

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  WELLS TIMBERLAND REIT, INC		2 Issuer's employer identification number (EIN)  20-3536671	
3 Name of contact for additional information  Krister Romeyn	4 Telephone No. of contact  1-800-557-4830	5 Email address of contact  client.services@wellsref.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  P.O. Box 219073		7 City, town, or post office, state, and Zip code of contact  Kansas City, MO 64121-9073	
8 Date of action  September 15, 2011		9 Classification and description  Stock - common stock dividend issued on shares outstanding to shareholders of record	
10 CUSIP number  950044-10-7	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 ▶ On May 9, 2011, the board of directors of Wells Timberland REIT, Inc. declared a stock dividend of .000054348 shares per day on the outstanding shares of common stock to shareholders of record at the close of business on each day during the period commencing on June 16, 2011 through and including September 15, 2011. This stock distribution was made on September 15, 2011. The public offering price at the time of the distribution was \$10 per share.

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 aggregate tax basis in the shares of Wells Timberland REIT, Inc. held by the shareholder should be the same basis as it was immediately prior to the stock distribution. Pursuant to IRC section 307(a) and the regulations, the basis of the old stock is allocated between the new stock and old stock on the date of distribution.

The holding period for the new stock includes the period for which the old stock was held, pursuant to IRC section 1223(4).

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 ▶ There shall be no aggregate change in basis resulting from the stock distribution. The per share change in basis can be calculated by taking the old basis and dividing by the new number of shares.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The tax treatment of the basis is based on Internal Revenue Code (IRC) sections 305(a) and 307(a) for each of the actions. The stock distribution is not taxable gross income to the shareholder.

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18 Can any resulting loss be recognized? ▶ No resulting losses can be recognized.

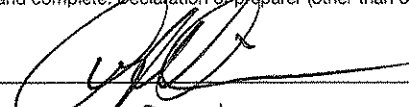
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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

Blank lined area for providing details for question 19.

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 ▶  Date ▶ 1/07/12  
Print your name ▶ DOUGLAS P. WILLIAMS Title ▶ EXECUTIVE VICE PRESIDENT

<b>Paid Preparer Use Only</b>	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.