

PROSKAUER ROSE LLP

1001 Pennsylvania Avenue, NW
Suite 400 South
Washington DC 20004-2533
Telephone 202.416.6800
Fax 202.416.6899

BOCA RATON
BOSTON
CHICAGO
LONDON
LOS ANGELES
NEW ORLEANS
NEW YORK
NEWARK
PARIS
SAO PAULO

Brendon M. Tavelli
Attorney at Law

Direct Dial 202.416.6896
btavelli@proskauer.com

February 27, 2009

By First Class Mail and E-Mail (scott.schafer@ago.state.ma.us)

Scott Schafer
Office of the Attorney General
One Ashburton Place
Boston, MA 02108

Re: Legal Notice of Information Security Breach

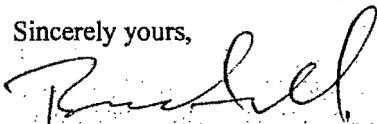
Dear Mr. Schafer:

I write on behalf of Developers Diversified Realty Corporation ("DDR") to inform you of an information security breach potentially involving approximately 170 residents of your state. On or about Wednesday, February 2, 2009, DDR learned that its dividend disbursing agent, National City Bank ("NCB"), inadvertently mailed some 1099-DIV tax forms to the wrong DDR shareholders. As a result, the 1099-DIV forms that some shareholders received contained certain personal information about other DDR shareholders, including their names, addresses, Social Security numbers and other dividend-related information. DDR and NCB immediately began investigating to determine if they could specifically identify the individuals whose 1099-DIV forms were misdelivered.

Because this did not involve intentional access, at this time DDR has no reason to believe that any personal information has been or will be misused as a result of NCB's mistake. Moreover, only a segment of the shareowners had their 1099-DIVs misdelivered. NCB sent 14,000 1099-DIV forms total, but only 4,000 were actually misdelivered. There were approximately 170 Massachusetts residents in the initial mailing, but only a subset of those residents are in the affected population of 4,000. Nonetheless, as a precaution, DDR is notifying all potentially affected individuals, i.e., everyone who was sent a 1099-DIV form, via written letter to each through first class mail, and offering those who did not receive the initial mailing the opportunity to enroll in a free credit monitoring service for one year. These notifications will begin mailing on March 2, 2009. A copy of the form of notice to affected individuals is attached for your reference.

If you have any questions or need further information regarding this incident, please contact me.

Sincerely yours,



Brendon M. Tavelli

Enclosure



National City Bank
Shareholder Communications
Shareholder Services Operations
Locator 01-5352
P.O. Box 94980
Cleveland, OH 44101-4980
Toll-Free Telephone 1-800-622-6757
Outside of U.S. (216) 257-8663

MA-sequence number
Sample A. Sample
123Main Street
Anytown, MA 12345-1234

February __, 2009

National City Bank ("NCB") is the dividend disbursing agent for Developers Diversified Realty Corporation ("DDR"). We are writing to inform you that NCB misdelivered some 1099-DIV forms relating to ownership of DDR shares for tax year 2008. As a result, one other DDR shareholder may have received some of your personal information, including your name, address and Social Security number.

While we deeply regret this incident, it was an accident. It was not a targeted attack where individuals were intentionally attempting to obtain personal information. For this reason, we believe the risk of identity theft is extremely low. If you did receive a 1099-DIV that was not yours, please destroy it, if you have not already done so.

Nonetheless, out of an abundance of caution, we do want to make you aware of the steps you should take to guard against identity fraud. In addition, because we realize that the thought of potential identity theft can be of concern, we are making available to you free credit monitoring for one year to help you detect possible misuse of your data. You have 90 days from the date of this letter to activate the credit monitoring by using the following unique activation code: <<STP Activation Code>>. Please see the enclosure to learn more about the PrivacyGuard credit monitoring service, important enrollment instructions, and other steps you can take to protect yourself. To enroll in PrivacyGuard, go to www.privacyguard.com/breachshield-019 and follow the instructions.

You may review the FAQs available at www.ddr.com or contact NCB Shareholder Services at 1-800-622-6757 for additional information. Please be assured that we take the protection of your personal information very seriously and are taking steps to prevent a similar occurrence. We sincerely regret any inconvenience or concern caused by this incident.

Sincerely,

National City Bank Shareholder Service

MA

Additional Information

NCB has engaged PrivacyGuard to provide you with their comprehensive credit reporting and credit monitoring service that facilitates fraud detection by enabling members to view their personal credit reports and credit scores on an ongoing basis. The PrivacyGuard service includes daily credit alerts, which inform you of key changes to your credit history (i.e. new inquiries, derogatory information or new accounts) when any changes occur, a merged and sorted credit report including credit scores from Experian, Equifax and TransUnion (unlimited online access or via mail once per 30-day period) and other services.

- To learn more about PrivacyGuard and to enroll, go to www.privacyguard.com/breachshield-019 and follow the instructions. You will need the activation code we provided to you in the enclosed letter. This code is unique for your use and should not be shared.

Even if you do not feel the need to register for the credit monitoring service, we recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report once every 12 months by visiting <http://www.annualcreditreport.com>, calling toll-free 1-877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281 (you can print a copy of the request form at <http://www.ftc.gov/bcp/menus/consumer/credit/rights.shtm>). You can also purchase a copy of your credit report by contacting one of the three national credit reporting companies:

Equifax
1-800-685-1111
www.equifax.com
P.O. Box 740241
Atlanta, GA 30374-0241

Experian
1-888-397-3742
www.experian.com
P.O. Box 9532
Allen, TX 75013

TransUnion
1-800-916-8800
www.transunion.com
P.O. Box 6790
Fullerton, CA 92834-6790

When you receive your credit reports, review them carefully. Look for accounts you did not open. Look for inquiries from creditors that you did not initiate. And look for personal information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission ("FTC"). You have the right to obtain a police report if you are the victim of identity theft. You may contact the FTC to obtain additional information about avoiding identity theft.

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
<http://www.ftc.gov/bcp/edu/microsites/idtheft/>

Fraud Alerts: There are two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. An initial fraud alert stays on your credit report for at least 90 days. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An extended fraud alert stays on your credit report for seven years. You can have an extended alert placed on your credit report if you have been a victim of identity theft and you provide the credit reporting company with an Identity Theft Report. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three credit reporting companies provided above.

Credit Freezes: Massachusetts law also gives you the right to place a security freeze on your consumer reports. A security freeze is designed to prevent credit, loans and services from being approved in your name without your consent. Using a security freeze, however, may delay your ability to obtain credit. You may request that a freeze be placed on your credit report by sending a request to a credit reporting agency by certified mail, overnight mail or regular stamped mail to the address below:

Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348
www.equifax.com

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013
www.experian.com

TransUnion (FVAD)
P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com

Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company. The following information should be included when requesting a security freeze (documentation for you and your spouse must be submitted when freezing a spouse's credit report): full name, with middle initial and any suffixes; Social Security number, date of birth (month, day and year); current address and previous addresses for the past two years; and applicable fee (if any) or incident report or complaint with a law enforcement agency or the Department of Motor Vehicles. The request should also include a copy of a government-issued identification card, such as a driver's license, state or military ID card, and a copy of a utility bill, bank or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue (statement dates must be recent). The credit reporting company may charge a reasonable fee of up to \$5 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and have submitted a valid police report relating to the identity theft to the credit reporting company.