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Brochure date: August 29, 2012

This brochure provides information about the qualifications and business practices of Lubert-Adler Partners. If you have any questions about the contents of this brochure, please contact Michelle Vaughn at mvaughn@lubertadler.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lubert-Adler Partners also is available on the SEC's website at www.adviserinfo.sec.gov.

Lubert-Adler Management Company, L.P. is registered as an investment adviser with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization, which are included herein.

The following is a discussion of only material changes since our brochure filing dated May 8, 2012.

Cover Page: Updated the Chief Compliance Officer information.

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Item 4. General Information about Lubert-Adler

- A. Description of advisory firm and principal owners.** Lubert-Adler Management Company, L.P., also referred to as “Lubert-Adler Partners” or “Lubert-Adler,” is a real estate investment management firm co-founded by Ira M. Lubert and Dean S. Adler in March 1997. Messrs. Lubert and Adler collectively have over 50 years of experience in underwriting, acquiring, repositioning, refinancing and exiting real estate assets. The Lubert-Adler investment team consists of more than 20 experienced professionals with strong backgrounds in real estate acquisition, redevelopment, asset management, distressed restructurings, structured finance, and capital markets. On average, senior members have over 20 years of hands-on real estate experience. In addition, many of the senior members have worked together for the entire period of the Funds. Lubert-Adler also has an extensive network of industry relationships and strategic operating partners, who are critical in creating significant transaction flow. References herein to Lubert-Adler may include, as the context requires, various entities controlled by Lubert-Adler or its principals and through which Lubert-Adler provides investment management services, such as entities that serve as general partner to limited partnerships.
- B. Advisory services offered.** Lubert-Adler provides investment management services exclusively to clients that are privately offered pooled investment vehicles (each a “Fund” or “Client” and, collectively, the “Funds” or “Clients”), each of which invests in real estate or real-estate related investments. No Fund’s shares are offered hereby and each Fund is open for investment only via a “private offering,” and is intended only for investment by “accredited investors,” as those terms are defined under the Securities Act of 1933, as amended. Each Fund’s investment objective includes providing a certain level of returns net of fees and expenses as described in detail in the Fund’s offering documents. In pursuit of each Fund’s investment objective, Lubert-Adler utilizes a value-oriented combination of opportunistic acquisition philosophies with value enhancement programs. Lubert-Adler’s advice is generally limited to real estate and real-estate related investments, although certain other types of investments may be utilized in various circumstances.
- C. Tailoring to individual needs.** Though Lubert-Adler utilizes a similar strategy for all of the Funds, it tailors advisory services to the specific needs of the Funds to the extent that certain securities cannot be held by certain Funds for legal or tax purposes. From time to time, Lubert-Adler may enter into agreements, commonly known as “side letters,” with certain investors under which Lubert-Adler may agree to waive or modify the application of certain investment terms applicable to such investor, without obtaining the consent of any other investor in the Funds, other than such an investor whose rights would be materially and adversely changed by such waiver or modification.
- D. Wrap fee programs.** Lubert-Adler does not participate in wrap fee programs.

- E. Assets under management.** Lubert-Adler managed approximately \$2,865,910,478 of client assets on a discretionary basis as of December 31, 2011.

Item 5. Fees and Compensation

- A. How Lubert-Adler is compensated for advisory services.** The specific terms for the compensation of Lubert-Adler by each Fund are dictated by the Fund's charter documents, offering documents, management and advisory agreements, and any other applicable agreements (such as side letters or waivers). Each Fund generally pays a management fee (the "Management Fee"). A Fund's Management Fee generally will commence on the date that a Fund is no longer required to invest with a previous Fund (that is, the date on which 100% of commitments to the previous Fund have been invested, returned, released or reserved) and thereafter be paid on the first day of each calendar quarter. The Management Fee is based on a percentage of assets invested in or committed to a Fund by its investors, and may vary based on the stage of investment of the Fund and the amounts committed to the Fund by its various investors. The Management Fee generally ranges from 1% to 2%, but may be negotiated to be lower or higher for certain clients based on the size of the investments.

Lubert-Adler is also entitled to receive a distribution of the investment proceeds from the Funds, generally subject to certain conditions such as the prior return of capital to Fund investors and/or prior payment to Fund investors of a certain rate of return on invested capital. Proceeds available for distribution will consist principally of cash generated from continuing operations of the assets owned by a Fund and the cash proceeds realized on the sale or refinancing of Fund assets. Certain of these distributions are referred to as the "Carried Interest." A Carried Interest is charged in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended.

- B. Deduction of fees from invested assets.** Lubert-Adler's compensation is deducted from the assets or distributions of the Fund. Fund investors are not separately billed for services. Management Fees are paid quarterly in advance. Carried Interest is paid upon the distribution of the applicable assets.
- C. Other types of fees or expenses.** Each Fund pays all offering and organizational expenses incurred in the formation of the Fund and the related entities up to a certain maximum limit set forth in the Fund's offering documents. Each Fund generally pays all expenses related to its activities, including all costs related to the investigation, purchase, construction, repair, maintenance, financing, and sale (whether or not consummated) of investments; legal (both third party and for legal services provided by Lubert-Adler or its affiliates), auditing, tax, carrying, financing, development, construction, and accounting fees; insurance; litigation expenses; third-party consultants; and any other operating expenses of the Fund. In pursuit of its investment objective a Fund (or Lubert-Adler on behalf a Fund) may incur and pay fees or expenses to independent third-parties, such as real estate agents, engineers, construction contractors, broker-dealers, custodians,

attorneys, and expenses of subpartnerships through which a Fund holds interests in real estate. Other expenses may be charged to a Fund if described in the Fund's confidential private offering documents. Funds will incur brokerage and other transaction costs. For more information on brokerage, see Item 12. Fund investors are not directly charged with fees or expenses, but in effect pay their pro rata share of any fees or expenses charged to the Fund.

Any expenses common to the Funds and to any other funds or accounts managed by Lubert-Adler or its affiliates generally will be allocated among such entities on a basis reasonably believed by Lubert-Adler and the managers of the other funds (as applicable) to be equitable based on the relevant facts, such as the relative sizes of the participating funds and the particular circumstances that caused the expense to be incurred with respect to each participating fund.

- D. Payment of fees in advance.** In the event that a Fund's investment advisory agreement with Lubert-Adler terminates during a period covered by Management Fees paid in advance, Lubert-Adler would pro rate such Management Fee and reimburse the portion of such Management Fee covering the remainder of the period.
- E. Compensation for sales of securities.** The Management Fee for a Fund is generally reduced to the extent that Lubert-Adler receives acquisition, disposition, breakup, origination, sales, brokerage, underwriting, investment banking or other transaction fees in connection with the investments of the Fund.

Item 6. Performance-Based Fees and Side-By-Side Management

As described in Item 5, Lubert-Adler may be paid a Carried Interest. Lubert-Adler and certain of its supervised persons receive incentive compensation, which is tied explicitly to the performance of the particular Fund, and such compensation will continue to be earned based upon the performance of a Fund's portfolio as a whole, rather than that of individual transactions. The existence of the Carried Interest may create an incentive for Lubert-Adler to cause a Fund to make riskier or more speculative investments than would be the case in the absence of the Carried Interest. Certain Funds are not charged a performance-based fee. The management of accounts that pay a performance-based fee alongside accounts that pay only an asset-based fee may create additional conflicts of interest. In particular, an investment adviser may have an incentive to favor the performance-based fee account when allocating promising or profitable investment opportunities or trades, and may avoid allocating less promising or unprofitable investment opportunities or trades to such account. Because each Fund that does not pay a performance-based fee co-invests with accounts that do pay such a fee, Lubert-Adler believes that no material opportunity exists for a supervised person to favor a performance-fee account. Lubert-Adler's compliance policies and procedures and code of ethics prohibit supervised persons from favoring one account over another or considering the firm's financial interest when providing investment advice to Clients, and any individual compensated based on the performance-fee aspect of a Fund is paid based on the Fund's overall performance, not the outcome of any single transaction or investment. In addition, certain co-investments by a Fund

require approval by such Fund's Executive Board, as described in the Fund's offering documents.

Item 7. Types of Clients.

Lubert-Adler provides investment advice only to the Funds, which are privately offered pooled investment vehicles. Each Fund varies in size over the course of its investment program. The Funds' offering documents generally require a minimum initial investment or commitment by each investor of \$5 million. However, each Fund's general partner has the discretion to waive or reduce the minimum initial investment or commitment and has done so for certain investors.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

- A. Investment Strategies.** As more fully described in each Fund's offering documents, Lubert-Adler utilizes a combination of opportunistic acquisition philosophies and value enhancement programs designed to create high quality assets at a cost basis well-below their competitive set. A key to these strategies is forging strategic alliances with local operating partners who possess superior local knowledge and execution capabilities.

Lubert-Adler also may utilize other methods to access the distressed debt market, such as through aggressively pursuing opportunities in troubled whole loan portfolios, bankruptcies, and securitized tranches and by originating loans.

There can be no assurance, however, that the use of any strategy for any Fund will achieve any particular returns or avoid a loss. A Fund's ability to achieve returns will depend on a variety of factors, many of which are beyond its or Lubert-Adler's control.

- B. Investment risks.** Investing in securities involves risk of loss that investors must be prepared to bear. Each Fund's offering documents include more detailed disclosure of the risks of investing in a Fund; any prospective Fund investor should carefully read such documents before considering an investment. Among other investments and risks described more fully in each Fund's private offering documents, each Fund's investments entail the following risks:

- 1. No Assurance of Investment Return.** Each Fund's task of identifying and evaluating investment opportunities, managing such investments and realizing a positive return for investors is difficult. There is no assurance that a Fund will be able to invest its capital on attractive terms or continue to generate positive returns or avoid losses for its investors over the long term.
- 2. Real Estate Generally.** Investments in real estate entail a variety of risks, any of which could cause a loss. Significant costs may be entailed in each stage of the various methods of real estate investment used by a Fund, including the costs of purchase, development, construction, renovation, operation, financing, and sale of real estate. Various government approvals may be

required but may not necessarily be granted. Real estate is subject to various market forces, such as economic and population fluctuations on both a national and local level, that are beyond the control of any investor. Real estate typically is subject to taxation, and owners may be required to pay other significant fees or assessments.

3. *Due Diligence Processes.* The due diligence investigation that Lubert-Adler and its strategic partners perform with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity, including, among other things, the existence of fraud or other illegal or improper behavior. Moreover, such an investigation will not necessarily result in the investment being successful.
4. *Concentration of Investments.* A relatively high percentage of a Fund's total capital may be invested in a single or a few portfolio investments to which any single loss may have a significant adverse impact on such Fund's capital. In addition, no Fund is required to diversify its investments among industries or regions.
5. *Tax Considerations.* An investment in a Fund may involve complex U.S. federal income tax considerations that will differ for each investor. Under certain circumstances, investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if the Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income. Funds may not make any distributions to their investors, and an investor's tax liability attributable to an investment in a Fund may in a given tax year exceed the cash distributed. Funds may invest in entities which would cause them to have to report taxable income for U.S. Federal income tax purposes prior to the time the Fund receives distributions from such investments.
6. *Inflation Risk.* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power erodes at the rate of inflation.
7. *Interest-rate Risk.* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds or loans become less attractive, causing their market values to decline.
8. *Reinvestment Risk.* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (*i.e.* interest rate). This risk relates primarily to fixed income investments.
9. *Distressed Debt.* A Fund may invest in distressed real estate loans or claims. Distressed debt investments present more credit risk than investment-grade

issues. Distressed debt investments involve a risk of loss in case of default or insolvency of the issuer, particularly if the obligation is unsecured.

- 10. *Lending.*** Each Fund may engage in lending directly to borrowers, which may include in certain circumstances, other Funds or their affiliates. In addition to the risks that apply to debt investments generally, direct lending may entail a heightened risk of default by the borrower. Loans may be subordinate to already-outstanding loans by the same borrower, and may be unsecured or insufficiently secured. Privately negotiated loans may be illiquid and subject to a heightened risk of litigation.
- 11. *Business Risk.*** These risks are associated with a particular industry or a particular company within an industry. The Funds focus their investments in real estate.
- 12. *Liquidity Risk.*** The Funds invest in illiquid investments. Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. Real estate is not liquid. If a Fund was required to divest itself of an illiquid investment, the Fund might not be able to do so quickly or at an advantageous price.
- 13. *Financing Risk.*** The Funds may borrow. Excessive borrowing may increase risk, as a Fund would be required to meet its periodic payments and would generally retain a principal repayment obligation even if the financed investment lost value. Consequently, financing may have leveraging effects that could exacerbate losses.
- 14. *Hedging.*** In connection with the financing of certain assets, a Fund may employ hedging techniques designed to protect against adverse movements in currency and/or interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Fund may benefit from the use of hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in poorer overall performance for a Fund than if it had not entered into such hedging transactions.
- 15. *Foreign Investment.*** A Fund may invest outside the United States. Any such investment entails additional risks, such as the risk of adverse changes in applicable foreign laws, regulation, currency exchange rates and risks of expropriation, nationalization, repatriation and the imposition of restrictions on foreign investment.
- 16. *Regulatory Risks.*** Each Fund relies on various exemptions from federal and state statutes and rules, such as ERISA, the Investment Company Act of 1940 (“1940 Act”) and the Securities Act of 1933 (the “Securities Act”), to operate without having to register under such statutes and rules. Loss of any such

exemption, or a change in these statutes and rules or certain others, such as the Advisers Act, anti-money laundering rules, and the U.S. Internal Revenue Code, could impact a Fund's ability to continue to operate as it currently does. A Fund's exemption from certain investor protection laws means that a Fund's investors do not have the benefit of protections afforded by such laws, including ERISA, the 1940 Act and the Securities Act.

- 17. *Conflicts of Interest.*** Fund investments are subject to various conflicts of interest, including those between co-investors in specific projects, between various investors in a Fund, and between Lubert-Adler and a Fund. These conflicts are more fully discussed in "10.C.3. Other investment advisers or financial planners" and in each Fund's offering documents.

Item 9. Disciplinary Information

Neither Lubert-Adler nor any supervised person has been involved in the past ten years in any legal or disciplinary event that Lubert-Adler believes is material to an investor or client or prospective investor or client in their evaluation of Lubert-Adler's advisory business or management.

Item 10. Other Financial Industry Activities and Affiliations

- A. Broker-dealer registration.** Neither Lubert-Adler nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Commodity industry registration.** Neither Lubert-Adler nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Material Relationships.** Lubert-Adler has relationships and arrangements that are material to Lubert-Adler's advisory business with the following types of related persons:
- 1. Broker-dealers, municipal securities dealers, or government securities dealers or brokers.** None.
 - 2. Investment companies or other pooled investment vehicles.** Lubert-Adler manages several real estate related privately pooled investment Funds. Lubert-Adler utilizes the services of its affiliate, Independence Capital Partners, LLC ("ICP"). ICP provides certain back office non-investment advisory related services to several affiliated private investment management firms. The affiliated private investment management firms manage various privately offered funds, each of which may be comprised of one or more legal entities. In addition to Lubert-Adler, ICP currently provides services to: Patriot Financial Partners, L.P.; Quaker Partners Management, L.P.; LBC

Credit Management, L.P.; LLR Management, L.P. and LEM Capital, L.P. (collectively, the “ICP Affiliate Firms”). Each ICP Affiliate Firm is individually and separately owned by its senior investment professionals and manages investment funds focused on distinct asset classes. To the extent Lubert-Adler’s relationship with these funds and their managers presents a conflict of interest, it is discussed below in “10.C.3. Other investment advisers or financial planners.”

- a. LLR Partners, L.P., comprised of private equity investment funds focused on investments in middle market growth companies located in the Mid-Atlantic region.
- b. LEM Capital, L.P., comprised of private investment funds that provide mezzanine debt and preferred equity for owners of middle market real estate, focusing on multifamily, office, retail and industrial properties nationwide.
- c. Quaker Partners, L.P., comprised of life sciences venture capital funds focused on investment opportunities in the Mid-Atlantic region.
- d. LBC Credit Partners, L.P., comprised of structured finance funds which originate and manage diversified portfolios of privately negotiated, secured, high yielding credit opportunities, primarily in the form of second lien loans, to businesses in the underserved middle market (defined as corporate borrowers).
- e. Patriot Financial Partners, L.P., comprised of private equity funds focused on investments in the community banking sector throughout the United States.

- 3. Other investment advisers or financial planners.** In addition to Lubert-Adler, Messr. Lubert has control ownership interests in the following ICP Affiliate Firms: Patriot Financial Partners, L.P.; Quaker Partners, L.P.; LBC Credit Partners, L.P.; LLR Partners, L.P., and LEM Capital, L.P. Each such firm manages real estate, private equity or venture capital funds, some of which have investment mandates that are similar to, but not overlapping with, the investment mandates of the Lubert-Adler Funds. In the past, the principals of these funds and Lubert-Adler have shared information and collaborated regarding investment opportunities and, on rare occasion, co-invested in particular investments. Lubert-Adler expects to continue to collaborate with these firms so long as Lubert-Adler believes the collaboration is benefiting its investment process and Fund investors.

The pooled investment vehicles managed LEM Management, L.P., may engage in various real estate or real-estate related investment activities, including acquisition, financing, development, operation, leasing and management. Conflicts of interest may arise as a result of such real estate ownership and activities, particularly ownership of real estate properties in the same markets targeted by a Lubert-Adler Fund. A Fund may engage affiliates of Lubert-Adler to perform real estate-related services, including

development, management and/or leasing services in connection with the ownership and operation of the assets, so long as those services are required by the Fund's business. Any fees payable pursuant to any such agreement will not reduce the Management Fee payable by a Fund. This conflict of interest is addressed by requiring that a Fund's Executive Board (which consists of certain large, non-affiliated Fund investors), approve the terms of any such agreement.

The management team for a Fund will continue to devote time to the management of the other existing Funds, which may create conflicts in the allocation of management resources. In general, Mr. Adler will spend substantially all of his business time on the management and operation of the Funds; if Mr. Adler does not continue to do so, a Fund may, subject to other conditions, appoint a substitute for Mr. Adler or the Fund may be dissolved. Mr. Lubert, in addition to his ownership in and responsibilities to the Funds, is a principal of several other pooled investment funds, has several investments in operating businesses, and may become involved as a principal in future pooled investment funds. Such activities may limit the amount of time Mr. Lubert will be able to devote to a particular Fund.

Investment opportunities may arise that are appropriate for more than one Fund and/or one or more other ICP Affiliated Firms' Funds. In particular, both the Funds and Rubenstein intend to invest in value-added office and office-related real estate investment assets. In these situations, the fund management team which first sourced or originated the opportunity may invest in the opportunity without offering it to other ICP Affiliate Firms' Funds. Opportunities first sourced or originated by Mr. Lubert or Mr. Adler will be offered to the Funds, and such opportunities will be allocated among the Funds based on the stage of investment and appropriateness of an investment by each applicable Fund, as described more fully in their various offering documents. If the Funds do not invest in such an opportunity or if additional funding is required for such an opportunity, the opportunity or a portion thereof may be offered to other ICP Affiliate Firms, their funds, or third parties.

In addition, when the management team for a Fund determines in its reasonable discretion that it would be advantageous to co-invest in an opportunity with one or more other ICP Affiliate Firms' Funds, then, without the consent of the Executive Board, the Fund may co-invest with another ICP Affiliate Firms' Funds in such opportunity only on a *pari passu* basis. If the investment funds intend to co-invest other than on a *pari passu* basis, the Fund's Executive Board must approve decisions related to the allocation of purchase price among the co-investing ICP Affiliate Firms' Funds and other applicable conflicts. Such co-investment opportunities may also be subject to the approval of committees of the co-investing funds in accordance with their respective governing documents. The relative amounts of Fund assets

co-invested will be determined in the reasonable discretion of the management team for the Fund and the management teams of the other applicable ICP Affiliate Firms' Funds in view of, among other factors, the relative available capital, investment objectives, financing capacity and diversification limits of each ICP Affiliate Firm's Fund.

The Funds and any co-investing entities may enter into cross guarantees, wherein each such entity is jointly and severally liable. This may create conflict situations in which the interests of co-investing entities diverge as circumstances change. In addition, third parties or Lubert-Adler or its subsidiaries may co-invest alongside the Funds, for example in the case of an investment too large for the Funds to complete on their own. In all such situations, Lubert-Adler seeks to act in the best financial interest of the Funds.

As a result of this conflict resolution process, the amount a Fund invests in a particular investment opportunity may be less than it otherwise would be willing and able to invest, and in certain cases, a Fund may be required to forego investment opportunities.

A Fund may purchase a portion of investments held by other Funds. Upon the granting of the required authorization, such a Fund may co-invest and pay its proportionate share of the cost of such assets plus an interest payment on the invested amount at an annual rate equal to any accrued preferred return on such assets, generally calculated from the original date of purchase of the asset to the date the co-investment is completed.

Investment opportunities also may arise that are appropriate for co-investment by two Funds at similar stages. The governing documents of the Fund with the earlier closing date generally will dictate the extent to which a subsequently organized Fund may co-invest.

- 4. Futures commission merchants, commodity pool operators, or commodity trading advisors.** None.
- 5. Banking or thrift institutions.** None.
- 6. Accountant or accounting firm.** ICP provides the Funds with various back office and infrastructure needs to Lubert-Adler and the other ICP Affiliate Firms.
- 7. Lawyers or law firms.** None.
- 8. Insurance companies or agencies.** None.
- 9. Pension consultants.** None.

10. Real estate brokers or dealers. None.

11. Sponsors or syndicators of limited partnerships. As a manager and sponsor of pooled investment vehicles, Lubert-Adler also enters from time to time into relationships with other sponsors and syndicators of pooled investment vehicles. See above under “10.C.3. Other investment advisers or financial planners.”

- D.** Lubert-Adler does not recommend or select other investment advisers for Clients. See above under “10.C.3. Other investment advisers or financial planners.”

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Code of Ethics.** Lubert-Adler’s code of ethics is based upon the premise that all Lubert-Adler personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The code of ethics requires all personnel to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Lubert-Adler; (3) observe Lubert-Adler’s personal trading policies so as to avoid “front-running” and other conflicts of interests between Lubert-Adler and its Clients; (4) ensure that all personnel have read the code of ethics, agreed to adhere to the code of ethics, and are aware that a record of all violations of the code of ethics will be maintained by Lubert-Adler and that personnel who violate the code of ethics are subject to sanctions by Lubert-Adler, including termination. A copy of the code of ethics is available upon request to Clients or prospective Clients.
- B.** For information on Lubert-Adler’s practice with respect to recommendations to clients of securities in which Lubert-Adler or a related person has a material financial interest, see above under “10.C.3. Other investment advisers or financial planners.”
- C.** For information on investments by Lubert-Adler or related persons in securities recommended to Clients, see above under “10.C.3. Other investment advisers or financial planners” and “11.A. Code of Ethics.”
- D.** For information on how Lubert-Adler treats simultaneous purchases by Clients and Lubert-Adler or related persons, see above under “10.C.3. Other investment advisers or financial planners” and “11.A. Code of Ethics.”

Item 12. Brokerage Practices

- A.** Lubert-Adler is granted discretion over the selection and amount of securities and other investments to be bought or sold without obtaining prior consent or approval from a Fund. Lubert-Adler’s investment authority with respect to any particular Fund is subject to the investment objectives, guidelines and/or conditions set forth in the Fund’s PPM. In addition, because the Funds invest in privately negotiated

real estate transactions, the brokerage terms of such transactions are largely influenced by the counterparty and the availability of brokers capable of successfully executing such transactions. Lubert-Adler seeks to have transactions executed in the best interest of the participating Client or Clients, taking into account various factors such as the size, competence, and availability of brokers in addition to cost.

- 1. Research and Other Soft Dollar Benefits.** Lubert-Adler does not accept soft dollar benefits.
- 2. Brokerage for Client Referrals.** Lubert-Adler does not direct brokerage in exchange for Client referrals.
- 3. Directed Brokerage.** Lubert-Adler is granted discretion over the selection of brokers for securities transactions of the Funds. Lubert-Adler's investment authority with respect to any particular Fund is subject to the investment objectives, guidelines and/or conditions set forth in the Fund's PPM.

- B. Aggregation of Client purchases or sales.** See above under "10.C.3. Other investment advisers or financial planners."

Item 13. Review of Accounts

- A. Monitoring of accounts.** Lubert-Adler's investment staff, which is made up of more than 20 individuals, is responsible for reviewing and monitoring each Fund's investments on a continuous basis. The investment staff includes Lubert-Adler's executive officers, managing principals, and specialists in investment analysis, research, asset management, capital markets and disposition. Such staff is responsible for identifying, evaluating, structuring and negotiating investments, overseeing the ongoing management of the investments by property managers or services and for management or oversight of financings, recapitalizations, securities and dispositions. The staff continually monitors the investments of each Fund.
- B. Review triggers.** Lubert-Adler continually monitors each Fund's performance and investments.
- C. Reports to Clients.** Each Fund's Advisory Committee generally receives reports about the Fund at least semi-annually. Each Fund's Executive Committee receives reports on certain issues, such as conflicts of interest and valuations, as such issues arise. Each Fund generally holds an annual meeting of investors to review the status of the Fund. A Fund's investors generally receive the following reports: (i) annual audited financial statements of the Fund, (ii) annual estimates of the valuations of the assets in the Fund, (iii) quarterly reports containing an operation summary of the Fund's portfolio properties, and (iv) such other information as is necessary for the preparation of tax returns.

Item 14. Client Referrals and Other Compensation

- A. Third party compensation.** No person who is not a client of Lubert-Adler provides an economic benefit to Lubert-Adler for providing investment advice or other advisory services to clients.
- B.** Lubert-Adler does not provide compensation with respect to referrals of Clients.

Item 15. Custody

Each Fund's account is subject to audit by a registered independent accountant at least annually, distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors within 120 days of the end of its fiscal year, and upon liquidation distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors promptly after the completion of such audit. Such audits will include any funds and securities that, as required by applicable law, are placed in custody with a qualified custodian.

Item 16. Investment Discretion

Under each Fund's investment advisory agreements and charter documents, Lubert-Adler has investment discretion to manage the Fund's assets in accordance with the disclosure in the related private offering documents.

Item 17. Voting Client Securities

The Funds generally do not hold publicly-traded securities with voting rights. Should the Funds hold publicly-traded securities, Lubert-Adler would have the sole authority to direct the voting of such securities. Any voting rights held by the Funds generally entail large or controlling interests of privately held issuers. Unlike the limited voting rights attributable to publicly-traded securities, the Funds generally have broad voting authority on a wide range of matters affecting privately held issuers. Lubert-Adler votes such interests, on behalf of the Funds, in the economic interests of the applicable Fund. Lubert-Adler considers relevant facts, which may include, among many others, the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with a proposal, the effect on liquidity, and customary industry and business practices. A Fund may decline to vote proxies when Lubert-Adler determines that the cost of voting the proxy exceeds the expected benefit to the Fund. If the Funds at some point decide to hold publicly-traded securities, investors will be provided a copy of Lubert-Adler's proxy voting policies and procedures upon request.

Item 18. Financial Information

Lubert-Adler does not require or solicit prepayment of fees six months or more in advance. Lubert-Adler is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.