

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name TERRENO REALTY CORPORATION		2 Issuer's employer identification number (EIN) 27-1262675	
3 Name of contact for additional information JAIME CANNON	4 Telephone No. of contact 415-655-4580	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 16 MAIDEN LANE, FIFTH FLOOR		7 City, town, or post office, state, and Zip code of contact SAN FRANCISCO, CA 94108	
8 Date of action 2011		9 Classification and description COMMON STOCK OF TERRENO REALTY CORPORATION	
10 CUSIP number 88146M101	11 Serial number(s)	12 Ticker symbol TRNO	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 ▶ TERRENO REALTY CORPORATION MADE RETURN OF CAPITAL DISTRIBUTIONS TOTALING \$842,396 TO COMMON SHAREHOLDERS DURING 2011.

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 RETURN OF CAPITAL DISTRIBUTION DESCRIBED ABOVE, WILL REDUCE THE TAX BASIS OF EACH SHARE OF STOCK BY \$0.0905502.

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 ▶ REFER TO QUESTION 15

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 DISTRIBUTION DESCRIBED IN ITEMS 14 AND 15 ABOVE WERE DETERMINED TO NOT BE DIVIDENDS UNDER IRC SECTION 316 AND IRC SECTION 857(d) AND INSTEAD WERE RETURN OF CAPITAL DISTRIBUTIONS RESULTING IN THE REDUCTION IN BASIS OF STOCK AS REQUIRED UNDER IRC SECTION 301(c)(2)

18 Can any resulting loss be recognized? ► THERE IS NO LOSS TO BE RECOGNIZED ON THESE TRANSACTIONS.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
THE REPORTABLE TAX YEAR FOR THE RETURN OF CAPITAL DISTRIBUTIONS IS 12/31/2011.

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 ► 2/16/12
Print your name ► Jaime Cannon Title ►

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JESSICA DURAN		2/17/12		P00965583
	Firm's name ► DELOITTE TAX LLP			Firm's EIN ► 86-1065772	
	Firm's address ► 555 MISSION STREET, SAN FRANCISCO, CA 84105			Phone no. 415-783-4000	