price at which the Company sells new shares and redeems outstanding shares will not change depending on the level of demand by investors or the volume of requests for redemption. Instead, the Company's NAV per share will be based on an estimate of the market value of its assets and liabilities. In addition, since purchases and redemptions will take place at the daily NAV per share, potential dilution to either the Company's remaining stockholders or the purchasing or redeeming stockholders is unlikely.

The Company expects its shares to be sold through financial advisors that manage fee-based accounts and seek to manage their clients' accounts on an active basis – that is, the financial advisors want to decide, on behalf of their clients, when to invest in certain securities and when to sell these securities. Absent the Redemption Plan, an investment in the Company's shares is unlikely to fit into the investment goals of these financial advisors and their clients.

The Daily Calculation of NAV Per Share

As noted above, following the Minimum Offering Date, the price for purchasing and redeeming shares will vary from day to day, and on any given day will be equal to the Company's NAV per share. Calculation of the Company's daily NAV per share will be performed in accordance with the Company's valuation guidelines, which will be adopted by the Company's board of directors, including a majority of the board's independent directors, prior to the date the Company's shares are first sold to the public. The overarching principle of the Company's valuation guidelines will be to produce a valuation that represents a reasonable estimate of the market value of the Company's assets and liabilities, or the price that would be received in orderly transactions between market participants. The board will review the valuation guidelines on at least an annual basis, and any changes to the guidelines will require the approval of the board of directors, including a majority of the independent directors.

To assist in the valuation process, the Company will retain an independent valuation expert. The valuation expert will not be affiliated with the Company or the Advisor. The independent valuation expert will be engaged by the Company's board of directors, which will assess the expert's independence based on all relevant facts and circumstances, including: (1) the expert not being affiliated (including by reason of common control) with the Advisor, and (2) no representative of the expert being a member of the Company's board of directors. The compensation paid to the expert will not be based on the size of the Company's NAV or changes in the Company's NAV. The Company's board of directors may replace the valuation expert at any time with another independent valuation expert.

Upon purchase, each investment will initially be valued at its purchase price, plus related acquisition costs. The independent valuation expert will value on a rolling basis all of the Company's commercial real estate properties, such that each investment will be valued at least once per quarter beginning with the quarter following the first full calendar quarter after the investment's acquisition. Based on all information deemed relevant, the independent valuation expert will analyze the cash flow from, and other characteristics of, each property in the Company's portfolio. The independent valuation expert will collect all reasonably available material information that it deems relevant, including information about the portfolio from the Advisor, the independent valuation expert's own sources, market information from public sources, the expert's own proprietary data, and a physical inspection of the real estate, to the extent deemed necessary. The independent valuation expert will also review trends in capitalization rates, discount rates, interest rates, leasing rates, as well as a variety of macro- and micro-economic factors. The valuation expert may consider, as appropriate, valuation methodologies, opinions and judgments, that are consistent with the Company's valuation guidelines. Given that the independent valuation expert will be a leading firm in the business of rendering opinions regarding the value of real estate and real estate related assets and liabilities, the Company does not expect that it will be necessary for the independent valuation expert to retain third party property appraisers to assist it in valuing the Company's real estate properties. The Company's board of directors, including a majority of the independent directors, will oversee the independent valuation expert's performance.

In addition to providing an estimate of the values of the Company's real estate properties, the independent valuation expert will also provide, on a quarterly basis, an estimate of the value of Company's notes receivable, primarily relying on a discounted cash flow analysis, and an estimate of the value of the Company's mortgages, primarily by comparing the terms of the

Company's mortgages to the terms of mortgages on comparable properties, as seen in the market generally. The independent valuation expert will also value the Company's real estate liabilities which will consist primarily of mortgage loans secured by the Company's commercial real estate. The Company's liquid assets and assets that are traded with reasonable frequency will be valued by third party pricing services on a daily basis, and not by the independent valuation expert.

All or substantially all of the Company's assets and liabilities will be held in an operating partnership which the Company will control as general partner. Based on the valuation of the operating partnership's assets and liabilities, as described above, a third party fund accountant retained by the Company will calculate the Company's daily NAV at the end of each business day. First, the fund accountant will subtract from the net value of the operating partnership's real estate and real estate-related assets and liabilities any other partnership liabilities, including estimates of accrued fees and expenses attributable to the Offering, accrued operating fees and expenses and accrued distributions. The fund accountant will take the resulting amount and multiply that amount by the Company's percentage ownership interest in the operating partnership (initially, the Advisor will be the sole limited partner with a 0.1% interest and the Advisor is not expected to acquire additional interests).[3] The fund accountant will then add any assets held directly by the Company, which should be limited to cash and cash equivalents, and subtract an estimate of any accrued liabilities of the Company to the extent such liabilities are not reimbursable by the operating partnership, which should be limited to accrued distributions and certain legal, accounting and administrative costs. The result of this calculation will be the Company's NAV as of the end of any business day. The Company's NAV per share will be determined by dividing the Company's NAV on such day by the number of shares of the Company's common stock outstanding as of the end of such day, prior to giving effect to any share purchases or redemptions to be effected on such day.

Between quarterly valuations the Advisor will continuously monitor the investments to determine whether there have been any events that may have a material impact on the most recent estimate of market value. If, in the opinion of our independent valuation expert, an event identified by the Advisor, or in some circumstances an event that becomes known to the independent valuation expert through other means, is likely to have a material impact on previously provided estimated values of the affected commercial real estate assets, notes receivable secured by real estate or related real estate liabilities, the independent valuation expert

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[3] Pursuant to the partnership agreement, any future limited partners, will receive redemption rights, which will enable them to cause the operating partnership to redeem their limited partnership interests in exchange for cash based on the NAV per share of the Company's common stock at the time of redemption, assuming redemption of the number of shares that would correspond, on a one-for-one basis, to the partnership interests being redeemed.

will recommend valuation adjustments that the fund accountant will then incorporate into the Company's NAV. The materiality of any event will be based solely on the judgment of the Company's independent valuation expert and will not be based on any quantifiable trigger. Examples of events that may result in adjustments are an unexpected termination or renewal of a material lease, a material change in vacancies or an unanticipated structural or environmental event at a property or capital market events.

Daily Purchases and Redemptions

Redemption requests that are received prior to the close of the New York Stock Exchange (generally, 4:00 PM Eastern time) (the "close of business") on any day that the New York Stock Exchange is open (a "business day") will be effected at the Company's daily NAV per share determined as of the close of business on that day. Redemption requests received after the close of business on any business day, or received on a day other than a business day, will be effected at the NAV per share calculated as of the close of business on the next business day. Neither the Company nor the Advisor nor the Dealer Manager will have discretion to change the redemption price.

Following the Minimum Offering Date, at the end of each business day, the Company will (1) post the NAV per share for that business day on the Company's public website; and (2) update the recorded message disclosing the determination of the Company's NAV per share for that business day on the Company's toll-free, automated information line. Additionally, the Company will disclose on its website at the beginning of each quarter (i) the Company's total NAV as of the last business day of the prior quarter and (ii) the applicable redemption limit for the current quarter. Furthermore, the Company will file with the Commission after the close of business on a monthly basis a prospectus supplement disclosing the daily determination of the Company's NAV per share for each business day in that month and any significant changes in available capacity under the Redemption Plan on the date of the supplement. The Company's website will also contain the prospectus, including any amendments and supplements.

The offering and redemption price of the Company's shares will be its daily NAV per share which is in contrast to the market prices of securities listed on an exchange or traded over the counter. Market prices of securities listed on an exchange or traded over the counter vary based on factors such as the market supply and demand pressure, as well as based on other factors such as the long term views of the capital markets generally (as most listed securities are highly correlated with the stock market, generally), which are unrelated to the value of the issuer's underlying assets. NAV per share will be based on an estimate of the value of the Company's real estate portfolio, and the value of a diversified real estate portfolio has historically been significantly less volatile, certainly on a day-to-day basis, than prices of securities listed on a trading exchange. In addition, in light of the Company's conservative investment strategy, which focuses primarily on single-tenant properties leased to creditworthy tenants under long term net leases, the likelihood of significant price volatility, on a daily basis, is further reduced.

The fact that redemptions will take place at the same daily NAV per share at which purchases take place clearly distinguishes the Company's activities under the Redemption Plan from those of a market maker. A market maker makes a market in stocks by maintaining two-sided quotations in the stock, typically with a price difference, or spread, separating bids (offers to buy) from the higher asks (offers to sell). The business of the market maker is to profit by buying shares at one price and selling them at a higher price. A market maker conducting its business properly prices the stock with reference to market pricing, *i.e.,* taking into account information about the pricing of orders and executions by other persons in the market. By contrast, the Company will be redeeming outstanding shares from existing stockholders and issuing new shares to new or existing stockholders at the same price for the entire day on each trading day. Because of order imbalances on any particular day, the Company may take in more cash than it pays out, or vice versa, but in all cases shares will be priced at the Company's daily NAV per share, independent of the volume of purchases or redemptions.

Subject to limited exceptions, shares redeemed within the first 365 days from the date of purchase will be subject to a short-term trading fee equal to 2% of the aggregate NAV of the redeemed shares.[4] These short-term trading fees, which will inure to the benefit of the Company and, therefore, its stockholders as a whole, are analogous to the redemption fees permitted for registered open-end investment companies under Rule 22c-2 promulgated by the Commission under the Investment Company Act, to allow funds to recoup some of the direct and indirect costs incurred as a result of short-term trading strategies, such as market timing.

The role of the Company in effectuating redemptions under the Redemption Plan will be ministerial, insofar as the Company merely receives and implements the stockholder's decision to exit from their investment in the Company. Shares redeemed by the Company will become authorized but unissued shares, and will not be resold to the public unless their sale is registered under applicable securities laws.

Forward Pricing

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[4] The short-term trading fee will not apply in certain circumstances, provided that the Company receives advance notice from the stockholder of such circumstances, such as redemptions in the event of a stockholder's death, redemptions made as part of a systematic withdrawal plan, redemptions in connection with periodic portfolio rebalancings and redemptions of shares acquired through the Company's DRIP.

The Redemption Plan is designed based on practices that have been developed over time and are required, in general, to be used in the mutual fund industry. As would be the case if a stockholder's redemption related to shares of a mutual fund, NAV per share will be determined as of the close of business each business day and apply to all requests for redemption that were received during the day; this pricing mechanism is commonly referred to as "forward-pricing." Under a forward-pricing mechanism, a stockholder will not know, before the end of the day on which he or she makes a redemption request, the exact price at which his or her request will be settled. The stockholder will, however, have access to historical NAV information. As in the mutual fund industry, a stockholder of the Company will be allowed to withdraw his or her redemption request until the close of business on the day he or she makes the request.

Forward pricing, where shares are priced only once a day, is used in the mutual fund industry to help protect a fund and its stockholders from market timing and the potential dilution of the value of the fund's shares. For example, if the price at which shares of a mutual fund were sold was based on the NAV per share as of the close of business on the previous day, then on the next business day, investors would have the opportunity to exit the fund, and new or existing investors would have an opportunity to enter or increase their holdings in the fund, at the previous day's price, based on knowledge of events that have taken place since then, which may cause the current day's NAV per share to be higher or lower than the previous day's price. If the current day's price is higher than the previous day, then investors who purchased shares at the prior day's price will have paid less than fair value for their shares, diluting the value of shares held by existing investors. Alternatively, if the current day's price is lower than the previous day, investors who sold their shares at the prior day's price sold their shares at greater than fair value, again diluting the value of shares held by existing investors.

Under forward-pricing, the opportunities to engage in market timing and manipulative trading practices are largely eliminated, and long-term investors are protected against the potential of dilution of the value of their shares. The Company has adopted a forward-pricing model and a short-term trading fee for the same reasons – to protect the Company's long-term stockholders from manipulative trading and dilution in the value of their shares.

Funding and Limitations of the Redemption Plan

The Company has sought to structure the Redemption Plan in such a way as to provide stockholders with a meaningful opportunity for daily liquidity while keeping within the public policy and investor protection safeguards articulated in no-action relief the Commission has granted in the past to many non-listed REITs: (1) ensuring an equal playing field; (2) allocating available liquidity fairly when limitations do apply; (3) removing all elements of secrecy and undue pressure; and (4) providing stockholders with adequate information to make an informed decision. When referring to the substantive and procedural protections intended to be provided by Rule 13e-4, courts have noted the importance of full disclosure of the time in which to make decisions, of termination/withdrawal rights and of procedures in the event limits apply. The Company's stockholders will have full disclosure of the operation of the Redemption Plan when they make their investment, and will have equal access to liquidity under a plan that provides consistent and predictable opportunities for daily liquidity. Each stockholder will be able to decide if and when to request redemption within a clearly disclosed system for allocating available redemption capacity under non-discretionary, pre-set limits. The system for pricing and funding redemptions is designed to protect all stockholders, those who seek liquidity as well as those who continue to hold their shares, because shares are always valued currently, without premium or discount.

Funding for redemptions may come from a variety of sources available to the Company, including cash on hand, proceeds from the Offering, cash flow from operations, proceeds from the liquidation of short-term or liquid investments, proceeds from the incurrence of indebtedness (including line of credit borrowings) and, if necessary, proceeds from the disposition of commercial real estate properties and other real estate related investments. Furthermore, to accommodate the Redemption Plan, the Company's investment guidelines will provide that the Company will generally seek to maintain the following aggregate allocation to relatively more liquid investments, such as cash, cash equivalents, other short-term investments and liquid real estate securities (the "liquidity sleeve") and, in the discretion of the Advisor, a line of credit: (1) 10% of NAV up to $1 billion, and (2) 5% of NAV in excess of $1 billion. It is the Company's present expectation that the board of directors will not be required to modify or suspend the Redemption Plan, and the Company presently expects that the Redemption Plan will continue indefinitely.

The Redemption Plan will operate similarly to other open-ended pooled investment vehicles, most notably mutual funds, where during periods when some existing investors seek to redeem their shares, additional funds are likely flowing in from other investors. No-action letters issued in the past to non-listed REITs contemplate that proceeds from a continuous offering, including the reinvestment of dividends, are a primary source of funds for redemptions. Consistent with the objective of providing liquidity to those stockholders who desire it when they request it, the Company believes that cash proceeds flowing in from sales of new shares during a quarter are the best and obvious first choice for satisfying redemptions. This is particularly important for a REIT because of a REIT's "investment cycle" – it takes more time to invest offering proceeds in hard real estate, and more time to liquidate real estate, than it does, for example, to buy and sell securities.

In each calendar quarter (the "Current Quarter") net redemptions will be limited under the Company's Redemption Plan to five percent of the Company's total NAV as of the last business day of the immediately preceding quarter (the "Prior Quarter"). We refer to this as the

"Base Quarterly Limit." As described below, there are circumstances when the unused portion of one quarter's limit can be carried over to a subsequent quarter (the "Carryover Limit"). The Carryover Limit plus the Base Quarterly Limit will equal the actual quarterly redemption limit applicable to each specific quarter (the "Quarterly Limit."), but will never exceed ten percent of the Company's total NAV as of the last business day of the immediately preceding quarter. In recognition of the fact that during any particular quarter some existing stockholders will choose to redeem outstanding shares while other investors purchase new shares, during the Current Quarter proceeds from the sale of new shares in the Offering will be netted against funded redemptions for purposes of determining the Company's compliance with the Quarterly Limit. On each business day the Company will calculate the maximum amount that remains available for redemptions as the sum of (i) the Quarterly Limit, plus (ii) proceeds from sales of new shares (including reinvestment of dividends) since the beginning of the Current Quarter, minus (iii) redemption proceeds paid since the beginning of the Current Quarter. As discussed in greater detail later in this letter, the Company will regularly disclose the applicable redemption limit for the current quarter and the available capacity under the Redemption Plan.

As described above, for purposes of the Quarterly Limit, redemptions will be measured on a net, as opposed to gross, basis during the relevant quarter. A key difference between traditional fixed-price, closed-end, non-listed REITs and the daily NAV-priced, perpetual-life, non-listed REIT structure is that in the latter, investors control the timing of buy/hold/sell decisions in a continuous capital allocation model, while in the former the advisor controls the timing of the capital gathering, capital deployment and portfolio liquidation sequence. For a continuously-offered REIT like the Company, during periods when some existing investors seek to redeem their shares, additional funds may flow in from other investors and under such circumstances cash proceeds flowing in from sales of new shares during the quarter are the best and obvious first choice for satisfying redemptions. In a continuous capital allocation model, the cumulative decisions of investors as a whole will determine when during the Company's indefinite life its equity capital base is increasing or decreasing. Net outflows will be funded first from cash on hand, by accessing the liquidity sleeve or drawings under available lines of credit, if any; and then by selling investment assets as needed. Net inflows will be available for augmenting the liquidity sleeve and for investment in real estate.

As is the case for mutual funds, in a continuous capital allocation model it is appropriate to view proceeds of sales of new shares as funds available to satisfy redemption requests. Under the Investment Company Act the Commission has noted that netting offering proceeds and redemptions is intended to recognize the fact that a mutual fund often experiences significant turnover in its outstanding shares, and a substantial number of shares that are sold replace shares that recently have been redeemed or repurchased.[5] The same logic applies to a daily NAV-priced, perpetual-life, non-listed REIT like the Company. Of course mutual funds are required to honor redemption requests without limitation or interruption, while the Company understands that relief under the tender offer rules for non-listed REITs is predicated on the existence of a pre-set limit on redemptions. The Company requests that the Quarterly Limit apply to redemptions on a net basis, *i.e.*, to the extent that capital outflows (redemption requests at NAV) exceed capital inflows (share purchases at NAV) during the same quarter, such that redemptions can continue uninterrupted while the Company's equity capital base is growing and the Company has ample liquidity available to meet redemption requests on a net basis.[6]

If, on any business day, remaining availability under the Quarterly Limit is insufficient to satisfy all redemption requests, the Company expects to satisfy redemption requests on a *pro rata* basis where each stockholder who has submitted a redemption request for that business day will have an equal percentage of the dollar amount of its pending request redeemed. For instance, if each of forty stockholders submits a redemption request for $50,000 in shares (a total of $2,000,000) on a business day when the Company only has availability of $1,500,000 to meet redemption requests, each stockholder will receive $1,500,000/$2,000,000, or 75%, of the amount requested ($37,500) from the Company and the remainder of the redemption requests will go unfulfilled. If a stockholder's redemption request is not completely fulfilled, it will not carry over to a future business day and the stockholder will need to submit a new request. If net redemptions during the Current Quarter reach the Quarterly Limit, no more redemption requests will be accepted by the Company for the balance of the Current Quarter and, as discussed in greater detail later in this letter, that fact will be disclosed to the Company's stockholders as promptly as practicable in reports we file with the Commission and on the Company's website. If and to the extent necessary or advisable to ensure the Company's continued qualification as a

5 See Commission Release No. IC-21332 (September 11, 1995). In accordance with Section 24(f) of the Investment Company Act and Rule 24f-2 thereunder, proceeds of sales of new shares and funds required to satisfy redemption requests are netted by deducting the amount of shares redeemed during the period from the amount of shares sold during the period.

6 In traditional fixed-price, closed-end, non-listed REITs investors understand that liquidity via redemption is limited, should not be expected to be continuously available, and is allocated on a retrospective basis (end-of-quarter, queue-based); in a defined-life vehicle liquidity is ultimately delivered to all stockholders at the same time. In a daily NAV-priced, perpetual-life, non-listed REIT, on the other hand, each stockholder decides when to seek liquidity, because the REIT does not plan to liquidate. The Company believes that measuring redemptions within any given quarter on a net basis leads to a more stable, more reliable liquidity regime under normal circumstances, when the REIT experiences both inflows of capital (sales of new shares) and outflows of capital (requests for redemption). Conversely, if redemptions were measured on a gross basis the REIT may have to suspend the right to redeem despite a net capital inflow for the quarter, which is at odds with the business objectives of a daily NAV-priced, perpetual-life, non-listed REIT and does not advance the investor protection goals underlying the tender offer rules.

REIT for federal income tax purposes, the Company reserves the right to pro rate on a different basis.

If net redemptions during the Current Quarter do not reach the Quarterly Limit, the Company will add to the Quarterly Limit for the following quarter (the "Next Quarter") the unused portion of the Quarterly Limit for the Current Quarter. As noted above, the Company refers to this as the Carryover Limit. However, the following limitations will apply: (i) the cumulative Carryover Limit will never exceed fifteen percent in total, and (ii) during any single quarter the Company will not add more than five percent out of the available the Carryover Limit (if greater than five percent) to the Base Quarterly Limit that would apply in the absence of any carryover, such that under no circumstances will net redemptions for a single quarter exceed ten percent of the Company's total NAV as of the last business day of the immediately preceding quarter (the "Absolute Quarterly Limit"). The balance of a Carryover Limit above the Absolute Quarterly Limit will be available to be used in subsequent quarters. As an automatic consequence of a suspension or material modification of the Company's Redemption Plan by the Company's board of directors, including a decision to reduce redemptions below the Quarterly Limit, any unused Carryover Limit will lapse and no longer be available for subsequent quarters.

One objective of the daily NAV-priced, perpetual-life, non-listed REIT structure is to offer investors a vehicle for allocating capital to real estate coupled with a mechanism for re-allocating their capital at a time of their choosing. Investment advisors use a wide variety of allocation models that can be expected to cause capital inflows/outflows for the Company to fluctuate over time similarly to other continuously-offered, open-ended pooled investment vehicles. The Carryover Limit takes into account that capital allocation trends are not always smooth. Quarters of net inflows or moderate outflows may be followed by quarters of more robust net inflows or outflows. The Company believes it is in the interest of stockholders, while also consistent with both the concept of a Quarterly Limit and the goal of minimizing the likelihood of suspension of the right to redeem, to allow the Company to utilize redemption capacity that is not used during quarters of net inflows during quarters when, for whatever reason, there are net outflows, subject to the Absolute Quarterly Limit.[7]

If net redemptions during the Current Quarter reach the Quarterly Limit and, after allocating available liquidity among pending redemption requests as discussed above, no more

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7 The Absolute Quarterly Limit ensures that if the Carryover Limit builds up above 5%, its use must be deferred over multiple quarters, so that in any one quarter no more than 10% of the Company's NAV is redeemed on a net basis. Deferring the use of the Carryover Limit over multiple quarters avoids the possibility that a substantial portion of NAV is redeemed in any single quarter, while preserving the intended benefit of the carryover feature (to allow for re-balancing of capital allocations by investment advisers on an annual or semi-annual basis following periods of limited redemption activity) over a number of sequential quarters.

redemption requests are accepted for the balance of the Current Quarter, then redemption requests during the Next Quarter will be satisfied on a stockholder by stockholder basis, instead of a first-come, first-served basis, pursuant to what the Company refers to as a "Flow-Regulated Limit."[8] The Flow-Regulated Limit will operate so that each of the Company's stockholders will be allowed to request redemption, at any time during the Next Quarter, in one or more tranches at his or her discretion, of a total number of shares not to exceed the sum of (i) five percent of the shares of common stock the stockholder held as of the end of the Current Quarter, plus (ii) any additional shares the stockholder purchases during the Next Quarter.[9] Under the Flow-Regulated Limit, redemption capacity and available liquidity will be allocated daily during the quarter among those stockholders who request redemption, but only up to each stockholder's individual limit for the entire quarter. Therefore, stockholders who have held their shares for at least a year will be treated equally during the quarter as a whole, based on the number of shares held by each stockholder as of the end of the immediately preceding quarter, regardless of the particular day during the quarter when they choose to submit their redemption requests.

A stockholder will be permitted to make multiple requests for redemption during a quarter for which the Flow-Regulated Limit is in effect, up to the maximum number of shares such stockholder is eligible to redeem. If a stockholder submits a redemption request in excess of his individual limit, the request will automatically be deemed a request to redeem the maximum number of shares the stockholder is eligible to redeem under the Flow-Regulated Limit. The balance of that stockholder's request will be null and void, whether or not other stockholders have requested redemptions of the full amount for which they are each eligible under the Flow-Regulated Limit.

If during a quarter in which the Flow-Regulated Limit applies total redemptions for all stockholders in the aggregate are more than two and one-half percent of the Company's total NAV as of the last business day of the immediately preceding quarter, then the Flow-Regulated Limit will continue to apply for the next succeeding quarter. If total redemptions for all stockholders in the aggregate during a quarter for which the Flow-Regulated Limit applies are

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8 The Company, through systems developed by its transfer agent, can track the holdings of each of the Company's stockholders, and, upon the triggering of the Flow-Regulated Limit, segregate for each stockholder's account shares eligible for redemption during the quarter from other shares. The transfer agent's tracking system is based on well established protocols and is part of its existing framework. Thus the Company will have the ability to implement the redemption limitations on a stockholder by stockholder basis and monitor compliance with the Flow-Regulated Limit.

9 Allowing investors to redeem newly purchased shares during the same quarter in which they were purchased is consistent with "netting" offering proceeds and redemptions (discussed earlier in this letter) during quarters when the Flow-Regulated Limit has not been activated. Otherwise there is a disincentive on making new investments while the Flow-Regulated Limit is in operation.

equal to or less than two and one-half percent of the Company's total NAV as of the last business day of the immediately preceding quarter, then the first-come, first-served Quarterly Limit discussed above will come back into effect for the next succeeding quarter, with the Quarterly Limit consisting of five percent plus any remaining amount of the Carryover Limit from the last quarter before the Flow-Regulated Limit went into effect (subject to the Absolute Quarterly Limit).

The Company believes it is important to continue to make available the right to redeem if "stress" builds in the operation of the Redemption Plan. By doing so under a per stockholder limit when the Flow-Regulated Limit applies, rather than a first-come, first-served limit, the Company seeks to better protect the needs and interests of all stockholders, consistent with both a non-discretionary, pre-set quarterly cap on redemptions and the investor protection objectives of the tender offer rules. Because real estate is relatively illiquid, Cole's model seeks to prevent situations where limited liquidity is not allocated to stockholders on a fair basis.[10] Under "stable" circumstances, when capital inflows and access to the liquidity sleeve provide ample liquidity, the Quarterly Limit allows individual stockholders the right to make sizeable redemption requests as a percentage of the stockholder's total investment under a daily first-come, first-served system without creating concerns with preserving access to liquidity for other stockholders. If "stress" develops, however, a prospective stockholder-by-stockholder individual limit is more appropriate so that each stockholder is assured equal access to the finite amount of redemption capacity under the quarterly cap, regardless of when during the quarter the stockholder chooses to make a redemption request.[11] In addition to allocating available redemption capacity equally and ratably among all stockholders, the Flow-Regulated Limit during times of stress should lessen the likelihood of escalating pressure on liquidity, that could ultimately damage all stockholders, as compared to a first-come, first-served limit where

[10] In a system where a first-come, first-served limit always applies (*i.e.* if the limit is reached in a quarter, and redemptions are suspended for the balance of that quarter, redemptions resume at the beginning of the next quarter on the same first-come, first-served basis) stockholders who are not constantly monitoring their investment in practice may not have meaningful access to liquidity. Alternatively, in a system where every stockholder always gets the opportunity to request redemption of the same percentage of the stockholder's shares every quarter, all stockholders are on the same footing, but any given stockholder can only liquidate his or her investment over a prolonged period, even if the REIT has ample liquidity available to fund redemptions. The Company's combination of the two types of limits factors in, from quarter to quarter, the actions of all stockholders and the interests of each stockholder. The turmoil in the financial markets over the past few years has proven that the most resilient structures are those that can take into account the cumulative effect of "group behavior" by investors during times of liquidity stress, in a system that is also designed to protect the individual stockholder, particularly when it comes to liquidity.

[11] If "stress" is defined as reaching the first-come, first-served limit in one quarter, the flow regulator should alleviate pressure on stockholders to make their request for redemption on the first day of the next quarter, and possibly to make a larger request than they otherwise would.

stockholders may consider "jumping into the queue" with a large redemption request as early in a quarter as possible to lessen the risk that no redemption capacity will be available later in the quarter. This is precisely the kind of undue pressure that the tender offer rules are designed to prevent.

While the board of directors' primary objective will be to maintain the uninterrupted operation of the Redemption Plan, the board will have the right to modify or suspend redemptions at any time, if the board, including a majority of the independent directors, deems such action to be in the best interests of the Company's stockholders. Any material modifications, including any reduction of redemptions below the Quarterly Limit, or suspension of the Redemption Plan by the board will be disclosed to stockholders as promptly as practicable. In the event of a suspension or material modification of the Redemption Plan, the board of directors may also modify or suspend the Company's offering of shares for sale. The Company expects that, as part of the same or subsequent disclosure, stockholders would be notified of the anticipated timing and manner for the resumption of both redemptions and sales of shares. The Company believes that the board's fiduciary responsibilities require that the board provide ongoing supervision of the Redemption Plan and that, under unusual or compelling circumstances, the board exercise the power to modify or suspend the redemption of shares as may be necessary to protect the Company and its stockholders. Put differently, the same standards of care would apply to the board's business decisions made in the exercise of fiduciary duties to all stockholders as would apply to the board's decision to modify or suspend the Redemption Plan.

As an automatic consequence of a suspension or material modification of the Company's Redemption Plan by the Company's board of directors, including a decision to reduce redemptions below the Quarterly Limit, any unused Carryover Limit will lapse and no longer be available for use in subsequent quarters. As a result, the redemption limit for the quarter following a suspension or material modification will not be greater than the Base Quarterly Limit. The Company believes that, in light of the variety of unforeseen circumstances that may arise over the indefinite life of the Company, allowing the Board this power in administrating the Redemption Plan is necessary and warranted to ensure that the board can discharge its fiduciary duties to both redeeming and non-redeeming stockholders. Notwithstanding the foregoing, the Company will seek confirmation of the no-action relief requested hereby if the board proposed to (i) modify the Redemption Plan from daily to less frequent redemptions, (ii) reduce the redemption price to an amount that reflects a discount to NAV per share (before short-term trading charges, if any are applicable), or (iii) modify other aspects of the Redemption Plan upon which the Company's request for no-action relief is predicated other than immaterial modifications for the proper administration and operation of the Redemption Plan which are consistent with the factual and legal representations contained in this letter.

Disclosure

The Company will provide regular disclosure to its stockholders on available capacity under the Redemption Plan. Any suspension or material modification of the Redemption Plan will be disclosed promptly in a prospectus supplement, in a current or periodic report filed with the Commission, and on the Company's website. The Company will disclose as promptly as practicable in reports filed with the Commission any change in its investment guideline regarding allocation to sources of liquidity and other material information regarding the liquidity sleeve. The Company will also disclose additional information to the extent material to its stockholders' understanding of the operation of the Redemption Plan under the circumstances.

With respect to quarters in which a Flow-Regulated Limit is not in effect, the Company will disclose on the Company's website at the beginning of the quarter (i) the Company's total NAV as of the last business day of the prior quarter and (ii) the applicable Quarterly Limit for the current quarter. The applicable Quarterly Limit will range from a minimum of five percent to a maximum of ten percent, depending on the available Carryover Limit, if any. The Company will provide updated disclosure regarding the remaining available capacity percentage under the Redemption Plan in each monthly prospectus supplement in which the Company discloses the Company's NAV per share for each business day during that month, as well as on the Company's website.

If net redemptions during the quarter reach the Quarterly Limit, the Company will disclose as promptly as practicable in reports the Company files with the Commission and on the Company's website that no additional redemption requests will be accepted for the remainder of the quarter.

With respect to quarters in which a Flow-Regulated Limit is in effect, the Company will disclose on the Company's website that during the current quarter each stockholder cannot redeem more than five percent of the shares the stockholder held as of the end of the prior quarter, plus any shares the stockholder purchases during the current quarter.

If the Company's board of directors suspends the Redemption Plan, or modifies the Redemption Plan in a material respect, including any suspension or modification that results from insufficient access to liquidity to redeem shares in accordance with the Redemption Plan, the Company will disclose as promptly as practicable the effective date of the suspension or the specifics of the modification, as applicable, in a prospectus supplement, in reports the Company files with the Commission, and on the Company's website. The Company will also disclose at the same time any related suspension or modification of its offering of shares. In the event of suspension, as part of the same disclosure or through subsequent disclosures in reports the Company files with the Commission and on the Company's website, stockholders will be informed of the timing and manner for the resumption of redemptions and, if applicable, sales of the Company's shares.

No Solicitation of Redemptions

The only public disclosures of the Redemption Plan will be those required under federal and state securities laws, such as disclosures in offering materials used in connection with the Offering; stockholder communications discussed above that will describe the features and operations of the Redemption Plan from time to time; the daily posting of NAV per share on the Company's website; and the recorded message on the Company's toll-free telephone information line. The Company does not intend to publicize the existence of the Redemption Plan or engage in any activity to encourage requests by investors to redeem their shares. Neither the Company nor any of its affiliates will make any recommendation to the Company's stockholders as to whether to participate in the Redemption Plan. In addition, as the Company expects the target market for the Company's shares will be investors working with financial advisors in "fee-based" and "wrap" accounts, stockholders will have the benefit of their advisor's recommendations regarding whether to seek to liquidate their investment in the Company's shares.

At the same time, in order to ensure that the Company's stockholders have adequate substantive disclosure about the Redemption Plan upon which to base a decision to redeem, the description of the Redemption Plan contained in the prospectus for the Offering is a comprehensive description of all terms, conditions and features of the Redemption Plan, which will be updated to reflect any material modifications made during the Offering.

LEGAL DISCUSSION

Introduction

The Company believes that the relief requested in this letter is consistent with the relief previously granted by the staff of the Division of Corporation Finance in the Clarion Partners Property Trust Inc. and American Realty Capital Daily Net Asset Value Trust, Inc. no-action letters.[12] In particular, the Company notes that:

- All material information relating to the Redemption Plan will be fully and timely disclosed to all stockholders, including the following:
    - the terms of the Redemption Plan will be fully disclosed in the prospectus, as well as any prospectuses used for subsequent offerings;
    - the most recent NAV per share will always be available on the Company's website and toll-free information line;
    - the Company will disclose on its website at the beginning of each quarter the Company's total NAV as of the last business day of the prior quarter and the applicable Quarterly Limit for the current quarter;

[12] *See* Clarion Partners Property Trust Inc. (May 17, 2011) and American Realty Capital Daily Net Asset Value Trust, Inc. (July 21, 2011). *See also* Wells REIT II, Inc., SEC No-Action Letter, 2007 WL 2317454 (June 26, 2007); Hines Real Estate Investment Trust, Inc., SEC No-Action Letter, 2006 WL 3007365 (Sept. 7, 2006); Apple REIT Six, Inc., SEC No-Action Letter, 2006 WL 1880375 (June 30, 2006); Behringer Harvard REIT I, Inc., SEC No-Action Letter, 2004 WL 2439520 (Oct. 26, 2004); Paladin Realty Income Properties, Inc., SEC No-Action Letter, 2004 WL 2375781 (Oct. 22, 2004); Orange Hospitality, Inc., SEC No-Action Letter, 2004 WL 2065831 (Sept. 9, 2004); Hines Real Estate Investment Trust, Inc., SEC No-Action Letter, 2004 WL 1432321 (June 18, 2004); CNL Income Properties, Inc., SEC No-Action Letter, 2004 WL 892249 (Mar. 11, 2004); Wells Real Estate Investment Trust II, Inc., SEC No-Action Letter, 2003 WL 23220841 (Dec. 9, 2003); Inland Western Retail Real Estate Trust, Inc., SEC No-Action Letter, 2003 WL 22119707 (Sept. 12, 2003); T REIT Inc., SEC No-Action Letter, 2001 WL 649546 (June 4, 2001); and CNL American Properties Fund, Inc., SEC No-Action Letter, 1998 WL 476210 (Aug. 13, 1998). Pursuant to these no-action letters, the Commission did not take enforcement action under Rule 13e-4 against the subject companies. Each subject company was a non-listed REIT that proposed to maintain a redemption plan similar to the Redemption Plan in that it would allow for the redemption of outstanding shares at a redemption price equal to or less than the then current price at which the issuer was offering its shares to the public.

- on a monthly basis the Company will file a prospectus supplement to disclose the Company's NAV per share for each business day in that month and the changes in available capacity under the Redemption Plan as of the date of the supplement;

- the Company will disclose as promptly as practicable in reports filed with the Commission any change in its investment guideline regarding allocation to sources of liquidity and other material information regarding the liquidity sleeve;

- the Company will disclose as promptly as practicable in reports the Company files with the Commission and on the Company's website if the Quarterly Limit is reached and, if so, that redemptions will resume at the beginning of the next quarter subject to a stockholder-by-stockholder Flow-Regulated Limit; and

- the Company will disclose as promptly as practicable in reports the Company files with the Commission and on the Company's website any suspension or material modification of the Redemption Plan, including reduction of redemptions below the Quarterly Limit, by the Company's Board of Directors;

- The Company will not solicit redemptions under the Redemption Plan. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company. The role of the Company in effectuating redemptions under the Redemption Plan will be ministerial;

- During the Offering, the shares will be redeemed daily under the Redemption Plan at the daily NAV per share (the same price as paid by purchasers of shares). No premium will be paid to redeeming stockholders of shares being redeemed;

- Stockholders may withdraw requests for redemption until the close of the New York Stock Exchange (generally, 4:00 PM Eastern time) on the day on which they made the request;

- The redemption price will be paid in cash promptly and will be the same for all shares redeemed on a given day;

- Net redemptions under the Redemption Plan are limited in any calendar quarter to shares whose aggregate value (based on the redemption price per share on the day the redemption is effected) is five percent of total NAV as of the last day of the previous calendar quarter, plus any unused percentage of the prior quarter's carryover (up to a maximum carryover of five percent per quarter);

- Under no circumstances will net redemptions under the Redemption Plan for a single quarter exceed ten percent of the Company's total NAV as of the last business day of the immediately preceding quarter;

- Under no circumstance will the Carryover Limit exceed fifteen percent of the Company's total NAV as of the last business day of the immediately preceding quarter;

- Redemptions under the Redemption Plan are on a first-come, first-served basis during each calendar quarter, unless and until the Quarterly Limit is reached. Redemption requests received on a day when the Quarterly Limit is reached will be satisfied on a pro rata basis and no further redemption requests will be accepted for the balance of the quarter;

- For the quarter following a quarter when the Quarterly Limit was reached, redemptions will be subject to a stockholder-by-stockholder limitation under the Flow-Regulated Limit. If total redemptions for all stockholders in the aggregate during a quarter for which the Flow-Regulated Limit applies are equal to or less than two and one-half percent of the Company's total NAV as of the last business day of the immediately preceding quarter, then the first-come, first-served Quarterly Limit will come back into effect for the next succeeding quarter. If redemptions are greater than two and one-half percent of the Company's total NAV for the quarter the Flow-Regulated Limit will continue to apply;

- As an automatic consequence of a suspension or material modification of the Redemption Plan by the Company's board of directors, including reduction of redemptions below the Quarterly Limit, any unused Carryover Limit will lapse and no longer be available for subsequent quarters;

- The Redemption Plan is intended to remain indefinitely open for the life of the Company. However, the Company's board of directors will have the right to modify or suspend redemptions at any time if the board, including a majority of the independent directors, deems such action to be in the best interest of the Company's stockholders;

- The Company has no finite date set for liquidation;

- There will be no established regular trading market for the Company's common stock. Given that the price of the Company's stock will be based on an estimate of the value of the Company's real estate portfolio, the price of the Company's shares should not be subject to the same volatility as securities listed on an exchange or traded over the counter, where security prices vary based on market supply and demand pressures, as well as based on other factors unrelated to the value of the security's underlying assets;

- The Redemption Plan will be terminated in the event the Company's shares are listed on a national securities exchange or included for quotation in a national securities market, or in the event a secondary market for the Company's common shares develops;

- The Redemption Plan is intended to remain indefinitely open for the life of the Company unless modified or suspended by the Company's board of directors; and

- The Redemption Plan is open to all stockholders, although those who have held their shares for less than 365 days will be subject to a 2% short-term trading fee, which is intended to offset the cost to the Company of short-term trading in shares and discourage market timing so as to align the interests of all stockholders of the Company.

Class Exemption from Rule 102 of Regulation M

On October 22, 2007 the Division of Market Regulation of the Commission granted a request for a class exemption from the provisions of Rule 102(a) of Regulation M, to allow non-listed REITs to redeem their common stock through established share redemption programs while, at the same time, engaged in distributions of their common stock. The request noted that non-listed REITs create share redemption programs in order to provide a source of liquidity for stockholders. The request also specifically discussed both (i) non-listed REITs with share redemption programs that allow investors to make redemption requests on a periodic (such as monthly or quarterly) basis and (ii) non-listed REITs that, like the Company, would allow for daily redemptions at a price based on the REIT's daily net asset value per share.

The Commission's letter granting the request provides in relevant part as follows:

The relief granted herein extends to all non-listed REITs that purchase shares of their common stock under an established share redemption program while engaged in a distribution of REIT common stock if the following conditions are met:

- *There is no trading market for the REIT's common stock;*
- *The REIT will terminate its share redemption program during the distribution of its common stock in the event that a secondary market for the REIT's common stock develops;*
- *The REIT purchases shares of its common stock under its share redemption program at a price that does not exceed the then current public offering price of its common stock;*
- *The terms of the share redemption program will be fully disclosed in the REIT's prospectus; and*

- *Except as otherwise exempted herein, the REIT shall comply with Regulation M.*

The Redemption Plan meets each of the foregoing conditions and therefore the Company believes it qualifies for the class exemption from Rule 102 of Regulation M. The Company does not expect that there will be a trading market for its shares; the Company will terminate the Redemption Plan in the event that a secondary market for its shares develops; the daily redemption price will be the same as the daily purchase price, so the redemption price will never exceed the current offering price for the shares; and the terms of the Redemption Plan will be fully disclosed in the Company's prospectus.

Rule 13e-4 – No-Action Request

<u>Rule 13e-4</u>

Pursuant to Rule 13e-4 under the Exchange Act, an issuer with equity securities registered under Section 12 of the Exchange Act or that is required to file periodic reports with the Commission pursuant to Section 15(d) is required, in connection with any tender offer for its own equity securities, to make certain disclosures and comply with other procedures with respect to such offers. The provisions of Rule 13e-4 are intended to prevent fraudulent, deceptive or manipulative acts in connection with issuer tender offers, principally the time pressure and inadequate disclosures present in coercive tender offers. The Company requests no-action relief, as the Redemption Plan is not an issuer tender offer and, in any event, shareholders will be provided with full and complete information about the Redemption Plan and will not, at any point in time, feel pressured to decide whether or not to redeem their shares.

<u>The Redemption Plan is not an Issuer Tender Offer</u>

The Company believes that the Redemption Plan is not an "issuer tender offer" subject to Rule 13e-4. The Company reaches this conclusion based on an analysis of the factors expressed in *Wellman v. Dickinson*, 475 F. Supp. 1248 (C.D. Cal. 1984) and applied in subsequent cases by the Commission and its staff in determining what constitutes a tender offer, as well as the fact that the terms of the Redemption Plan will be fully disclosed to potential investors prior to their purchase of the Company's shares. Since stockholders will be aware of the Redemption Plan at the time of purchase and will be aware of the NAV per share through the Company's website and toll-free information line and prospectus supplements, stockholders do not require additional information regarding the Redemption Plan at the time they decide to make a redemption request. No new investment decision is being made at the time stockholders become eligible to redeem their shares under the plan. The Redemption Plan plays an inextricable role in the Company's open-ended structure, as the Redemption Plan provides investors with a measure of liquidity and the opportunity to redeem, on the conditions disclosed at the time of purchase.

Furthermore, the Company believes that an analysis of the Redemption Plan using the "totality of circumstances" test applied by some courts also confirms that the Redemption Plan need not comply with Rule 13e-4. Because the Redemption Plan is not a tender offer, the structural protections generally afforded to stockholders in a tender offer under the tender offer rules are unnecessary for the protection of investors.

The Company also believes that the Redemption Plan does not give rise to the types of concerns under Rule 13e-4 that were addressed in the no-action requests by other, more traditional, non-listed REITs, where the redemption plans only provided for periodic redemptions, for a very limited numbers of shares, and at a fixed price that was not intended to reflect a reasonable estimate of the value of the shares. While the structure of those plans may have created a risk of pressuring stockholders to make a redemption request, no such pressure will be created under the structure of the Company's Redemption Plan. As a result of the open-ended structure of the Redemption Plan, and the daily pricing for redemptions, there will not be a limited time period in which to request redemptions. Stockholders may elect to redeem all or a portion of their shares throughout the continuous offering, which has no anticipated termination date, at the daily NAV per share, except in limited circumstances. As discussed above, this structure is very similar to an open-ended mutual fund to which the tender offer rules do not apply.

Although stockholders will not know the exact redemption price (the NAV per share) at the time they request redemption, because of the forward-pricing model previously described, they will know the NAV per share as of the previous day and for as many of the preceding days during the Offering as may be of interest to them. By reviewing this information, stockholders will be able to anticipate the approximate price applicable to their redemption based on their evaluation of the degree of recent historical pricing volatility. Furthermore, the price of the Company's shares should not be subject to the same volatility as securities listed on an exchange or traded over the counter, where security prices vary based on market supply and demand pressures, as well as based on other factors unrelated to the value of the security's underlying assets. By contrast, the price of the Company's stock will be based on an estimate of the value of the Company's real estate portfolio, and the value of a diversified real estate portfolio has historically been significantly less volatile, certainly on a day-to-day basis, than prices of securities listed on a trading exchange. In addition, in light of the Company's conservative investment strategy, which focuses primarily on single-tenant properties leased to creditworthy tenants under long term net leases, the likelihood of significant price volatility, on a daily basis, is further reduced. Finally, the fact that stockholders will not know the exact redemption price at the time of a redemption request will be disclosed to them at the time they make their initial investment decision to purchase shares.

Analysis of the Wellman Factors

An analysis of the *Wellman* factors demonstrates that the Redemption Plan should not be viewed as a tender offer.[13] Set forth below is an application of these factors to the Redemption Plan.

(i) *Active and widespread solicitation of public stockholders for the shares of an issuer.* The Company will not engage in an active and widespread solicitation for the redemption of its shares. Disclosure of the terms of the Redemption Plan will appear in the prospectus and in certain communications to stockholders describing the Redemption Plan or any material changes in the Redemption Plan, and the daily NAV per share will appear in a daily prospectus supplement, in a posting on the Company's website and through a toll-free telephone information line. The Company does not intend to make any other significant public communications about the Redemption Plan or solicit or encourage existing stockholders to request redemption of their shares. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company. The Company also expects that stockholders will be assisted in deciding whether to redeem their shares by their financial advisors, as the Company expects to distribute shares principally through "fee-based" and "wrap" accounts, where investors pay their advisors for the services received. The role of the Company in effectuating redemptions under the Redemption Plan will be ministerial and will merely facilitate the stockholder's (or financial advisor's) decision to redeem all or a portion of their investment in the Company.

(ii) *The offer to purchase is made at a premium over the prevailing market price.* No premium will be paid over the prevailing market price by the Company for the shares redeemed. Both the offering price and the redemption price will be the daily NAV per share, based on a valuation of the Company's assets and liabilities as determined by an independent expert.[14] Further, there is no established regular trading market for the Company's shares. In the event the Company's shares are listed on a national securities exchange or included for quotation in a national securities market, the Company will terminate the Redemption Plan. Because the offering price and redemption price are equal, and there is no active trading market for the Company's shares, this factor suggests that the Redemption Plan is not a tender offer.

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[13] In applying the Wellman factors, it is understood that the absence of one particular factor does not necessarily mean the non-existence of an issuer tender offer and that, depending upon the circumstances involved in the particular case, one or more of the factors may be found more compelling and determinative than the others.

[14] However, subject to limited exceptions, shares redeemed within 365 days of the date of purchase will be subject to a short-term trading fee equal to 2% of the aggregate NAV of the shares being redeemed – plainly not resulting in a premium over the prevailing market price.

(iii) *The solicitation is made for a substantial percentage of the issuer's stock.* As noted above, the Company will not be soliciting redemptions under the Redemption Plan, so the Company cannot be viewed as making a solicitation for a substantial percentage of its shares. Numerous no-action letters have been issued to non-listed REITs with redemption plans similar to the Redemption Plan. The Redemption Plan limits net redemptions in any calendar quarter to five percent (plus any unused percentage of the prior quarter's carryover) of total NAV as of the last day of the previous calendar quarter. Under no circumstances will net redemptions for a single quarter exceed ten percent of the Company's total NAV as of the last business day of the immediately preceding quarter. Other than the "five per centum" threshold contained in Section 14(d)(1) of the Exchange Act, we are not aware of any authority that defines what constitutes a "substantial percentage" of an issuer's stock. In addition, the Redemption Plan provides that redemptions will switch from a first-come, first-served limitation to a stockholder-by-stockholder limitation during quarters following a time when the maximum number of shares allowed under the quarterly limit has been redeemed. The individual limit should lessen pressure on stockholders to request redemption in amounts greater than they otherwise would to take advantage of available liquidity.

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

Under the Redemption Plan, the maximum amount of shares that may be redeemed over a 12 month period is approximately 35% of the Company's NAV. However, this is a theoretical limit, and one whose occurrence should be rare given that it requires both the highest possible Carryover Limit and redemption requests coming close to, but never reaching, the full Quarterly Limit for four consecutive quarters, such that the Quarterly Limit is never exceeded in any one quarter. Moreover, the 35% scenario cannot by definition occur in sequential 12-month periods because it requires both the time to accumulate unused redemption capacity via the Carryover Limit and time to use up that accumulated capacity. The maximum Carryover Limit of fifteen percent can only be used over multiple quarters because no more than five percent can be added to the Base Quarterly Limit in any one quarter. In addition, if the Quarterly Limit is reached in any quarter, the Flow-Regulated Limit will then apply for at least the next quarter. The Flow-Regulated Limit operates so that each of the Company's stockholders will only be allowed to request redemption, at any time during the Next Quarter, in one or more tranches at his or her discretion, of a total number of shares not to exceed the sum of (i) five percent of the shares of common stock the stockholder held as of the end of the Current Quarter, plus (ii) any additional shares the stockholder purchases during the Next Quarter. As a result, the Flow-Regulated Limit will act to temper the amount of redemptions that may be made over a 12 month period because it is unlikely that total redemptions in the aggregate will reach the maximum allowed of five percent of the Company's NAV per quarter, as it should be expected that far fewer than all stockholders will take advantage of their right to request redemption for their entire individual quota.

(iv) *The terms of the offer are firm, rather than negotiable.* While the redemption price is not negotiable, it is not fixed at the same amount for the duration of the Redemption Plan, but rather the redemption price is determined each day based on the Company's daily NAV per share. The process for requesting redemptions is fixed, but this does not compel the finding of a tender offer, because it will not increase pressure on stockholders to redeem their shares. The pressure on stockholders that Rule 13e-4 attempts to eliminate is that caused by "a high premium with a threat that the offer will disappear within a certain time."[15] Where these factors exist, firmness in the terms of the offer may have the effect of exacerbating the pressure. However, as previously discussed, the Redemption Plan will not offer stockholders a premium for their shares and the Company intends that the Redemption Plan will exist indefinitely (subject to the limits on redemptions that may apply in certain circumstances, discussed above).

In fact, the uniform NAV-based price should have the effect of mitigating pressure to request redemption, as stockholders will know that they can request to have their shares redeemed at the NAV per share at any time. In addition, unlike an issuer tender offer, the Company will not have any discretion in changing the redemption price during the course of the offer, as the price will be determined, in principal part, based on the value of the Company's real estate portfolio, as determined by an independent valuation expert. In a typical tender offer, the offeror conceivably has both an incentive and the ability to set the offer price at a level that will maximize the chances of obtaining the desired volume of tenders, while minimizing the overall premium paid. Conversely, the Company will be required to use the same comprehensive set of valuation policies and procedures to ascertain the daily NAV per share (without premium or discount) and the same price will be used both for sales of new shares and for redemption of outstanding shares. Determination of NAV per share will be dependent on an independent valuation expert who will provide the principal valuation information, regardless of the number of redemption requests. In short, the daily redemption price under the Redemption Plan will be based upon criteria that are beyond the day-to-day control of the Company.

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

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

(vi) *The offer is open only for a limited period of time.* The Redemption Plan is open for an indefinite period. The risk of manipulation and pressure to sell, typically associated with tender offers, are not present in the Redemption Plan. This feature of the Redemption Plan makes it most unlike a tender offer. Several courts have agreed that offers without a deadline and without a premium are not tender offers within the meaning of Rule 13e-4, as stockholders are not subjected to the pressure the rule was designed to mitigate.[16]

(vii) *The offeree is subjected to pressure to sell.* As noted above, the Company will not encourage, invite, solicit or in any way pressure stockholders to participate in the Redemption Plan. The role of the Company in effectuating redemptions under the Redemption Plan will be purely ministerial. Because the Redemption Plan has no set termination date, stockholders will not feel rushed to make decisions regarding participation in the plan. Because stockholders' redemption requests are satisfied at the Company's NAV per share on a daily basis, there is no pressure to sell quickly in order to lock in a premium price. Redemptions under the Redemption Plan are on a first-come, first-served basis during each calendar quarter and stockholder redemptions will be paid promptly. If redemptions reach the Quarterly Limit in a calendar quarter, the Redemption Plan will automatically reopen for redemptions, subject to the Flow-Regulated Limit, on the first day of the next calendar quarter. When the Flow-Regulated Limit is in effect, stockholders who have held their shares for at least a year will be treated equally and have the opportunity to request redemption of the same percentage of their shares regardless of the day when their request is received; thus, stockholders will not face pressure to make hasty decisions, as the opportunity to redeem is available throughout the quarter. By protecting stockholders equally, the Flow-Regulated Limit should further reduce pressure on a stockholder to redeem his or her shares during the quarter following a quarter in which the Quarterly Limit has been reached.

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16 *See Panter v. Marshall Field & Co.*, 646 F.2d 271, 286 (7th Cir. 1981) (ruling that where no deadline and no premium existed, stockholders were simply not subjected to the proscribed pressures the Williams Act was designed to alleviate); *Brascan, supra* note 15, at 792 (ruling that without high premium and threat that the offer will disappear, large purchases in short time do not represent the kind of pressure the Williams Act was designed to prevent); *Kennecott Copper Corp. v. Curtiss-Wright Corp.*, 449 F. Supp. 951, 961 (S.D.N.Y. 1978) (ruling that where no deadline and no premium existed, there was no pressure, other than normal pressure of the marketplace, exerted on the stockholders), *aff'd in relevant part, rev'd in part*, 584 F.2d 1195, 1207 (2d Cir. 1978).

The combination of (1) disclosure of the Redemption Plan as an integral element of the Offering at the time of the original investment decision, (2) the daily regularity of redemptions at NAV per share, (3) the comprehensive policies and procedures for determining NAV, (4) the switch to a Flow-Regulated Limit if redemptions reach the Quarterly Limit, and (5) "forward-pricing" to minimize damage to long-term investors from market timing and opportunistic behavior by existing or new stockholders, should act to decrease pressure on stockholders. The Company acknowledges that some features of the Redemption Plan may, to a limited extent, encourage a stockholder to redeem shares at a particular time. Stockholders may feel pressure to redeem shares if the daily NAV per share reaches a certain level at which stockholders may realize an attractive return above the amount of their initial investment. Additionally, stockholders may feel pressure to redeem if they believe the Company may receive redemption requests in a calendar quarter in excess of the Quarterly Limit. However, we do not believe that any pressures are the types of pressures placed on offerees in a tender offer as contemplated by this fact or which the tender offer rules were intended to address. As noted, the features of the Redemption Plan are first disclosed to stockholders when they make their initial decision to invest in the Company, rather than at the time of their decision to participate in the Redemption Plan. As such, stockholders are therefore not presented with a "new" investment decision at the time they become eligible to redeem their shares under the plan. Furthermore, the pressures inherent in the plan noted above exist regardless of whether the price for redemptions is established daily according to the NAV or monthly or quarterly by the board of directors as is the case in other redemption plans for which no-action relief has been granted by the Commission.

(viii) *A public announcement of an acquisition program prior to the accumulation of stock by a purchaser, followed by a rapid accumulation of a large amount of securities.* As discussed above, the Redemption Plan is an integral component of the Company's open-ended structure, and will serve as the primary source of liquidity for stockholders' investments. The Company does not intend to engage in significant public communication about the Redemption Plan, other than the disclosure in the Company's prospectus, certain shareholder communications describing the Redemption Plan or changes to the Redemption Plan, and dissemination of the daily NAV per share. The Redemption Plan is not designed to facilitate the accumulation of a large amount of shares by the Company over a short period of time. To the contrary, the Company's intends to conduct a continuous offering over an indefinite period of time with the objective of issuing more shares than are redeemed.

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

The Redemption Plan Withstands a "Totality of Circumstances" Analysis

The Company recognizes that some courts have rejected a rigid application of the eight-pronged *Wellman* test and have, instead, applied what the Company considers a reasonable "totality of circumstances" analysis.[17] This analysis looks to all the circumstances surrounding the transaction to determine whether the chief objectives of the tender offer regulations and rules are being met, specifically, to remove the element of secrecy and undue pressure associated with such a transaction, and to provide stockholders with adequate information to make an informed investment decision in connection therewith.[18]

The Company believes that a "totality of circumstances" analysis confirms that the Redemption Plan is not a tender offer that requires compliance with Rule 13e-4. First, stockholders are provided full disclosure of the plan before they purchase shares and invest in the Company. Second, the open-ended structure of the Redemption Plan, which allows stockholders to request to redeem as many shares as they would like at any point in time, and the pricing of redemptions at the daily NAV per share, so that all redeeming stockholders receive the current value of their shares, without any premium, eliminate any undue pressure on stockholders that is typical in tender offers. Third, courts have noted the importance of full disclosure of the time in which to make investment decisions, full disclosure of withdrawal rights, and disclosure of how tendered shares will be handled in the event the offer is oversubscribed when referring to the substantive and procedural protections intended to be provided by Rule 13e-4.[19] As a result of all of these factors, the Company is of the opinion that the protections afforded stockholders by the tender offer rules are not needed for stockholders who participate in the Redemption Plan. We do not believe that a "substantial risk of ill-considered sales" made "by ill-informed shareholders" will exist for redemptions under the Redemption Plan if the Rule 13e-4 procedural protections are not implemented. In short, a "totality of circumstances" analysis demonstrates that stockholders of the Company are not the "particular class of persons [that] need the protection of" the tender offer rules.

Rule 13e-4 No Action Request

We respectfully request that the staff of the Division of Corporation Finance confirm that it will not recommend that the Commission take enforcement action under Rule 13e-4 with

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17 *See Hanson Trust PLC v. SCM Corp.*, 774 F.2d 47 (2d Cir. 1985). See also *Pin*, 793 F.2d at 1454-55 where this analysis is applied to an issuer tender offer case.

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

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

respect to redemptions under the Redemption Plan. The Redemption Plan is substantially similar to the share redemption plan of Clarion Partners Property Trust Inc. and American Realty Capital Daily Net Asset Value Trust, Inc., for which the staff has granted no-action relief.[20] Factors we believe that address these objectives and support this request include:

- All material information relating to the Redemption Plan will be fully and timely disclosed to all stockholders, including the following:

  - the terms of the Redemption Plan will be fully disclosed in the prospectus, as well as any prospectuses used for subsequent offerings;

  - the most recent NAV per share will always be available on the Company's website and toll-free information line;

  - the Company will disclose on its website at the beginning of each quarter the Company's total NAV as of the last business day of the prior quarter and the applicable Quarterly Limit for the current quarter;

  - on a monthly basis the Company will file a prospectus supplement to disclose the Company's NAV per share for each business day in that month and the changes in available capacity under the Redemption Plan as of the date of the supplement;

  - the Company will disclose as promptly as practicable in reports filed with the Commission any change in its investment guideline regarding allocation to sources of liquidity and other material information regarding the liquidity sleeve;

  - the Company will disclose as promptly as practicable in reports the Company files with the Commission and on the Company's website if the Quarterly Limit is reached and, if so, that redemptions will resume at the beginning of the next quarter subject to a stockholder-by-stockholder Flow-Regulated Limit; and

  - the Company will disclose as promptly as practicable in reports the Company files with the Commission and on the Company's website any suspension or material modification of the Redemption Plan, including reduction of redemptions below the Quarterly Limit, by the Company's Board of Directors;

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20 *See* Clarion Partners Property Trust Inc. (May 17, 2011) and American Realty Capital Daily Net Asset Value Trust, Inc. (July 21, 2011).

- The Company will not solicit redemptions under the Redemption Plan. Stockholders desiring to present all or a portion of their shares for redemption will do so of their own volition and not at the behest, invitation or encouragement of the Company. The role of the Company in effectuating redemptions under the Redemption Plan will be ministerial;

- During the Offering, the shares will be redeemed daily under the Redemption Plan at the daily NAV per share (the same price as paid by purchasers of shares). No premium will be paid to redeeming stockholders of shares being redeemed;

- Stockholders may withdraw requests for redemption until the close of the New York Stock Exchange (generally, 4:00 PM Eastern time) on the day on which they made the request;

- The redemption price will be paid in cash promptly and will be the same for all shares redeemed on a given day;

- Net redemptions under the Redemption Plan are limited in any calendar quarter to shares whose aggregate value (based on the redemption price per share on the day the redemption is effected) is five percent of total NAV as of the last day of the previous calendar quarter, plus any unused percentage of the prior quarter's carryover (up to a maximum carryover of five percent per quarter);

- Under no circumstances will net redemptions under the Redemption Plan for a single quarter exceed ten percent of the Company's total NAV as of the last business day of the immediately preceding quarter;

- Under no circumstance will the Carryover Limit exceed fifteen percent of the Company's total NAV as of the last business day of the immediately preceding quarter;

- Redemptions under the Redemption Plan are on a first-come, first-served basis during each calendar quarter, unless and until the Quarterly Limit is reached. Redemption requests received on a day when the Quarterly Limit is reached will be satisfied on a pro rata basis and no further redemption requests will be accepted for the balance of the quarter;

- For the quarter following a quarter when the Quarterly Limit was reached, redemptions will be subject to a stockholder-by-stockholder limitation under the Flow-Regulated Limit. If total redemptions for all stockholders in the aggregate during a quarter for which the Flow-Regulated Limit applies are equal to or less than two and one-half percent of the Company's total NAV as of the last business day of the immediately preceding quarter, then the first-come, first-served Quarterly Limit will come back into effect for the next succeeding quarter.

If redemptions are greater than two and one-half percent of the Company's total NAV for the quarter the Flow-Regulated Limit will continue to apply;

- As an automatic consequence of a suspension or material modification of the Redemption Plan by the Company's board of directors, including reduction of redemptions below the Quarterly Limit, any unused Carryover Limit will lapse and no longer be available for subsequent quarters;

- The Redemption Plan is intended to remain indefinitely open for the life of the Company. However, the Company's board of directors will have the right to modify or suspend redemptions at any time if the board, including a majority of the independent directors, deems such action to be in the best interest of the Company's stockholders;

- The Company has no finite date set for liquidation;

- There will be no established regular trading market for the Company's common stock. Given that the price of the Company's stock will be based on an estimate of the value of the Company's real estate portfolio, the price of the Company's shares should not be subject to the same volatility as securities listed on an exchange or traded over the counter, where security prices vary based on market supply and demand pressures, as well as based on other factors unrelated to the value of the security's underlying assets;

- The Redemption Plan will be terminated in the event the Company's shares are listed on a national securities exchange or included for quotation in a national securities market, or in the event a secondary market for the Company's common shares develops;

- The Redemption Plan is intended to remain indefinitely open for the life of the Company unless modified or suspended by the Company's board of directors; and

- The Redemption Plan is open to all stockholders, although those who have held their shares for less than 365 days will be subject to a 2% short-term trading fee, which is intended to offset the cost to the Company of short-term trading in shares and discourage market timing so as to align the interests of all stockholders of the Company.

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

Rule 13e-3 – Does Not Apply

Rule 13e-3 should not apply to the Redemption Plan. Rule 13e-3 governs, among other transactions described in paragraph (a)(3)(i) of the rule, purchases of an equity security by the issuer of such security or by an affiliate of such issuer which has either a reasonable likelihood or a purpose of producing, either directly or indirectly, a "going private" transaction as described in paragraph (a)(3)(ii) of the rule. The Redemption Plan is not being undertaken for the purpose of causing the Company's shares to become eligible for termination of registration under Rule 12g-4 or Rule 12h-6 or causing the Company's reporting obligations to become eligible for termination under Rule 12h-6 or suspension under Rule 12h-3 or Section 15(d) of the Exchange Act. Moreover, there is not a reasonable likelihood that any of the foregoing effects would result from the operation of the Redemption Plan insofar as the Company intends to operate as an open-ended investment vehicle with no finite date set for liquidation by conducting a continuous offering of an unlimited amount of its shares that will be registered under the Securities Act in compliance with Rule 415 under the Securities Act over an unlimited time period.

Under the Redemption Plan, the maximum amount of shares that may be redeemed over a 12 month period is approximately 35% of the Company's NAV. However, this is a theoretical limit, and one whose occurrence should be rare given that it requires both the highest possible Carryover Limit and redemption requests coming close to, but never reaching, the full Quarterly Limit for four consecutive quarters, such that the Quarterly Limit is never exceeded in any one quarter. Moreover, the 35% scenario cannot by definition occur in sequential 12-month periods because it requires both the time to accumulate unused redemption capacity via the Carryover Limit and time to use up that accumulated capacity. The maximum Carryover Limit of fifteen percent can only be used over multiple quarters because no more than five percent can be added to the Base Quarterly Limit in any one quarter. Furthermore, it is not the Company's intention that the Redemption Plan would be utilized to effectuate a going private transaction through a series of steps.

In addition to the ten percent Absolute Quarterly Limit, if the Quarterly Limit is reached in any quarter, the Flow-Regulated Limit will then apply for at least the next quarter. The Flow-Regulated Limit operates so that each of the Company's stockholders will only be allowed to request redemption, at any time during the Next Quarter, in one or more tranches at his or her discretion, of a total number of shares not to exceed the sum of (i) five percent of the shares of common stock the stockholder held as of the end of the Current Quarter, plus (ii) any additional shares the stockholder purchases during the Next Quarter. As a result, the Flow-Regulated Limit will act to temper the amount of redemptions that may be made over a 12 month period because it is unlikely that total redemptions in the aggregate will reach the maximum allowed of five percent of the Company's NAV per quarter, as it should be expected that far fewer than all stockholders will take advantage of their right to request redemption for their entire individual quota.

If the extent of redemptions under the Redemption Plan, after considering offers and sale of new shares as part of such continuous offering, were such that any of the effects described in paragraph (a)(3)(ii)(A) of Rule 13e-3 becomes reasonably likely, then the board of directors will undertake to modify, suspend or otherwise terminate the Redemption Plan.

If you have any questions or need any additional information, please do not hesitate to contact Ettore A. Santucci of Goodwin Procter LLP at (617) 570-1531.

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