



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

DIVISION OF  
MARKET REGULATION

October 22, 2007

Dennis O. Garris  
Alston & Bird LLP  
900 F Street, NW  
Washington, D.C. 20004-1404

**Re: Class Relief for Real Estate Investment Trust Share Redemption  
Programs  
Regulation M Rule 102  
TP File No. 08-06**

Dear Mr. Garris:

In your letter dated October 18, 2007, as supplemented by conversations with the staff of the Division of Market Regulation ("Division"), you request a class exemption from the provisions of Rule 102(a) of Regulation M to allow non-listed real estate investment trusts ("REITs") to redeem their common stock through established share redemption programs while engaged in distributions of their common stock. Our response is attached to the enclosed photocopy of your letter to avoid having to recite or summarize the facts set forth in your letter. Unless otherwise noted, defined terms in this letter have the same meaning as in your October 18, 2007 correspondence.

As a consequence of the continuous offerings of a non-listed REIT's shares of common stock, the non-listed REIT will be engaged in a distribution of its common stock shares pursuant to Regulation M. As a result, bids for or purchases of shares of REIT common stock or any reference security by the REIT or any affiliated purchaser of the REIT are prohibited during the Regulation M restricted period, unless specifically excepted by or exempted from Rule 102.

***Response:***

On the basis of your representations and the facts presented but without necessarily concurring in your analysis, the Commission hereby grants an exemption from Rule 102 of Regulation M to permit non-listed REITs to redeem their common stock under an established share redemption program during the applicable Regulation M restricted period while in a distribution of their common stock. 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:

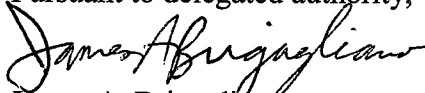
- There is no trading market for the REIT's common stock;

- 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 foregoing exemption from Rule 102 is strictly limited to the application of Rule 102 to non-listed REIT share redemption programs as described above and in your letter. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations. Requests for relief not meeting the conditions listed above will continue to be considered on a case by case basis.

This exemption is subject to modification or revocation at any time the Commission or Staff determines that such action is necessary or appropriate in furtherance of the purposes of the Securities Exchange Act of 1934 ("Exchange Act"). In addition, persons relying on this exemption are directed to the anti-fraud and anti-manipulation provisions of the federal securities laws, particularly Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the persons relying on this exemptive position. The Division expresses no view with respect to any other question that a REIT's share redemption program may raise, including, but not limited to the adequacy of the disclosure concerning, and the applicability of other federal or state laws to, a share redemption program.

For the Commission, by the  
Division of Market Regulation,  
Pursuant to delegated authority,



James A. Brigagliano  
Associate Director  
Office of Trading Practices and Processing

