

**8937**

Form (December 2011)

Department of the Treasury  
Internal Revenue Service**Report of Organizational Actions  
Affecting Basis of Securities**

OMB No. 1545-2224

► See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  <b>WELLS TIMBERLAND REIT, INC</b>		2 Issuer's employer identification number (EIN)  <b>20-3536671</b>	
3 Name of contact for additional information  <b>Krister Romeyn</b>		4 Telephone No. of contact  <b>1-800-557-4830</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>P.O. Box 219073</b>		5 Email address of contact  <b>client.services@wellsref.com</b>	
7 City, town, or post office, state, and Zip code of contact  <b>Kansas City, MO 64121-9073</b>		8 Date of action  <b>March 15, 2011</b>	
9 Classification and description  <b>Stock - common stock dividend issued on shares outstanding to shareholders of record</b>		10 CUSIP number  <b>950044-10-7</b>	
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 December 14, 2010, the board of directors of Wells Timberland REIT, Inc. declared a stock dividend of .000055556 shares per day of the outstanding shares of common stock to shareholders of record at the close of business on each day during the period commencing on December 16, 2010 through and including March 15, 2011. The stock distribution was made on March 15, 2011. The public offering price at the time of the distribution was \$10 per share.

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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.

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

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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.

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**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.

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

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

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 ►

*1/17/12*

Print your name ► *Douglas P. Williams*

Title ► *Executive Vice President*

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

if  
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.