

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
MetREIT, Inc.		33-0841255	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Brad Hanson	760-471-8536	bhanson@netreit.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
1282 Pacific Oaks Pl		Escondido, CA 92029	
8 Date of action		9 Classification and description	
7/31/2011		Common Stock Series A \$0.01 Par Value	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Cash Distribution to all shareholder's at the rate of \$0.0475 monthly per share.**
Distributions are measured against earnings and profits (E&P) Distributions in excess of E&P are designated a return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The quantitative effect on the shareholder's tax basis is a reduction in basis of \$0.0475 per share on a monthly basis as of 4/30/2011, 5/31/2011 & 6/30/2011.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Total basis would be reduced by an amount equal to the distribution**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 301 & 316.

18 Can any resulting loss be recognized? ▶ Shareholder would recognize loss, if any, upon disposition of shares

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____

For each reportable tax year, a Form 1099-DIV is sent to each shareholder showing the total distributions paid to the shareholder as a return of capital

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ J. Bradford Hanson Date ▶ 1/17/2012
Print your name ▶ J. BRADFORD HANSON Title ▶ VT FINANCE

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	