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**This brochure provides information about the qualifications and business practices of UrbanAmerica Principals II, LLC. If you have any questions about the contents of this brochure, please contact us at (972) 385-6600. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about UrbanAmerica Principals II, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2. MATERIAL CHANGES**

UAP II, LLC has revised the manner in which it describes its Advisory Business in Item 4 of this form.

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#### **ITEM 4. ADVISORY BUSINESS**

UrbanAmerica Principals II, LLC (“UAP II”), which has been in business since November, 2009, provides advisory services through its delegated affiliated adviser, UrbanAmerica Principals III, LLC (“UAP III”). UAP II’s principal owner is Richmond McCoy, who also serves as managing member and CEO of UAP II.

UAP II provides – through UAP III – real estate investment, management, transactional, advisory and consulting services to UrbanAmerica, L.P. II, which is a private equity real estate fund (the “Fund”). Neither UAP II nor UAP III exercises discretion with respect to the real estate assets contained in the Fund; rather, UAP III must acquire the consent of the general partners of the Fund, UA II, LLC, before effecting any decision relating to the real estate assets contained in the Fund. UAP II, through its affiliates, collectively provide advice for pension plans and institutional clients regarding investments in real estate along with the possible returns achievable in different asset classes and investment strategies in real estate. Furthermore, advice is made available through institutional consulting services by assisting institutions to help themselves analyze how purchasing securities in the form of limited partnership interests could meet allocation objectives established by the institutional client. Additionally, advice is offered on how and why UA recommended investment strategies differ from those of other asset managers in the comparable real estate allocation investment space.

UAP II’s advisory services are tailored to the needs of the Funds in that investing in real estate is UAP II’s area of expertise.

As of December 31, 2012, UAP II manages \$825,777,000.00 in assets belonging to the Fund and maintains discretionary authority over management of cash within the Fund.

#### **ITEM 5. FEES AND COMPENSATION**

UAP II charges fees to the Funds in the form of a 100% reimbursement of all overhead costs. Overhead is payable as incurred. Fees are billed to the Fund on a monthly basis.

The Fund will incur brokerage and other transaction costs. Please review Item 12, which concerns our brokerage practices, for additional information.

Refunds are not available on the overhead portion of compensation. Services may be terminated only due to major events as more fully described in the Fund’s partnership agreement, by majority or super majority votes of investors.

#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Not applicable. Neither UAP II nor any of its supervised persons accepts or charges performance-based fees.

#### **ITEM 7. TYPES OF CLIENTS**

As noted above, UAP II provides, through UAP III, various advisory services to the Fund, which is a private equity real estate fund. Limited partners and clients of UAP II include pension funds, high net worth individuals, and institutional investors.

Because the Fund is closed to new investments, aspects of this disclosure item requesting information regarding requirements for opening or maintaining an account, such as a minimum account size, are not applicable.

#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

UAP II invests in individual or multiple real estate assets that in total comprise a leveraged real estate portfolio. In formulating its investment advice, UAP II uses a discounted cash flow analysis (10 years) of revenues and expenses based on acquisition of local market knowledge regarding rents and expense costs.

Investing in securities involves risk of loss that clients should be prepared to bear.

Investing in real estate involves risk because the value of Fund investments could decline due to adverse developments affecting the real estate industry and real property values. In general, real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties.

#### **ITEM 9. DISCIPLINARY INFORMATION**

Not applicable. Neither we, nor any of our management people, have been involved in any disciplinary events that are material to your evaluation of UAP II's services or the integrity of UAP II's management.

#### **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Not applicable.

#### **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

UAP II has adopted a Code of Ethics that addresses personal securities transactions of UAP II's supervised persons and other conflicts of interest that may arise in connection with UAP II's advisory services to the Fund. UAP II will provide a copy of its code of ethics to any client or prospective client upon request.

#### **ITEM 12. BROKERAGE PRACTICES**

Subject to the consent of the general partner of the Fund, and through UAP III, its delegated affiliated adviser, UAP II: manages the Fund on a discretionary basis and determines which real estate assets are bought or sold; and selects brokers to buy or sell real estate and the commission rates to be paid. The factors used by UAP II in selecting brokers are the commission rates, general expertise and the ability to effect an execution in a timely and cost-effective manner.

#### **ITEM 13. REVIEW OF ACCOUNTS**

UAP II, through its affiliates, has established an investment policy committee ("IPC") that reviews investments initially and then at a minimum on a quarterly basis.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Not applicable.

#### **ITEM 15. CUSTODY**

Although UAP II has custody of the assets of the Fund, it maintains those assets with a qualified custodian and distributes annual audited financial statements to clients in accordance with those aspects of the Custody Rule applicable to advisers to limited partnerships. Clients should carefully review any account statements furnished by the qualified custodian, and are urged to compare those statements to the annual audited financial statements that UAP II provides.

#### **ITEM 16. INVESTMENT DISCRETION**

As noted above, subject to the consent of the general partner of the Fund, UAP II, through UAP III, manages the Fund on a discretionary basis and determines which real estate assets are bought or sold. As noted above in Item 13: Review of Accounts, all real estate assets are subject to the review of the IPC.

#### **ITEM 17. VOTING CLIENT SECURITIES**

Not applicable.

#### **ITEM 18. FINANCIAL INFORMATION**

Not applicable. UAP II does not require or solicit prepayment of advisory fees, does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

**ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable. UAP II is not registering or registered with any state securities authorities.