

Divco West Real Estate Services, LLC
Part 2A of Form ADV
The Brochure

March 2015

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Divco West Real Estate Services, LLC

This brochure provides information about the qualifications and business practices of Divco West Real Estate Services, LLC (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at (415) 284-5700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. The Adviser's registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about the Adviser is available on the SEC's website at www.Adviserinfo.sec.gov.

This Brochure is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase any interest in any entity, investment, or investment vehicle. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

Item 2. Material Changes

The Adviser is required to identify and discuss any material changes made to its Brochure since the last annual update. This Brochure was prepared for the Adviser's Annual Updating Amendment for its fiscal year ending December 31, 2014. This brochure was amended to include additional fee disclosures.

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Item 4. Advisory Business

The Adviser was founded by Stuart Shiff in 2006 and is principally owned by Mr. Shiff. The Adviser is a vertically-integrated operating company, which, together with its affiliates, provides investment advisory, property and construction management and leasing services and has offices in San Francisco and Boston. The Adviser is comprised of a dedicated group of professionals with extensive experience in sourcing, structuring, acquiring, developing, redeveloping, managing, leasing and selling primarily commercial real estate and other real estate-related assets.

The Adviser is a Delaware limited liability company and an investment adviser registered with and regulated by the SEC under the Investment Advisers Act of 1940. The Adviser provides investment advisory services to private real estate investment funds, the assets of which consist of real estate and real estate-related assets, structured as limited partnerships and limited liability companies that are exempt from registration as investment companies under U.S. law by virtue of Section 3(c)(1), Section 3(c)(5) and/or Section 3(c)(7) of the Investment Company Act of 1940 and private real estate investment vehicles that exclusively hold hard real estate assets organized as limited liability companies (collectively, the "Partnerships").

The Adviser currently provides investment advisory services to four private funds, Market Street Capital Partners, ("MSCP"), DivcoWest Fund III, ("Fund III"), DivcoWest Fund IV ("Fund IV"), and Divcore Subordinate Debt Club I ("Debt Club")(collectively, the "Funds") through Market Street Capital Advisors, LLC, DivcoWest Fund III Advisors, LLC, DivcoWest Fund IV Advisors, LLC, and Divcore Subordinate Debt Club I Advisors, LLC respectively, each a wholly-owned affiliate of the Adviser. MSCP is comprised of Market Street Capital Partners, LP, Market Street Capital Partners REIT, LLC, Market Street Capital Partners REIT PIV, LP and Market Street Capital Partners PIV, LP. Fund III is comprised of DivcoWest Fund III REIT, LLC, DivcoWest Fund III REIT, LP and DivcoWest Fund III, LP. Fund IV is comprised of DivcoWest Fund IV, LP, DivcoWest Fund IV REIT, LLC and DivcoWest Fund IV REIT, LP. Debt Club is comprised of Divcore Subordinate Debt Club I, LP and Divcore Subordinate Debt Club I REIT Holding, LLC. Affiliates of the Adviser serve as the Directors and General Partners to the underlying vehicles in each of the Funds. The MSCP, Fund III, Fund IV and Debt Club entities, which are structured as limited partnerships and limited liability companies that are exempt from registration as an investment company under U.S. law by virtue of Section 3(c)(1), Section 3(c)(5) and/or Section 3(c)(7) of the Investment Company Act of 1940 are closed to new investors.

The Adviser also provides investment advisory services to private real estate investment vehicles that exclusively hold hard real estate assets organized as limited liability companies, which are not open to new investors. The Adviser may enter into similar arrangements in the future.

The Adviser provides its investment advice on the strategy and restrictions (if any) set forth in the applicable Partnership offering memorandum, organizational documents and subscription agreements, as the case may be. Investment advice is provided directly to the Partnerships by the Adviser or an affiliate of the Adviser (e.g., the General Partner or Managing Member) and not individually to the limited partners or members. The Adviser may add to or change investment strategies over time at its sole discretion, within the parameters of the applicable Partnership governing documents. The General Partner or Managing Member's level of investment discretion with regard to certain of the non-Fund Partnerships is not fully discretionary as specified in the applicable governing documents.

The Adviser manages approximately \$4,141,800,000 in assets on a discretionary basis, calculated based on the gross asset value of such assets, as of December 31, 2014. The Adviser manages approximately \$1,231,857,000 on a non-discretionary basis, based on the gross asset value of such assets, as of December 31, 2014.

Item 5: Fees and Compensation

Management and Performance Fees

For each of the Funds managed by the Adviser, the Investors (other than the General Partners and their affiliates) pay to the Adviser an annual advisory fee (the "Management Fee") quarterly in advance. The Management Fee arrangement is detailed in the applicable governing documents of each Fund.

At the discretion of each Partnership's General Partner or equivalent, the Management Fee may be reduced for certain limited partners. In addition, certain of the non-Fund Partnerships are charged a Management Fee as stipulated in the applicable Partnership governing documents. Generally, as set forth in Item 6 below, the General Partners and their affiliates are each eligible to receive carried interest as a percentage of the net profits of the Funds after certain specified returns have been achieved by the limited partners on their contributed capital. The carried interest arrangements are described in additional detail in the applicable Partnership governing documents.

Fees, Costs and Expenses

The Adviser's management fees are not inclusive of all the fees that investors may bear. The Partnerships are responsible for the following costs and expenses incurred for maintaining the operations of the Partnerships:

- Legal fees, accounting fees, other out-of-pocket fees and expenses in connection with organizing and raising capital for the Partnerships up to certain limits.

- Property management fees, construction management fees, and leasing commissions that are payable to affiliates of the Adviser or to third parties. The property management fees paid to affiliates of the Adviser or to third parties are based upon a specified percentage of the rental receipts from the property under management and may include a minimum agreed-upon fee, together with reimbursement of the administrative and payroll costs of the persons performing the property management services for the property-level and supervisory personnel, as well as accounts payable and accounts receivable functions, lease administration, and information technology services and employees, in each case directly attributable to the properties under management. Construction management fees are based on a specified percentage of the construction budgets and leasing commissions are based on the rentals in the related lease or lease renewal or modification.
- Reimbursements for certain other expenses including communications, networking costs, software and hardware costs, travel, postage, courier and other out-of-pocket expenses.

The above list is not intended to be exhaustive; prospective investors in the Partnerships are advised to review the applicable Partnership offering materials and organization agreements for a more extensive description of the fees and expenses associated with investments in the Partnerships.

Notwithstanding the above, any placement agent fees and certain organizational costs above specified thresholds incurred by the Adviser or its affiliated entities are not borne by the Limited Partners, as specified in the governing documents for each of the Partnerships.

On certain investments of the Partnerships, an affiliate of the Adviser is hired to provide ongoing property management, construction management and leasing services and paid a fee for doing so as described above. Those fees and services are discussed in the governing documents of the applicable Partnerships and in the case of the Funds are subject to review and approval by the Advisory Committee of the respective Fund. These fees may create an incentive for the Adviser to hold investments longer than it may otherwise hold. This may result in lower returns for the Funds. Additional details concerning affiliates of the Adviser are discussed below in Item 10.

Item 6: Performance-Based Fees and Side-by-Side Management

In addition to Management Fees charged to certain of the Partnerships, affiliates of the Adviser (i.e., the General Partner or equivalent) to the Partnerships may receive performance based fees. Specifically, affiliates of the Adviser can receive carried interest calculated as a percentage of the net profits of the Partnerships. Such allocation of profits is only allocated to the General Partners of the Partnerships when specific conditions are met, including the return of all capital contributed to the Partnerships by investors or all the capital contributed by the investors to

that investment, as well as allocable fees and expenses, and the receipt of a preferred return on such amounts. The governing documents of each Partnership provide more detailed information concerning performance fee arrangements.

The Adviser may sponsor other investment funds and may engage in other investment activities. The activities conducted by the Adviser on behalf of other investment funds may create conflicts. In all cases the Adviser is required to determine reasonably whether a potential acquisition is consistent with one or more Partnership's investment objectives and limitations, and if so, to allocate that opportunity to those Partnerships.

The Adviser generally makes new investments from a single Fund and generally does not offer a successor Fund until the predecessor fund is at least 75% invested. A follow-on investment in a property or joint venture is generally reserved to the fund that originally invested in the property or joint venture, subject to the guidelines and restrictions of the applicable fund's offering documents.

With regard to the allocation of investment opportunities, the Funds receive first priority. If a hard asset real estate investment opportunity is not appropriate for a Fund, the Adviser may then consider such investment opportunity for purchase for itself or with others. The investment opportunity if purchased would generally be structured as a private real estate investment vehicle and organized as a limited liability company.

Item 7: Types of Clients

The Adviser's clients are the Funds, structured as a limited partnerships and limited liability companies that are exempt from registration as an investment company under U.S. law by virtue of Section 3(c)(1), Section 3(c)(5) and/or Section 3(c)(7) of the Investment Company Act of 1940 and private real estate investment vehicles that exclusively hold hard real estate assets organized as limited partnerships and limited liability companies.

The investor base (i.e., limited partners and members) consists of institutional investors such as pension plans, trusts, endowments, foundations and other highly sophisticated, high net worth participants. These investors must meet certain minimum financial requirements in order to participate in the Partnerships.

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

Investment Strategy

The Adviser's strategy is to identify and invest in properties that serve the technology-oriented sectors of the economy, capitalizing on the Adviser's extensive relationships within the markets it has served over the last 20 years. The Adviser is focused on acquiring, redeveloping or developing primarily office and R&D properties serving the technology sector, as well as other

property types, throughout the U.S. and other locations permitted by the specific Fund. The Adviser anticipates that its strong market presence and industry relationships, combined with the recent market downturn, will generate opportunities to acquire, redevelop and develop properties at or below replacement cost.

Methods of Analysis

The Adviser utilizes various criteria in evaluating an individual real estate or real estate related opportunity for investment, including but not limited to:

- Investment goals for the particular Fund or Partnership
- Evaluation of economic cycle and market opportunity /risk in the geographic markets being considered for investment
- Expected supply and demand for real estate currently and forecasted over the investment hold period in target market
- Ability to underwrite the investment opportunity and to mitigate risk in downside scenarios
- Ability to evaluate and satisfactorily mitigate legal, environmental and other asset specific risks identified during the due diligence process
- Ability to add value through combination of more efficient management, aggressive leasing, targeted capital improvements and implementation of a particular investment's business plan
- Ability to acquire an investment at or below cost basis (generally below replacement cost) where attractive risk-adjusted returns can be achieved and downside risk is limited
- Availability and structure of anticipated financing

Similarly, when considering a sale of an existing real estate or real estate related holding, the Adviser continually revisits the macro-economic environment and geographical considerations of the individual investment, potential modifications and enhancements to the current business plans, exit alternatives and timing, and how best to maximize values for all investors given the particular Fund or Partnership's life.

Risks Related to Investment Strategy and Method of Analysis

Risks of Real Estate Ownership. There is no assurance that the operations of a Fund or Partnership will be profitable or that cash from operations will be available for distribution to investors. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability

and value of the real property interests will depend on many factors beyond the control of a Fund or Partnership, including, without limitation:

- changes in general or local economic conditions;
- changes in supply of or demand for competing properties in an area (e.g., as a result of over-building);
- changes in interest rates;
- the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety;
- unavailability of mortgage funds which may render the sale of a property difficult;
- the financial condition of tenants, buyers and sellers of properties;
- changes in real estate tax rates and other operating expenses;
- the imposition of rent controls;
- energy and supply shortages;
- various uninsured or uninsurable risks; and
- acts of God, war or terrorism or natural disasters and uninsurable losses.

Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests held by a Fund or Partnership. In addition, general economic conditions in the United States and abroad, as well as conditions of domestic and international financial markets, may adversely affect operations of a Fund or Partnership.

Competition for Real Property Interests. A Fund or Partnership will encounter competition for real property investments from numerous other real estate investment partnerships, limited liability companies and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, non-U.S. investors and other entities engaged in real estate investment activities, including, under certain circumstances, the Adviser or its affiliates. Competition for investments may have the effect of increasing costs, thereby reducing investment returns to a Fund or Partnership.

Difficulty of Locating Suitable Investments. Although the Adviser has been successful in locating suitable investments in the past, a Fund or Partnership may be unable to find a sufficient number of attractive opportunities to meet its investment objectives.

Concentration. Because a Fund or Partnership is generally allowed to concentrate its investments in limited geographic areas and significant percentages of its commitments in a single investment, the overall adverse impact on a Fund or Partnership of adverse movements in the value of a single property will be considerably greater than if a Fund were not permitted to concentrate its investments to such an extent. In addition, a Fund or Partnership may make

investments in some transactions with the intent of refinancing or selling a portion thereof and in such cases, there will be the risk that a Fund or Partnership will be unable to complete the refinancing or sale which could lead to increased risk as a result of a Fund or Partnership having an unintended long-term investment and reduced diversification.

Volatility of Technology-led, Knowledge-based Economy. The Adviser intends its investment activities will be concentrated primarily in certain target markets, many of which experience worse than U.S. average declines in rental rates and vacancy trends during the economic downturns. While the Adviser believe that growth will be driven by the high tech concentration in the target markets, there can be no assurance that this will occur. The success of the Adviser's investments in the target markets will be tied to market conditions in the technology industry, which is highly cyclical. Because the success of the Adviser's investments is dependent on the demand of technology companies for commercial real estate, any downturn in the technology industry could have a material adverse effect on a Fund or Partnership's investments.

Risks of Developing Property. Property development activities include the risks that a Fund or Partnership may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

Investment in Troubled Assets. Adviser may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that a Fund or Partnership's internal rate of return objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to a Fund or Partnership and distributions by a Fund or Partnership to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

Leverage of Investments. The Adviser may cause a Fund or Partnership to incur nonrecourse or recourse debt to finance purchases of real property interests. However, market and interest rate fluctuations may decrease significantly the availability and increase the cost of real estate mortgage loans. While such leveraging will increase the funds available for investment by a

Fund or Partnership, it will also increase the risk of loss on a leveraged property. Furthermore, subsequent reductions in cash flow from underlying properties could cause the debt service coverage ratios to substantially exceed the limits set by a Fund. If a Fund or Partnership defaults on indebtedness secured by a given property, the lender may foreclose and a Fund or Partnership could lose its entire investment in the given property. In addition, recourse debt subjects the assets of a Fund or Partnership and the General Partners to risk of loss.

Illiquidity of Interests. Interests represent highly illiquid investments and should only be acquired by investors able to commit their funds for an indefinite period of time. Interests are not registered under federal, state or non-U.S. securities laws and may not be resold unless they are subsequently registered or an exemption from such registration is available. Transfers of Interests are also subject to the approval of the Director or the General Partner (which may be granted or denied in the sole and absolute discretion of the General Partner, and may not be unreasonably withheld in the case of the Director) and the satisfaction of certain other conditions. Moreover, Investors will not be permitted to withdraw capital from a Fund or Partnership. Consequently, the purchase of Interests should be considered only as a long-term and illiquid investment.

Illiquidity of Investments. The real estate investments to be made by a Fund or Partnership are likely to be illiquid. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, a Fund may invest in securities of privately held companies for which there is no public market. A Fund will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In some cases, a Fund may be prohibited by contract from selling securities for a period of time. There is also the risk that a Fund will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

Targeted Returns. Investors have no assurance that a Fund or Partnership will achieve its internal rate of return objectives. On any given investment, loss of principal is possible.

Investment Discretion. Subject to certain limitations contained in the applicable Fund Agreements, the Director, the General Partners and the Adviser will be solely responsible for the management, control and investment strategy of a Fund and, accordingly, will have the discretion to select those investments in which to invest a Fund's capital. Consequently, prospective investors will not be able to evaluate for themselves the merits of particular investments prior to or after the investor's subscription for an interest in a Fund or prior to or after a Fund's investment in a particular real estate project or security, nor will investors be

entitled to participate in any manner in the decisions regarding refinancing or divestiture of real estate interests.

Reliance on Principals and Key Employees. The success of a Fund or Partnership is substantially dependent on the senior personnel and the other members of the management team of the Adviser. Should one or more of these individuals become incapacitated or in some other way cease to participate in a Fund or Partnership, such Fund or Partnership's performance could be adversely affected.

Exculpation and Indemnification. Certain exculpation and indemnification provisions contained in the governing documents may limit the rights of action otherwise available to the investors and other parties against the Director, the General Partners, the Adviser, the Investment Committee, the Advisory Committee, or any employee, member or affiliate of any of them, absent such a limitation in the governing documents.

Absence of Operating History. Each Fund or Partnership is a newly formed entity and has no prior operating history upon which an investor can base its prediction of future success or failure. Although the Senior Principals of the Adviser have had significant experience and success in the real estate business in general and in structuring and negotiating real estate acquisitions and investments in particular, the past performance of these investments is not necessarily indicative of the future results of a Fund or Partnership's investments.

Liability for Return of Distributions. If a Fund is otherwise unable to meet its obligations, the investors may, under applicable law, be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be a return of their capital contributions or a wrongful payment to them. In addition, an investor may be liable under applicable federal or state bankruptcy laws to return a distribution made during a Fund's solvency.

Uninsured Losses. Each Fund or Partnership will attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods, typhoons, hurricanes, pollution, terrorism or acts of war, may be unavailable, available in the amounts that are less than the full market value or replacement costs of investments or underlying assets or subject to a large deductible. In addition, there can be no assurance the particular risks, which are currently insurable, will continue to be insurable on an economically feasible basis. Inflation, changes in building codes and ordinances, environmental considerations and other factors might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by a Fund or Partnership might not be adequate to restore its economic position with respect to the affected property.

Risk of Terrorism. There is a risk that one or more of a Fund or Partnership's properties will be directly or indirectly affected by terrorist attack. Such an attack could have a variety of adverse consequences for a Fund or Partnership, including risks and costs related to the destruction of property, inability to use one or more properties for their intended uses for an extended period, decline in rents achievable or property value, and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or may be insurable at rates that the Director or the General Partners deem to not be economic.

Third Party Involvement. The Adviser may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business interests or objectives that are different than or conflict with those of the Funds.

Risks Associated with Commercial Mortgage Loans. A Fund or Partnership may invest in commercial mortgage loans. The value of commercial mortgage loans will be influenced by the historical rate of delinquencies and defaults experienced on commercial mortgage loans and by the severity of loss incurred as a result of such defaults. The factors influencing delinquencies, defaults, and loss severity include: (i) economic and real estate market conditions nationally and locally and by industry type (e.g., industrial, multifamily, office), (ii) the terms and structure of the mortgage loans, and (iii) any limits to legal and financial recourse upon a default under the mortgage loan.

The ability of a borrower to repay a loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of that property (i.e., the ability of tenants to make lease payments, the ability of a property to attract and retain tenants, and the ability of the owner to maintain the property, minimize operating expenses, and comply with applicable laws) rather than upon any other income or assets of the borrower. Most commercial mortgage loans provide recourse only to the specific property, and not against the borrower's other assets or personal guarantees. The commercial mortgage loans may be or become non-performing after acquisition for a wide variety of reasons. Non-performing mortgage loans may require substantial restructuring, which may require, among other things, a substantial reduction of the loan. If a creditor forecloses or accepts title to the property, the creditor could become responsible for environmental or structural damage existing at the property. Even if a loan is performing, a risk exists that when the loan matures the borrower will be unable to obtain replacement financing.

If a Fund or a Partnership elects to originate commercial mortgage loans, it may be subject to the laws, rules, and regulations of various federal, state, and local government agencies regarding the origination, processing, underwriting, sale, and servicing of mortgage loans. These laws, rules, and regulations, among other things, may limit the interest rates, finance charges, and other fees mortgage originators may charge, require mortgage originators to make extensive

disclosure, and impose qualification and licensing obligations and reporting and net worth requirements on mortgage originators.

An investment in a Fund or Partnership entails a high degree of risk and is suitable only for sophisticated institutions and individuals for whom an investment in a Fund or Partnership does not represent a complete investment program. An investment in a Fund or Partnership requires the financial ability and willingness to accept the substantial risks and lack of liquidity inherent in such investment. Investors in a Fund or Partnership must be prepared to bear such risks for an indefinite period of time. Prospective investors to a Fund or Partnerships should carefully review the applicable governing documents. Prospective investors are also encouraged to consult their own legal, investment, tax, and other advisers, and the applicable offering documents, as to whether an investment in a Fund or Partnership is appropriate for them.

Item 9: Disciplinary Information

We do not believe that there have been any legal or disciplinary events that are material to an existing or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10: Other Financial Industry Activities and Affiliations

The Adviser has vertically integrated operations. The Adviser's primary business is providing investment advisory services through its affiliated entities to the Partnerships. In addition to investment advisory services, the Adviser also has affiliated entities that provide property management, construction and leasing services to certain of the real estate properties held by the Partnerships for investment. The Adviser's professionals devote substantially all of their time and attention to Partnerships and the Permitted Investments (as those terms are defined in the applicable governing documents) until termination of the Partnership commitment period and thereafter such time and attention as the Partnership General Partner or Director shall deem appropriate for proper management of the Partnership.

The General Partners, Directors and Managing Members to the Partnerships are affiliates of the Adviser. The existence of the General Partners', Directors' or Managing Members' carried interest in the Partnerships, and the principals' interest therein, may create certain conflicts of interest that would otherwise not be the case in the absence of such performance-based compensation. The Adviser believes that it has implemented policies and procedures to mitigate such conflicts and aligned its interests with that of the Partnerships.

Divco West Real Estate Services, Inc. ("DWRES, Inc") is an affiliate of the Adviser, which provides property management, construction management and leasing services for many of the respective Fund's and Partnership's real estate investments. Fee arrangements for the services provided by DWRES, Inc. are discussed in more detail in the Partnership governing documents

and, in the case of the Funds, are subject to review and approval by the Advisory Committee of the respective Fund.

LoanCore Capital is 20% owned by a principal of the Adviser, which in a limited number of circumstances, may provide real estate financing through an affiliated company to the Funds and Partnerships of the Adviser. In such instances, the terms of the real estate loans must be on market terms and are subject to review by the applicable Fund's Advisory Committee or Partnerships limited partners as specified in the respective governing documents.

The Adviser, the Funds and the General Partners of the Funds are represented by the same legal counsel, Jones Day. In connection with the offering of the Funds and subsequent advice to the Funds, the General Partners and their affiliates, Jones Day does not represent the limited partners of the Funds.

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

Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 (the "Code") which sets forth fiduciary principles and certain standards of business conduct that must be followed by, among others, all principals, officers and employees of the Adviser (collectively "Supervised Persons"). The Code incorporates the following general principles, which all Supervised Persons are expected to uphold: act in the best interests of clients; to avoid personal conflicts of interest, including conflicts that arise in relation to personal securities transactions; protect and prevent the misuse or distribution of material non-public information that the Adviser possesses; and maintain confidentiality of clients' information.

The Code also provides guidelines for Supervised Persons regarding adherence to securities laws generally, the giving and receiving of business-related gifts, transactions in personal accounts involving public and private securities and commodities, proper use and monitoring of electronic communications, and the maintenance and memorialization of certain family and/or close personal relationships. For example, the Code requires that all Supervised Persons who have access to non-public information concerning the Adviser's portfolios ("Access Persons") to report all securities transactions in a personal or related account for which the employee exercises control so that potential conflicts can be addressed. In addition, the Code requires that all Supervised Persons report Code violations and provides the potential for sanctions for such violations. The Adviser's Chief Compliance Officer is responsible for various aspects of the Code's administration, including without limitation the monitoring and review of personal securities transactions of Access Persons, and is available for any questions Supervised Persons have regarding the Code. The Adviser will provide a copy of the Code to any client or

prospective client upon request and may elect to provide a copy of the Code to investors in the Funds.

Participation in Client Transactions

Certain Supervised Persons of the Adviser are active investors in the Partnerships and have committed significant amounts of their own capital to invest in the Partnerships through their investments in the Partnerships' General Partners. Generally, Supervised Persons are not permitted to make personal investments in properties or joint ventures in which the Partnerships invest other than through their personal investment in those Partnerships.

Item 12: Brokerage Practices

The Adviser does not currently have a contractual relationship with or utilize the services of any securities broker-dealers in connection with the real estate transactions in which it engages on behalf of the Funds. The Adviser's advisory business generally does not involve securities broker dealers, or directing clients to execute transactions (through broker dealers or otherwise), nor do clients direct the Adviser to engage security.

The Adviser generally engages a real estate broker in connection with the disposition or leasing of a real estate asset held on behalf of the Funds, including its own affiliates. The Adviser selects the brokerage company and the particular real estate broker that the Adviser believes will best represent the interests of the Funds.

Item 13: Review of Accounts

The Adviser's investment professionals provide ongoing oversight and supervision of those individuals responsible for the asset management and ongoing operations of the investments. Business plans are updated at least annually by asset management or the Adviser's operating partners, as applicable, and significant operations and assumptions are discussed with investment professionals. The Adviser's investment professionals periodically review the investments held by the Funds and Partnerships to ensure compliance with the applicable investment guidelines and restrictions. In the case of the Funds, an Investment Committee must approve any acquisitions and any dispositions of Fund investments as specified in the Fund operating agreements. Ongoing performance and reporting for individual Funds or Partnerships are provided to and/or discussed with investors as provided for in the applicable governing documents.

Item 14: Client Referrals and Other Compensation

Capital commitments for the Funds are primarily sourced through unaffiliated securities broker-dealers or solicitors, acting as placement agents, as described in the offering documents of the Funds. The Adviser has entered into, and in the future may enter into, contractual agreements

with organizations (hereafter referred to as "placement agents") who solicit limited partners for Funds advised by the Adviser. While the specific terms of each arrangement may differ, generally, a placement agent's compensation is based upon the referred limited partner(s) investment in the Funds.

Item 15: Custody

The Adviser is deemed to have custody of certain of the cash and securities held by the Funds. Each of the Funds is subject to audit by independent accountants. Each Fund furnishes: (a) audited financial statements to the limited partners annually, (b) unaudited financial statements quarterly, and (c) annual tax information necessary for each limited partner's tax returns. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and generally distributed within 120 days of the Funds' fiscal year-end. Funds and securities of the Funds, other than certain privately offered, non-certificated investments, are held by qualified custodians within the meaning of the applicable rules under the Investment Advisers Act.

Item 16: Investment Discretion

The Adviser maintains the authority to manage the Funds on a discretionary basis, subject to the overall supervision of the applicable General Partner or equivalent, in accordance with the investment guidelines, limitations, other provisions and terms set forth in the Funds' offering memorandum and organizational documents. The General Partner or Managing Member's level of investment discretion with regard to certain of the non-Fund Partnerships is not fully discretionary as specified in the applicable governing documents.

Item 17: Voting Client Securities

The Adviser and its affiliated General Partners invest on behalf of the Funds and Partnerships solely in real estate and real estate related assets. The Adviser generally does not hold publicly-traded securities which possess voting rights on behalf of the Partnerships. The Adviser maintains proxy voting policies as required should the Adviser be required to vote proxies on the Partnerships.

Item 18: Financial Information

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.

The Adviser does not believe there are any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 19: Requirements for State-Registered Advisers

The Adviser is registered with the SEC and is not required to be registered at the State level.