

Bernice Polage, et al.,)	
v.)	CONSOLIDATED
Christopher H. Cole, et al.)	C.A. No. 24-C-13-006665

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**NOTICE OF PENDENCY OF DERIVATIVE AND CLASS ACTION,
PROPOSED SETTLEMENT, SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO: ALL RECORD AND BENEFICIAL HOLDERS OF COLE REAL ESTATE INVESTMENTS, INC. (“CREI”) COMMON STOCK DURING THE PERIOD BEGINNING ON MARCH 5, 2013, THROUGH FEBRUARY 7, 2014, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER ANY OF THEM.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND FROM PURSUING THE “SETTLED CLAIMS” (DEFINED HEREIN).

IF YOU HELD CREI COMMON STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

I. PURPOSE OF NOTICE

Pursuant to an Order of the Circuit Court for Baltimore City, Maryland (the “Court”) dated August 25, 2014, and further pursuant to Maryland Rule 2-231, this Notice is to inform you of (i) the Court’s determination to provisionally certify a class in the above-captioned consolidated derivative and class action (“Action”), without opt-out rights pursuant to Maryland Rules 2-231(a), 2-231(b)(1) and 2-231(b)(2), (ii) the proposed settlement of the Action (the “Settlement”) as provided for in a Stipulation and Release and Agreement of Compromise and Settlement (the “Stipulation”) dated August 14, 2014, and (iii) your right to participate in a hearing to be held on December 12, 2014 at 9:30 a.m., before the Circuit Court for Baltimore City, Maryland, 110 North Calvert Street – Room 428M, Baltimore, Maryland 21202 (the “Settlement Hearing”). At the Settlement Hearing, the Court will determine whether it should (i) finally certify a class without opt-out rights in the Action pursuant to Maryland Rules 2-231(a), 2-231(b)(1) and 2-231(b)(2), (ii) certify plaintiffs Dan Bauer and Bernice Polage in the Action as Class Representatives and Brower Piven, A Professional Corporation and Kessler Topaz Meltzer & Check, LLP as Counsel for the Class, (iii) approve the Settlement as fair, reasonable, adequate and in the best interests of CREI and the Class, and (iv) consider any application for attorneys’ fees and expenses to be paid to Co-Lead Counsel (defined herein).

This Notice describes the rights you may have in the Action and pursuant to the Stipulation and what steps you may take, but are not required to take, in relation to the Settlement.

If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing the Action with prejudice in accordance with the terms of the Stipulation.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND

On March 6, 2013, Cole Real Estate Investments, Inc., f/k/a Cole Credit Property Trust III, Inc. (“CREI”), announced that its board of directors had unanimously approved an agreement and plan of merger (“Cole Holdings Merger Agreement”) pursuant to which CREI Investments, LLC, a wholly owned subsidiary of CREI, would acquire Cole Holdings Corporation (“Cole Holdings Acquisition”).

Following the announcement of the Cole Holdings Acquisition, on March 20, 2013 and March 29, 2013, respectively, two putative derivative and class action lawsuits challenging the Cole Holdings Acquisition were filed in the Court, *Strub v. Cole Holdings Corp., et al.*, C.A. No. 24-C-13-001563 (Md. Cir. Ct.) (“*Strub* Action”), and *Fortner, et al. v. Andruskevich, et al.*, C.A. No. 24-C-13-001761 (Md. Cir. Ct.) (“*Fortner* Action”).

On March 26, 2013, a putative class action lawsuit challenging the Cole Holdings Acquisition was filed in the Court, *Rodgers v. Cole Credit Property Trust III, Inc., et al.*, C.A. No. 24-C-13-001643 (Md. Cir. Ct.) (“*Rodgers* Action”).

On March 27, 2013 and April 8, 2013, two putative derivative and class action lawsuits challenging the Cole Holdings Acquisition, including claims arising under the federal securities laws, were filed in United States District Court for the District of Arizona (“Arizona Court”): *Carter v. Cole Holdings Corp., et al.*, C.A. No. 2:13-cv-00629 (D. Ariz.) (“*Carter Action*”) and *Schindler v. Cole Holdings Corp., et al.*, C.A. No. 2:13-cv-00712 (D. Ariz.) (“*Schindler Action*”).

On April 5, 2013, CREI announced the closing of the Cole Holdings Acquisition.

Also, on April 5, 2013, the Court denied Plaintiff’s Motion for Temporary Restraining Order And Motion Setting A Briefing Schedule On Plaintiff’s Motion for Permanent Injunctive and Declaratory Relief in the *Strub Action*.

On April 8, 2013, counsel for Bernice Polage, a CREI stockholder, made a demand upon the CREI board of directors challenging the Cole Holdings Acquisition and demanding that the board of directors take certain actions with respect to the Cole Holdings Acquisition (“*Polage Demand*”), which, among other things, alleged that the Director Defendants breached their fiduciary duties to CREI in pursuing the Cole Holdings Acquisition while rejecting a proposed business combination with ARCP, and further demanded (i) the disgorgement by Defendant Cole of \$20 million in cash and 10,711,225 shares of CREI stock that he received in connection with the Cole Holdings Acquisition, (ii) rescission of the employment agreements of Defendants Cole and Nemer that were entered into in connection with the Cole Holdings Acquisition; and (iii) the recovery for the benefit of the Company and its stockholders the damages they have sustained as a result of the Cole Holdings Acquisition.

Thereafter, a committee of outside directors on the CREI board of directors (“*Special Committee*”) took under advisement and investigated the allegations of the *Polage Demand*.

On April 22, 2013, the Court consolidated the *Strub*, *Fortner*, and *Rodgers Actions* (“*Consolidated Cole Holdings Action*”).

On May, 20, 2013, counsel for plaintiffs and defendants in the Consolidated Cole Holdings Action met in-person in New York City to discuss positions on the propriety of the consideration exchanged in the Cole Holdings Acquisition, and counsel for plaintiffs demanded that any settlement framework of the Consolidated Cole Holdings Action include a reduction in contingent payments made to Christopher Cole and his affiliates in connection with the Cole Holdings Acquisition.

On August 2, 2013, the parties to the Consolidated Cole Holdings Action entered into a Confidentiality Agreement to govern the exchange of confidential settlement information.

On August 12, 2013, plaintiffs in the Consolidated Cole Holdings Action made a confidential settlement demand on defendants in the Consolidated Cole Holdings Action, demanding, among other things, a reduction in the contingent payments payable to Defendants Cole and Nemer and certain other executives.

On October 22, 2013, the Court dismissed with prejudice the Consolidated Cole Holdings Action. Subsequently, on November 19, 2013, plaintiffs in the Consolidated Cole Holdings Action filed a Notice of Appeal in the Court of Special Appeals for the State of Maryland. On July 31, 2014, the appeal was dismissed. Defendants agreed to reimburse plaintiffs in the Consolidated Cole Holdings Action in the amount of \$100,000.

On October 23, 2013, CREI and ARCP announced that their respective boards of directors had unanimously approved an agreement and plan of merger (“*Merger Agreement*”) pursuant to which ARCP would acquire CREI for 1.0929 shares of ARCP common stock or \$13.82 in cash for each share of CREI common stock, with the cash consideration not to exceed 20% of CREI’s outstanding shares of common stock, in a transaction valued at approximately \$11.2 billion (“*Transaction*”).

Upon the request of the Special Committee in connection with its investigation of the *Polage Demand* and in consideration of plaintiffs’ demands in the Consolidated Cole Holdings Action, Defendants Cole and Nemer and certain other CREI executives agreed in connection with the *Transaction* to reduce by \$50 million the maximum amount of contingent payments that would be payable to them under the Cole Holdings Merger Agreement (“*Contingent Payment Reduction*”), and ARCP agreed to increase the aggregate merger consideration payable to CREI stockholders by a corresponding \$50 million.

Following the announcement of the *Transaction*, on October 25, 2013 and November 18, 2013, respectively, two putative class action lawsuits challenging the *Transaction* were filed in the Arizona Court: *Wunsch v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 2:13-cv-02186 (D. Ariz.) (“*Wunsch Action*”) and *Sobon v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 2:13-cv-02361 (D. Ariz.) (“*Sobon Action*”).

Between October 30, 2013 and November 14, 2013, eight putative class action lawsuits challenging the *Transaction* were filed in the Court: *Polage v. Christopher H. Cole, et al.*, C.A. No. 24-C-13-006665 (Md. Cir. Ct.) (“*Polage Action*”); *Operman, et al. v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006610 (Md. Cir. Ct.) (“*Operman Action*”); *Branham, et al. v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006619 (Md. Cir. Ct.) (“*Branham Action*”); *Wilfong v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006639 (Md. Cir. Ct.) (“*Wilfong Action*”); *Flynn v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006713 (Md. Cir. Ct.) (“*Flynn Action*”); *Corwin v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006715 (Md. Cir. Ct.) (“*Corwin Action*”); *Green, et al. v. Cole Real Estate Investments, Inc., et al.*, C.A. No. 24-C-13-006758 (Md. Cir. Ct.) (“*Green Action*”); and *Morgan v. Cole Real Estate investments, Inc., et al.*, C.A. No. 24-C-13-006851 (Md. Cir. Ct.) (“*Morgan Action*”), each alleging that the Director Defendants breached their fiduciary duties to CREI’s stockholders in connection with the *Transaction* and that CREI, ARCP, and Merger Sub aided and abetted those breaches, and each seeking, among other things, an order enjoining the *Transaction*. The plaintiffs in the actions set forth in this paragraph are referred to herein as Plaintiffs.”

The *Polage Action* also purported to bring derivative claims on behalf of CREI challenging the Cole Holdings Acquisition.

On November 5, 2013, CREI and ARCP filed a preliminary joint proxy statement/prospectus in connection with the Transaction on Form S-4 with the Securities and Exchange Commission (“Preliminary Proxy Statement”).

On November 8, 2013, plaintiff in the *Polage* Action amended her complaint to add additional claims based on alleged material deficiencies in the Preliminary Proxy Statement and further filed a Motion for Expedited Proceedings, which Defendants opposed.

On December 12, 2013, the Court consolidated the *Polage, Operman, Branham, Wilfong, Flynn, Corwin, Green, and Morgan* Actions into the Action and appointed the law firms of Brower Piven, A Professional Corporation, and Kessler Topaz Meltzer & Check, LLP interim co-lead counsel (“Co-Lead Counsel”).

On December 12, 2013, the Court denied plaintiff Polage’s Motion for Expedited Proceedings in part, but granted expedited discovery in two limited respects and set a preliminary injunction hearing for January 10, 2014.

The Parties thereafter engaged in expedited discovery, including the production of documents by CREI and ARCP.

On December 17, 2013, plaintiffs Polage, Bauer and Branham, on behalf of all Plaintiffs, filed a Consolidated Complaint asserting derivative claims on behalf of CREI challenging the Cole Holdings Acquisition and class claims on behalf of similarly situated CREI stockholders challenging the Transaction.

On December 23, 2013, CREI and ARCP filed a definitive joint proxy statement/prospectus in connection with the Transaction on Form S-4 with the Securities and Exchange Commission (“Definitive Proxy Statement”).

On December 24, 2013, Plaintiffs filed their motion for a preliminary injunction and brief in support thereof.

On January 3, 2014, Defendants filed briefs in opposition to Plaintiffs’ motion for a preliminary injunction.

On January 7, 2014, the Court denied Plaintiffs’ request for additional discovery, including depositions, and Plaintiffs filed a reply brief in support of their motion for a preliminary injunction.

Co-Lead Counsel and counsel for Defendants in the Action engaged in arm’s-length negotiations concerning Plaintiffs’ demand for a possible settlement of the Action. As a result of these negotiations, the Parties hereto entered into a Memorandum of Understanding (“MOU”) on January 10, 2014, containing the terms for the Parties’ agreement-in-principle to resolve the Action. Among other things, the MOU set forth the Parties’ agreement-in-principle that, in consideration for the full and final settlement and dismissal with prejudice of the Action and the release of any and all Released Claims, the Defendants:

- would make additional disclosures (“Supplemental Disclosures”) in a Form 8-K filed with the SEC (Defendants filed the Form 8-K with the Supplemental Disclosures on January 14, 2014); and
- would deposit \$14 million into a settlement fund (“Settlement Fund”), to be distributed, net of fees and expenses to be paid to Plaintiffs’ Counsel for the benefits achieved in this Settlement by Plaintiffs and their counsel (to wit, the Contingent Payment Reduction, the Supplemental Disclosures, and the Settlement Fund), to members of the Class in the form of a one-time damages payment to be distributed after the entry of an order and final judgment by the Court granting final approval of the Settlement and dismissal with prejudice of the Action and the affirmance of such approval on appeal or the expiration of the time to take any further appeal (“Damages Payment”).

On January 23, 2014, at a special meeting of CREI’s stockholders, the stockholders voted to adopt the Transaction, which was thereafter consummated on February 7, 2014.

On January 31, 2014, counsel for plaintiff in the *Sobon* Action filed a notice of voluntary dismissal, dismissing the *Sobon* Action, which had been previously consolidated with the *Wunsch* Action.

On February 13, 2014, the Arizona Court entered an order staying the *Schindler* Action, until 20 days after a ruling from this Court concerning final approval of the settlement.

On February 14, 2014, the Arizona Court entered an order staying the *Wunsch* Action until further order of the Court in light of the mooted effect of the settlement.

On February 20, 2014, the Arizona Court entered an order staying the *Carter* Action, until 20 days after a ruling from this Court concerning final approval of the settlement.

In order to further confirm the fairness, reasonableness, and adequacy of the settlement, Defendants produced, and Co-Lead Counsel reviewed, over 5000 pages of documents, including without limitation Board minutes, related Board materials, correspondence, attachments, and investment banker presentations. On March 17, 2014, Co-Lead Counsel deposed a representative of CREI management, probing, among other things, CREI’s generation and use of its internal projections in connection with the Transaction. Then, on March 20, 2014, Co-Lead Counsel deposed a representative of Goldman Sachs & Co., advisor to the CREI Board of Directors (“Board”) in connection with the Transaction and former advisor to the special committee of the Board in connection with the Cole Holdings Acquisition. Finally, on April 11, 2014, Co-Lead Counsel deposed former CREI director and current director of ARCP Thomas A. Andruskevich, who was a member of the Special Committee which negotiated the terms of the Cole Holdings Acquisition and demanded the Contingent Payment Reduction.

On August 12, 2014, the parties signed the Stipulation. Plaintiffs and Co-Lead Counsel believe that the terms contained in the Stipulation are fair and adequate to both CREI and its stockholders and that it is reasonable to pursue a settlement of the Action based upon the substantial benefits and protections offered therein.

III. REASONS FOR THE SETTLEMENT

Plaintiffs, through their counsel, conducted an investigation of the claims and allegations asserted in the complaints filed in the Action (the “Complaints”), as well as the underlying events relating to the Cole Holdings Acquisition and the Transaction. In connection with their investigation, Co-Lead Counsel have reviewed confidential documents produced by Defendants, as well as publicly-available documents filed with the SEC, in connection with the Cole Holdings Acquisition and the Transaction. Co-Lead Counsel also retained and consulted with a financial expert in connection with the prosecution of Plaintiffs’ claims and reviewed with their expert confidential discovery material as well as publicly available information. Co-Lead Counsel have also conducted the depositions of: (1) a representative of CREI management; (2) a representative of Goldman Sachs & Co., advisor to the Board in connection with the Transaction and former advisor to the Special Committee in connection with the Cole Holdings Acquisition; and (3) Thomas A. Andruskevich, a former CREI director and current director of ARCP who was a member of the Special Committee that negotiated the terms of the Cole Holdings Acquisition and demanded the Contingent Payment Reduction. Co-Lead Counsel also performed additional factual and legal research concerning the validity of Plaintiffs’ claims and other claims that could have arisen from the Transaction and the Cole Holdings Acquisition. While Plaintiffs contend that the claims that they have asserted are meritorious, they also believe that the Settlement provides substantial benefits for CREI and for the Class (as hereinafter defined). Specifically, Plaintiffs and Co-Lead Counsel believe that the Contingent Payment Reduction, the Settlement Fund, and the Supplemental Disclosures provided substantial benefits to CREI and the Class, including additional financial consideration and the ability to cast a more fully informed vote on the Transaction. Moreover, any claims relating to disclosure issues would be and have been best remedied by the supplemental disclosures that were contained in the 8-K filed by CREI with the SEC on January 24, 2014. In addition to the substantial benefits provided by the Settlement to CREI and the Class, Plaintiffs and their counsel have considered: (1) the attendant risks of continued litigation and the uncertainty of the outcome of the Action; (2) the probability of success on the merits and the allegations contained in the Action; (3) the desirability of permitting the Settlement to be consummated according to its terms; and (4) the conclusion of the Action by the Settlement on terms and conditions that Plaintiffs and Co-Lead Counsel believe to be fair, reasonable, and adequate and in the best interests of CREI, the Plaintiffs and the members of the Class, as more fully set forth herein.

Defendants have vigorously denied, and continue to deny, (1) any wrongdoing or liability with respect to all claims, events, and transactions complained of in the Action; (2) that they engaged in any wrongdoing; (3) that they committed any violation of law; (4) that they breached or aided and abetted any breach of any fiduciary or disclosure duties; (5) that they acted improperly in any way; and (6) any liability of any kind to CREI, Plaintiffs in the Action or to the Class. Notwithstanding their denial of liability, Defendants consider it desirable that the Action be settled and dismissed on the merits and with prejudice and without costs to any party (except as set forth below) in order to: (1) avoid the distraction, burden, and expense of further litigation; (2) dispose of potentially burdensome and protracted litigation; and (3) finally put to rest and terminate the claims asserted in the Action.

IV. THE SETTLEMENT AND ITS ADMINISTRATION

In connection with the investigation of the Polage Demand and in part in connection with the Consolidated Cole Holdings Action, the Special Committee requested and Defendants Cole and Nemer and certain other Cole executives agreed to the \$50 million Contingent Payment Reduction. Furthermore, in consideration for the settlement and dismissal with prejudice of the Action, and the releases provided therein, Defendants agreed to the \$14 million Settlement Fund, and the Supplemental Disclosures provided to CREI stockholders. All of the foregoing, provided substantial benefits to CREI and the Class, including additional financial consideration and the ability to cast a more fully informed vote on the Transaction.

On behalf of all Defendants, ARCP has retained a settlement administrator (the “Settlement Administrator”), which shall, subject to the jurisdiction, supervision, direction, and approval of the Court, oversee the administration and distribution of the Net Settlement Fund to Authorized Class Members.

“Authorized Class Members” means all Class Members who held or beneficially owned shares of CREI common stock at the time of the Transaction; *provided that* any Person (as defined below) holding CREI stock at the time of the Transaction solely on behalf of, or for the benefit of, any Defendant or its respective affiliates shall not be an Authorized Class Member with respect to the CREI shares so held. Except as provided herein, or pursuant to orders of the Court, the monies in the Settlement Fund shall remain in the Settlement Fund until Final Approval of the Settlement.

“Net Settlement Fund” means the Settlement Fund less (a) all federal, state, or local taxes of any kind in connection with the Settlement Fund, including any penalties (collectively, “Taxes”); (b) the reasonable expenses and costs in connection with determining the amount of, and paying, any Taxes owed by the Settlement Fund (including, without limitation, reasonable expenses of tax attorneys and accountants), and for the preparation, mailing, administration, and distribution costs and expenses relating to the filing or the failure to file all necessary or advisable tax returns (collectively, the “Tax Expenses”); and (c) any fees and reimbursed expenses ordered by the Court to be paid to Co-Lead Counsel as discussed herein.

The Settlement Administrator shall make distributions to Authorized Class Members in the following manner and subject to the following conditions (the “Plan of Allocation”): Each Authorized Class Member shall receive a distribution from the Net Settlement Fund equal to the product of the Net Settlement Fund and a fraction, (a) the numerator of which is the number of shares of CREI common stock held by such Authorized Class Member (“Authorized Shares”) at the time of the Transaction, and (b) the denominator of which is a number representing the total number of Authorized Shares held by all Authorized Class Members.

If there is any balance remaining in the Net Settlement Fund after one year from the date of its distribution to Authorized Class Members, the Settlement Administrator shall, after full payment of Taxes and Tax Expenses, reallocate, if feasible, such balance among Authorized Class Members who have been identified and located and cashed their respective previously issued checks from the Settlement Administrator. If such reallocation is not feasible or not permitted by the Court, any remainder in the Net Settlement

Fund shall, after full payment of Taxes and Tax Expenses, escheat to the State of Maryland. Following such reallocation, any balance remaining in the Net Settlement Fund after six months from the mailing of the reallocation checks shall escheat to the State of Maryland. No portion of the Settlement Fund shall be returned to CREI, ARCP or any of the Defendants except that in the event that the Settlement does not achieve Final Approval, the Settlement Fund (including any accumulated interest, but less any Taxes and Tax Expenses already incurred and paid or payable) shall be returned to CREI or its successor-in-interest.

The Net Settlement Fund shall be distributed to Authorized Class Members only after: (i) the entry of an order and final judgment by the Court granting final approval of the Settlement and dismissal with prejudice of the Action, (ii) the entry of a final non-appealable order granting Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses, (iii) the affirmance of one or both of such preceding orders on appeal or the expiration of the time to take any further appeal; (iv) all costs of taxes have been paid or reserved; and (v) the Court has approved the proposed distribution of the Net Settlement Fund.

No Class Member shall have any claim against any Plaintiff, Co-Lead Counsel, the Defendants, the Released Persons, the Settlement Administrator, or any of their counsel, based on the distributions made substantially in accordance with this Stipulation and/or orders of the Court. All proceedings with respect to the administration, processing, and determination of claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court. Any modification of the Plan of Allocation by the Court shall not affect the enforceability of the Stipulation or the Settlement, provide any of the Parties with the right to terminate the Settlement, impose an obligation on any of the Defendants to increase the consideration paid in connection with the Settlement, or affect or delay the binding effect, effectiveness, or finality of the Judgment and the release of the Released Claims. Finality of the Settlement shall not be conditioned on any ruling by the Court solely concerning the Plan of Allocation.

All costs of providing this Notice to Class Members and administration of the Settlement Fund, excluding Tax and Tax Expenses, will be paid by CREI, its successor-in-interest, and/or applicable insurance policies or insurers, on behalf of themselves and for the benefit of the other Defendants, and in no event shall any Class Member be responsible for any notice or settlement administration costs or expenses.

V. CLASS ACTION DETERMINATION

The Court has ordered that, for settlement purposes only, the class action claims in the Action shall be maintained as a non-opt-out class action pursuant to Maryland Rules 2-231(a), 2-231(b)(1) and 2-231(b)(2) on behalf of a class consisting of all persons or entities who held shares of CREI common stock, either of record or beneficially, at any time between March 5, 2013 (the date the CREI board of directors approved the Cole Holdings Acquisition) and the date of closing of the Transaction (February 7, 2014), including any and all of their respective successors-in-interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, other than Defendants, their subsidiary companies, affiliates, assigns, and members of their immediate families, as the case may be (the "Class").

Inquiries or comments about the Settlement may be directed to the attention of Co-Lead Counsel as follows:

BROWER PIVEN, A Professional Corporation
Charles J. Piven
1925 Old Valley Road
Stevenson, MD 21153

VI. SETTLEMENT HEARING

The Court has scheduled a Settlement Hearing which will be held on December 12, 2014 at 9:30 a.m., in the Circuit Court for Baltimore City, Maryland at 110 North Calvert Street – Room 428M, Baltimore, Maryland 21202 to:

- (a) Determine whether the provisional class action certification in the Court's Preliminary Approval Order should be made final;
- (b) Determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of CREI and the Class;
- (c) Determine whether an Order and Final Judgment should be entered pursuant to the Stipulation;
- (d) Consider any application for an award of attorneys' fees and expenses to Co-Lead Counsel for the efforts of all Plaintiffs' counsel; and
- (e) Rule on such other matters as the Court may deem appropriate.

The Court has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of an award of attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

The Court has also reserved the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and without further notice to the Class.

VII. RIGHT TO APPEAR AND OBJECT

Any member of the Class who objects to the Settlement, the Order and Final Judgment to be entered in the Action, and/or Co-Lead Counsel's application for attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than November 21, 2014 such person files with the Court, through the Circuit Court Clerk, Courthouse East – Room 209, 111 North Calvert Street, Baltimore, Maryland 21202, and serves upon counsel listed below, with a convenience copy to the chambers of Hon. Pamela J. White, Part 7, Circuit Court for Baltimore City, Room 428M, 110 N. Calvert Street, Baltimore, Maryland 21202: (1) a written notice of intention to appear; (2) proof of membership in the Class; (3) a statement of such person's objections to any matters before the Court; and (4) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider. Such filings shall be served by U.S. Mail or other means of hand delivery upon the following counsel:

BROWER PIVEN,
A Professional Corporation
Charles J. Piven
1925 Old Valley Road
Stevenson, MD 21153

WACHTELL, LIPTON, ROSEN & KATZ
Andrew J. H. Cheung
51 West 52nd Street
New York, NY 10019

DUANE MORRIS LLP
Rebecca M. Lamberth
1075 Peachtree Street NE, Suite 2000
Atlanta, GA 30309

Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class by the Plaintiffs and their counsel, any award of attorneys' fees or expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding.

VIII. ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation is fair, reasonable, and adequate and in the best interests of CREI and the Class, the parties shall jointly request that the Court enter an Order and Final Judgment. The Order and Final Judgment may, in the Court's discretion, among other things:

- (a) Make final the Court's previous determination to certify provisionally the Action as a non-opt-out class action pursuant to Maryland Rules 2-231(a), 2-231(b)(1) and 2-231(b)(2) on behalf of the Class;
- (b) Determine that the requirements of the Maryland Rules and due process have been satisfied in connection with the Notice;
- (c) Approve the Settlement as fair, reasonable, and adequate and in the best interests of the Class;
- (d) Authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement;
- (e) Dismiss the Action with prejudice, on the merits, without costs except as provided in the Order and Final Judgment, as against any and all Defendants, and release the Defendants or any other Released Persons (defined below) from the Settled Claims (defined below); and
- (f) Award attorneys' fees and expenses to Co-Lead Counsel on behalf of all Plaintiffs' counsel.

IX. RELEASES

"Released Claims" means all known and unknown claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, amounts, duties, suits, costs, expenses, matters, and issues, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, including Unknown Claims (defined below) that have been, could have been, or in the future can or might be asserted in any court, tribunal, or proceeding (including but not limited to any claims arising under federal, state, foreign, or common law, including the federal securities laws and any state disclosure law), by or on behalf of the Releasing Persons (defined below), whether individual, direct, class, derivative, representative, legal, equitable, or any other type or in any other capacity against the Released Persons (defined below), which have arisen, could have arisen, arise now, or hereafter may arise out of or relate in any manner to the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing, or cause whatsoever, or any series thereof, embraced, involved, set forth or otherwise related to the Action, the Cole Holdings Acquisition (including the negotiation or consideration of the Cole Holdings Acquisition or any agreements or disclosures relating thereto), the Transaction (including the negotiation or consideration of the Transaction or any agreements or disclosures relating thereto), the Cole Holdings Merger Agreement, the Merger Agreement, or any preliminary or definitive joint proxy statement, proxy solicitation material, or other written material in connection with the solicitation or offer of securities, including supplements and amendments, filed or distributed to stockholders in connection with the Cole Holdings Acquisition or the Transaction (including without limitation the Preliminary Proxy Statement and the Definitive Proxy Statement), including without limitation any disclosures, non-disclosures or public statements made in connection with any of the foregoing; provided, however, that the Released Claims shall not include the right to enforce the Settlement, or any aspect thereof, or the Stipulation.

“Released Persons” means Defendants (or any Defendant), or any of their respective families, parent entities, controlling persons, associates, predecessors, successors, affiliates, or subsidiaries, and each and all of their respective past or present officers, directors, executives, stockholders, principals, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, auditors, investment bankers, commercial bankers, entities providing fairness opinions, underwriters, brokers, dealers, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, members, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors, and assigns.

The release contemplated by this Settlement extends to claims that the Plaintiffs and the Class, and their respective heirs, executors, administrators, estates, predecessors, successors in interest, successors and assigns (the “Releasing Persons”), do not know or suspect exist in his, her or its favor at the time of the release of the Released Claims as against the Released Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement. With respect to any of the Released Claims, upon Final Approval of the Settlement, Plaintiffs shall expressly and each member of the Class shall be deemed to have, and by operation of the final order and judgment by the Court shall have, expressly waived, relinquished and released any and all provisions, rights and benefits conferred by or under Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasing Persons acknowledge that members of the Class and/or other CREI stockholders may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Releasing Persons to completely, fully, finally and forever extinguish any and all Released Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Releasing Persons acknowledge that the inclusion of “Unknown Claims” in the definition of “Released Claims” was separately bargained for and was a material element of the Settlement and was relied upon by each and all of Defendants in entering into the Stipulation.

X. PLAINTIFFS’ COUNSEL’S ATTORNEYS’ FEES AND EXPENSES

Plaintiffs’ counsel have not received any payment for their services in pursuing the claims asserted in the Action, nor have Plaintiffs’ counsel been reimbursed for their litigation expenses. Plaintiffs’ counsel invested their own resources pursuing the Action on a contingency basis, meaning they would only recover their expenses and be compensated for their time if they created benefits through the Action. In light of the risks undertaken in pursuing the Action on a contingency basis and the benefits created through the Settlement and the prosecution of the Action, Co-Lead Counsel, on behalf of all Plaintiffs’ counsel, intend to apply to the Court for an award of attorneys’ fees and reimbursement of litigation expenses not to exceed seven million dollars (\$7,000,000), and Defendants shall not object to or otherwise take any position adverse to Co-Lead Counsel’s application.

The Court will determine the amount of any fee and expense award to Plaintiffs’ counsel (the “Fee and Expense Award”). The full amount of any Fee and Expense Award shall be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

XI. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and/or other persons or entities who held shares of the common stock of CREI at any time during the period from March 5, 2013, through February 7, 2014, the date of the execution of the Transaction, for the benefit of others are directed to either (a) within seven (7) days of receipt of this Notice, request from the Settlement Administrator copies of the Notice to forward to all such beneficial owners and within seven (7) days of receipt of those Notices forward them to all such beneficial owners; or (b) within seven (7) days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to CREI Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43292, Providence, RI 02940-3292. If you choose the second option, the Claims Administrator will send a copy of the Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Settlement Administrator with proper documentation supporting the expenses for which reimbursement is sought.

XII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims and defenses which have been asserted by the parties and the terms and conditions of the Settlement, including a complete copy of the Stipulation, members of the Class are referred to the Court files in the Maryland Action. You or your attorney may examine the Court files during regular business hours of each business day at the office of the Circuit Court for Baltimore City, Maryland, 111 North Calvert Street, Baltimore, Maryland 21202.

DO NOT CALL THE COURT.

**BY ORDER OF THE CIRCUIT COURT
FOR BALTIMORE CITY, MARYLAND**

CREI Settlement Administrator

c/o KCC Class Action Services

P.O. Box 43292

Providence, RI 02940-3292

«Barcode»

Claim #: CRR-«ClaimID» «MailRec»

«First1» «Last1»

«co»

«Addr1» «Addr2»

«City», «ST» «Zip»

«Country»

CRR