

FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure and Brochure Supplements
Item 1: Cover Page

Broadstone Real Estate, LLC

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Phone: 585-287-6500

www.Broadstone.com

Firm CRD#: 160628

Date: March 2015

This brochure provides information about the qualifications and business practices of Broadstone Real Estate, LLC. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.

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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

Additional information about the firm is also available on the SEC's website at
www.adviserinfo.sec.gov

Item 2: Material Changes

The following material changes have been made to the firm brochure since the firm's most recent annual update filed on March 5, 2014:

- The minimum investment amount for Broadstone Net Lease, Inc. has been raised to \$500,000 and the minimum investment amount for Broadtree Homes, Inc. has been raised to \$100,000 as described under Item 7.
- Disclosure has been added under Item 10 describing the arrangement between the law firm Tones Vaisey, LLP, Broadstone Net Lease, Inc. and Broadtree Homes, Inc., as well as Jason Tones' affiliations with Broadstone.

Questions regarding the brochure and/or the information contained herein may be directed to the firm and its representatives. Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4: Investment Advisory Business

Established in 2006, Broadstone Real Estate, LLC ("Broadstone" or the "Firm"), provides investment advisory, administrative and related services to Broadstone Net Lease, Inc. ("Broadstone Net Lease") and Broadtree Homes, Inc. ("Broadtree Homes"). Broadstone Net Lease is a real estate investment trust ("REIT") that focuses on single tenant net leased real estate throughout the United States. Management looks to invest the REIT in properties for the long term to tenants with a track record of success, profitability and credit worthiness. Broadtree Homes is a private investment offering that focuses on acquiring and leasing single family homes. The Firm is owned by Amy Tait and Broadstone Ventures, LLC (a family limited liability company).

Broadstone provides portfolio management and administrative services to Broadstone Net Lease and Broadtree Homes including investigating, analyzing, structuring and negotiating potential investments, monitoring portfolio investments and advising as to disposition opportunities. As of December 31, 2014, Broadstone had a total of approximately \$1,037,438,298 of discretionary assets under management.

Item 5: Fees and Compensation

Management Fees: Broadstone charges an annual asset management fee of 1%, paid in quarterly increments in advance.

The asset management fee for Broadstone Net Lease is equal to one percent (1%) of the aggregate weighted average Determined Share Value multiplied by the number of shares of common stock outstanding on a fully diluted basis (including the membership interests in the Operating Company convertible into shares). The asset management fee is subject to certain deferrals when cumulative annual distributions to the shareholders are below \$3.50.

The asset management fee for Broadtree Homes is equal to 1% of the Total Asset Market Value of both the Corporation and the Operating Company. The quarterly asset management fee paid to the Asset Manager will be subject to adjustment based on sales of additional shares of our common stock during the quarter. Total Asset Market Value will equal the sum of (a) the outstanding principal balance of all debt and tangible liabilities plus (b) the equity value based on the number of shares and membership units outstanding, multiplied by (x) the initial share price of \$10 (or any adjustment in the event of unexpected economic conditions), or by (y) the Determined Share Value once established by the Independent Directors Committee. The asset management fee is subject to certain deferrals when cumulative annual distributions to shareholders are below \$0.50 per share.

Other Fees: Broadstone receives compensation for property management services, acquisition and sale fees as well as fees from new equity raised.

Broadstone receives a property management fee from Broadstone Net Lease equal to 3% of gross rental income and an acquisition fee equal to 1% of the gross purchase price upon acquisition of a property. In the case of an acquisition that requires a new lease, Broadstone's acquisition fee is 2% of the purchase price as a result of the additional leasing services required. A fee is also earned on re-leasing services equal to one or two months' rent when required. Broadstone also receives a fee equal to 0.5% of the proceeds of all newly contributed capital as compensation for their internal and third party offering and marketing expenses.

Broadstone receives a property management fee from Broadtree Homes equal to 10% of gross rentals, fees and reimbursements collected from all properties. The firm also receives an acquisition fee equal to 3% the gross purchase price paid for each acquired property and 3% gross sale price in the case of a sale of a property. Broadstone also receives a fee equal to 3% of new equity contributions as compensation for their internal and third party offering and marketing expenses.

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

There are no performance fees, carried interest or side-by-side management.

Item 7: Types of Clients

Broadstone provides investment management services exclusively through real estate investment vehicles.

Broadstone Net Lease imposes a minimum investment amount of \$500,000 and Broadtree Homes imposes a minimum investment amount of \$100,000 both of which may be waived at the firm's sole discretion.

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

Broadstone provides portfolio management and administrative services focused on investing in broadly defined real estate investments, including the selection of properties, management of such properties and the disposal of investment properties. The firm purchases properties with tenants in the healthcare, retail, business services and industrial services markets for Broadstone Net Lease. The firm also purchases single family homes for rental income for Broadtree Homes. Within its target industries, Broadstone focuses exclusively on real estate investments.

While prospective investors should review the risk disclosures set forth in full in the offering materials or separate account documentation, the following are certain material risks with respect to investments in the real estate investment vehicles. These risks are qualified in their entirety by the risks set forth in the private placement memorandum, other offering materials or governing documents.

• **Long-Term Investment:** Investments in real estate investment vehicles are not intended to be short-term investments and should be viewed as long-term investments by its investors.

• **Reliance on Portfolio Company Management:** While it is the intent of Broadstone Net Lease to invest in properties on a net lease basis with tenants with solid operating histories and creditworthiness, there can be no assurance that such properties will continue to operate successfully.

Broadtree Homes intends to invest in single family homes to financially stable tenants, but there can be no assurance that the homes purchased can be rented and that tenants comply with the terms of the lease.

• **Illiquidity:** Investments in real estate investment vehicles represent highly illiquid investments and should only be acquired by investors able to commit capital for an indefinite period of time. Investors will not be permitted to transfer their interests without the written consent of Broadstone and upon satisfaction of certain other conditions, including compliance with applicable securities laws.

To the extent permitted, the redemption policy for Broadstone Net Lease provides for no redemption in the first year of ownership and redemption at 95% of the then current share price in years two through five. Thereafter a full redemption may be requested at the determined share value, subject to limitations documented in the offering documents or private placement memorandum.

To the extent permitted, the redemption policy for Broadtree Homes may begin after June 30, 2014 and provides for no redemptions in the first year of ownership. Years -two through five may redeem at 95% of the then current share price, and thereafter redemption at 98% may be requested at the determined share value, subject to limitations documented in the offering documents or private placement memorandum.

• **Risk of Inadequate Return:** The returns on a particular real estate investment, if any, may not be commensurate with the degree of risk.

• **Multiple Fees and Expenses:** The real estate investment vehicles will pay certain fees (as described in Item 5, “Fees and Compensation”), and expenses, and, to the extent applicable, will indirectly bear the expenses of the underlying investments in which the real estate investment vehicles invest. This could result in greater expense and less potential for return on investment than if such expenses not incurred.

• ***Future Legislative and Regulatory Actions:*** New laws and regulations, changing regulatory schemes and the burdens of regulatory compliance with respect to real estate investment vehicles, Broadstone or any related entity all may have a material negative impact on investment performance. Such legislation and regulations may, directly or indirectly, (i) require the Firm to provide reports and other disclosure to investors, counterparties, creditors and regulators, (ii) cause the Firm to alter its management, including for the purposes of avoiding increased regulatory burdens, (iii) limit the types and structures of the investments available including limitations on the use of leverage, or (iv) otherwise change or restrict the operations of the real estate investment vehicles.

• ***REIT and Private Offering Not Registered:*** Broadstone Net Lease and Broadtree Homes are not registered under the Investment Company Act or any other U.S. federal or state securities laws or the laws of any other jurisdiction. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which will not be applicable to the investments.

Certain Investment Considerations Relating to Potential Conflicts of Interest

Potential Conflicts of Interest

Due to the other activities in which Broadstone and its affiliates, its Principals, and their respective officers, directors, employees and agents (the “Broadstone Parties”) may engage, certain conflicts of interest could arise. While the applicable Partnership Agreement will contain certain protections for investors against conflicts of interest, it does not purport to address all potential conflicts. Investors should consider the following discussion of potential conflicts of interest when deciding whether to invest.

Certain Broadstone Parties are engaged in a variety of real estate activities in connection with its sponsoring an offering of real estate investment trusts. In the ordinary course of their businesses, certain Broadstone Parties may engage in activities in which their interests or the interests of their affiliates may conflict with or be adverse to the interests of the Broadstone Net Lease or Broadtree Homes. In addition, investors may utilize the services of certain Broadstone Parties, for which they will pay customary fees and expenses which will not be shared with Broadstone Net Lease, Broadtree Homes or their investors.

Subject to the limitations set forth in the applicable Operating Agreement, Broadstone may establish one or more additional real estate investment vehicles with investment objectives substantially similar to, or different from, those of Broadstone Net Lease or Broadtree Homes. Allocation of available investment opportunities between your investment and any such new investment vehicle could give rise to conflicts of interest. In the event that Broadstone or one of its affiliates wishes to invest in real estate investment opportunities which are within the then current Investment Policies or Property Selection Criteria of Broadstone Net Lease, Inc. or Broadtree Homes,

Broadstone or its affiliate must first receive approval from the appropriate Independent Directors Committee.

Risk of Loss: Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Questions regarding these risks and/or increased costs may be directed to Broadstone and its management.

Item 9: Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide investors with disclosures as to any legal or disciplinary activities deemed material to the investor's evaluation of the adviser. Please note, neither the Firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

The principals of the Firm are actively engaged in real estate activities outside of Broadstone Net Lease and Broadtree Homes. See Item 8 for a discussion of the potential conflicts of interest.

Tones Vaisey, LLP, with an address of 155 Clinton Square, Rochester NY 14604 is the primary law firm used for real estate services for Broadstone Net Lease, Inc., Broadtree Homes, Inc., Broadstone Real Estate, LLC as well as a variety of affiliated entities. Tones Vaisey, LLP currently has four partners, each having 25% ownership of the firm. One of the four partners owning 25% of the firm, Jason Tones, has a 2.5% ownership stake in Broadstone Real Estate, LLC through his ownership in Broadstone Ventures, LLC which owns 50% of Broadstone Real Estate, LLC. Mr. Tones also is related to certain executives and owners of Broadstone. Mr. Tones' affiliations with Broadstone and the arrangement with the law firm has been presented to and approved by the Board of Directors of Broadstone Net Lease, Inc. and Broadtree Homes, Inc.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, Broadstone has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to investors, and sets forth the Firm's practice of supervising the personal securities transactions of employees who maintain access to material non-public client information.

The Firm collects and maintains records of securities holdings and transactions made by those employees. The Firm reviews the personal trading practices of those employees to identify and resolve any potential or realized conflicts of interest.

A copy of Broadstone's Code of Ethics is available upon request and on the company's website www.broadstone.com/disclosures.

Item 12: Brokerage Practices

Given the nature of real estate, the Firm does not utilize any brokerage platform or trade on any security exchanges. Portfolio properties are purchased and sold through a formal legal closing process.

Item 13: Review of Accounts

When Broadstone makes an investment in a portfolio property, Broadstone monitors each property from investment through exit to identify opportunities for creating value.

Broadstone Net Lease and Broadtree Homes provide quarterly reports to their investors. These reports include a summary of capital commitments, investments and distributions, as well as periodic valuations of the portfolio properties. The reports also include a financial summary and a market outlook.

Item 14: Client Referrals and Other Compensation

Broadstone manages real estate investment vehicles and does not pay or receive compensation for client referrals. Broadstone does pay a 1% transaction-based referral fee to a third-party registered broker-dealer who introduces prospective investors to Broadstone for Broadstone Net Lease, Inc. Broadstone has also contracted with a separate third-party individual to introduce Broadstone to accredited investors in exchange for a flat monthly fee.

Item 15: Custody

Cash assets of the real estate investment vehicles are held in the name of the vehicle by an independent qualified custodian. Ernst & Young LLP conducts an audit on an annual basis. The audited financial statements are provided to investors within 120 days of the end of the fiscal year.

Item 16: Investment Discretion

Broadstone maintains discretionary authority over the selection and amount of portfolio properties to be bought or sold without obtaining prior consent or approval of investors. The real estate investment vehicle may impose reasonable restrictions on investment discretion, such as the size of a single investment, geographical limitations, or other parameters. Investment authority is subject to the specified investment guidelines and limitations set forth in the private placement memorandum.

Item 17: Voting Client Securities

Broadstone does not vote client securities due to the nature of the real estate investments made. Broadstone does have proxy authority to vote for the inside directors of the real estate investment vehicles.

Item 18: Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to the investor's decision in choosing an investment adviser.

As of the date of this filing, Broadstone does not require the pre-payment of any fees, in excess of 90 days, or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

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Firm CRD#: 160628

Date: March 2015

This brochure provides information about the qualifications and business practices of these representatives as investment adviser representatives of Broadstone Real Estate, LLC. This information is provided as a supplement to the Form ADV Part 2A which has been provided for your review. Should you have any questions about this supplement, or if you have not received the Form ADV Part 2A please contact the firm immediately.

The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

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Item 2: Education and Background and Business Experience

Individual Full Name and Title: Amy L. Tait, Chairman and Chief Executive Officer

Year Born: 1959

Education: BS Princeton, MBA University of Rochester

Business Background

Mrs. Tait has been CEO of Broadstone Real Estate since Inception in 2006, adding the title of Chairman in February of 2012 and President until February 2015. Prior to Broadstone, she helped found and filled many roles at Home Properties, Inc., a multi-family housing Real Estate Investment Trust located in Rochester New York. These roles included the role of Director of Capital Markets, and Director of the Board.

From 2001-2006 Mrs. Tait also formed and managed Tait Realty Advisors.

Item 3: Disciplinary Information

None

Item 4 and 5: Other Business Activities and Additional Compensation

None

Item 6: Supervision

Ms. Tait is supervised by the Chief Compliance Officer.

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Norman P. Leenhouts, Chief Investment Officer

Year Born: 1936

Education: BS University of Rochester

Business Background: Mr. Leenhouts was Chairman of Broadstone Real Estate from inception through February 2012, when Amy Tait took over as Chairman. He now holds the title of Chief Investment Officer.

Prior to co-founding Broadstone, Mr. Leenhouts co-founded Home Properties, Inc., a multi-family housing Real Estate Investment Trust located in Rochester New York. He held the role of Co-CEO from inception to 2006, and remained on the Board of Directors until 2011.

Item 3: Disciplinary Information

None

Item 4 and 5: Other Business Activities and Additional Compensation

None

Item 6: Supervision

Mr. Leenhouts is supervised by the Chief Executive Officer.

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Christopher J. Czarnecki, President & Chief Financial Officer

Year Born: 1981

Education: BA University of Rochester, MBA University of Rochester

Business Background: Prior to joining Broadstone in 2009, Mr. Czarnecki was a Commercial Lender with BB&T Bank for three years.

Item 3: Disciplinary Information

None

Item 4 and 5: Other Business Activities and Additional Compensation

None

Item 6: Supervision

Mr. Czarnecki is supervised by the Chief Executive Officer.

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Tim Holland, Chief Administrative & Compliance Officer

Year Born: 1967

Education: BA Villanova University, MBA University of Rochester

Business Background: Prior to joining Broadstone in 2014, Mr. Holland was a senior business manager for Capgemini, a leading global IT management consulting firm. He also co-founded D4 LLC, a litigation consulting and technology support firm headquartered in Rochester NY. Additionally, Mr. Holland co-founded a company with an area development agreement for a retail franchise operation and has held leadership roles in smaller real estate holding companies.

Item 3: Disciplinary Information

None

Item 4 and 5: Other Business Activities and Additional Compensation

None

Item 6: Supervision

Mr. Holland is supervised by the Chief Executive Officer.