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Adler Group & TriGate Capital Enter Houston Real Estate Market with Acquisition of Westchase Corporate Park

Transaction: Joint-Venture Purchase of the Westchase Corporate Park in Houston, Texas by Adler Real Estate Fund and TriGate Capital

Address: 11201 – 11331 Richmond Avenue, Houston, Texas 77082

Buyer: AF Westchase, LLC – a joint venture managed by Adler Group

Representative(s): Matthew L. Adler, Chief Investment Officer of Adler Group; Jeffrey Yarckin, Managing Member of TriGate Capital

Seller: PS Business Parks, L.P.

Seller's Broker: C.B. Richard Ellis (Houston & Dallas offices)

Closing Date: August 19, 2011

Details:

On August 19, 2011, AF Westchase, LLC, a joint venture between Adler Real Estate Fund and TriGate Capital, purchased the Westchase Corporate Park in Houston, Texas. Westchase Corporate Park is a 176,977 square-foot business complex comprised of small bay offices and flex buildings located in close proximity to many of Houston's primary roadways, major business districts and high-end residential communities.

The Adler Real Estate Fund is a closed-end discretionary fund managed by Adler Group, a leading Florida commercial real estate firm. TriGate Capital is a national real estate private equity firm based in Dallas, Texas. The acquisition marks the second joint-purchase made this year by Adler and TriGate and comes just four months after their first collaboration to purchase the Byrd Center Business Park in Richmond, Virginia.

In addition to the purchases in Houston and Richmond, the Adler Real Estate Fund has also closed on properties in Florida and Tennessee for a total of four commercial property acquisitions over the past 13 months. The Fund primarily targets multi-tenant, management-intensive properties in markets with strong growth potential. Adler Group's expertise in the leasing and management of multi-tenant properties will be the key to maximizing the asset's value, according to Matthew L. Adler, Adler Group's Chief Investment Officer. "We believe that proactive, on-site property management, building strong tenant relationships, and investing in property improvements allows us to unearth a property's true value," remarked Matthew Adler. "Westchase Corporate Park has the right mix of prime location, a successful leasing track record, stable tenant roster and quality product offerings that we will capitalize on to properly manage the asset and generate a revenue stream that further enriches its value."

"TriGate is happy to invest with The Adler Group again in a property with significant upside potential," said TriGate Managing Member Jeffrey Yarckin. Mr. Yarckin added that "Houston is

a growing market and Westchase Corporate Park is a unique property given its ability to cater to various tenant sizes and needs in an in-fill location near many of Houston's major roadways."

Westchase Corporate Park, which reports an 85 percent occupancy rate and maintains a roster of more than 100 tenants, is centrally located in the Westchase District, Houston's third-largest suburban office market. The district is home to the global headquarters for Honeywell and Western Geophysical, and other high-profile tenants including Men's Warehouse, MI Swaco, BMC Software, American Express, GE Capital and JP Morgan Chase.

Maintaining an average tenant size of approximately 1,400 square feet, the park distinguishes itself from other business complexes by offering a large selection of high-finish, small bay offices that are normally in short supply in other service centers. Coupled with its location in the highly desirable Westchase District, the park is an attractive option for tenants searching for quality office space that does not come with the higher rents of typical multi-story office building settings. Additionally, its proximity to Houston's major roadways makes Westchase Corporate Park an ideal location for businesses servicing the greater Houston market.

About the Buyers:

TriGate Capital, LLC (TriGate) is a Dallas-based real estate investment firm that is focused on investing in real estate secured loans; funding real estate asset and company recapitalizations; and purchasing real estate assets from lenders and other strategic sellers. TriGate is focused on investing its capital and its partners' capital at attractive risk-adjusted returns by using its work-out, restructuring and real estate management skills to add value. TriGate's principals have invested in more than \$10 billion of real estate assets, and the company has raised its inaugural fund to take advantage of changes that have occurred in the commercial real estate market. For more information about TriGate Capital, visit www.trigatecapital.com.

The Adler Real Estate Fund is a comingled, closed-end discretionary fund under the direction of Matthew Adler, the company's Chief Investment Officer. The Fund has capital in excess of \$20 million to invest in a diversified portfolio of existing multi-tenant industrial, flex, office and retail properties and other real estate and real estate-related investments located in the Southeast and Mid-Atlantic regions of the United States.

Adler Group, headquartered in Miami, Florida, and its affiliates offer a seamless network of services designed to maximize the value and strength of the organization's real estate assets. Throughout its history, Adler Group has developed and acquired in excess of 14 million square feet of industrial, office, retail and residential real estate. Today, by means of relationships with a prestigious list of institutional and private investors and nationally recognized financial lenders, the company owns and manages an extensive real estate portfolio comprised primarily of multi-tenant industrial and office properties located in strategic markets throughout the Southeastern United States. For further information, please visit www.adlergroup.com.

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