

ATTACHMENT A

Form of Placement Agent Policy Disclosure Letter

Treasurer of the State of North Carolina
325 North Salisbury Street
Raleigh, North Carolina 27603

Re: Disclosure Letter pursuant to Placement Agent Policy

Ladies and Gentlemen:

Under Section III(A) of the Placement Agent Policy adopted by the North Carolina Department of State Treasurer on October 19, 2009 (the "Placement Agent Policy"), prior to entering into an engagement to engage, hire, invest with or commit to invest, or otherwise do business with the Treasurer of the State of North Carolina (the "Treasurer") or at such time as provided in Section II of the Placement Agent Policy, an Investment Manager (as such term is defined in Section VII(B) of the Placement Agent Policy) must make certain disclosures to the Treasurer regarding its use of Placement Agents (as such term is defined in Section VII(B) of the Placement Agent Policy). Pursuant to and in accordance with such Placement Agent Policy, the undersigned Investment Manager hereby makes the following disclosures. Capitalized terms not otherwise defined in this Disclosure Letter have the same meanings as specified in the Placement Agent Policy.

1. Use of Placement Agent (please check the appropriate box):

The Investment Manager (or any officer, partner, principal or affiliate thereof) has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. (Note that this box should be checked whether the compensation provided to the Placement Agent is a flat fee, contingent fee, or any other form of compensation or benefit (tangible or intangible).) **If this box is checked, please provide the disclosures as prompted in paragraphs 2 through 8.**

Neither the Investment Manager nor any officer, partner, principal or affiliate thereof has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. **If this box is checked, no further disclosures are necessary.**

2. Placement Agent Information:

The Private Fund Advisory Group of Lazard Frères & Co. LLC and Lazard & Co., Limited ("Lazard"). All references to Placement Agent and any officer, partner, principal, or affiliate thereof shall mean such group.

(a) The name of the Placement Agent is:

(b) Attached is a resume for each officer, partner, and/or principal of the Placement Agent, detailing the person's education, work experience and professional designations.

Please see Exhibit 1. Note that Lazard employs many professionals who are not in its Private Fund Advisory Group.

- (c) Listed below are any and all officers, partners and/or principals of the Placement Agent that are current or former North Carolina Department of State Treasurer employees, Investment Advisory Committee members, or consultants or members of the immediate family of any such person (*attach additional pages as necessary*):

3. Placement Agent Compensation: Described below is any and all compensation of any kind provided or agreed to be provided to a Placement Agent including the nature, timing and value of such compensation. (*Note that compensation to a Placement Agent is deemed to include compensation to third parties as well as employees of the Investment Manager who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from or business with any of the NC Funds (attach additional pages as necessary)*):

Please see Exhibit 2 for a description of placement agent compensation paid to Lazard.

4. Terms of Agreement with Placement Agent: Described below are the terms of the agreement or arrangement (oral or written) creating an obligation to pay a fee to or for the benefit of any Placement Agent the Investment Manager has elected to use in connection with obtaining investments or doing business with the Treasurer. (*Please note that in the case of any oral agreement, the full extent of such agreement should be written and summarized, succinctly describing the terms of such agreement or arrangement with the Placement Agent, including details of the nature, timing, and value of the compensation or benefit provided (attach additional pages as necessary)*)

Please see Exhibit 2 for a description of the Terms of Agreement with Lazard.

5. Actions and Investigations Involving Placement Agent (*please check the appropriate box*):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has been the subject of an action, or investigation by a federal, state, or local government agency or regulatory body in the last ten (10) years and/or anticipates being the subject of such actions or investigations in the future. If this box is checked, the following describes any such action(s) or investigation(s) (*attach additional pages as necessary*):



Neither the Placement Agent nor any officer, partner, principal or affiliate thereof has been the subject of any actions, or investigations by any federal, state, or local government agencies or regulatory bodies in the last ten (10) years or anticipates being the subject of any such actions or investigations in the future.

6. Relationships between Placement Agent and Department of State Treasurer (please check the appropriate box):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has had a prior personal or professional relationship with a current or former Department of State Treasurer employee, Investment Advisory Committee member, and/or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent. If this box is checked, the following lists the name(s) of such individual(s) (attach additional pages as necessary):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has not had any prior personal or professional relationship with any current or former Department of State Treasurer employee, Investment Advisory Committee member, or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent.

7. Registration of Placement Agent and Licensing of Placement Agent Representatives. The Investment Manager hereby confirms that (i) the Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, (ii) the individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses, (iii) no placement fee has been shared with any person or entity not so registered and (iv) the Placement Agent is in the habitual systematized business of acting as a Placement Agent.

(a) The Placement Agent's registration details are as follows:

Please see Exhibit 2 for Lazard's registration details.

(b) For each individual officer, partner, principal, employee and other representative of the Placement Agent, the registrations, number of years of employment by the Placement Agent and the number of years of experience directly related to such business are as follows (attach additional pages as necessary):

Please see Exhibit 1 for registration and employment details of applicable Lazard employees.

8. Lobbying Information of Placement Agent (please check the appropriate box):

The Placement Agent (and/or any officer, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked, the

following are the names and positions of such persons and the registrations held
(attach additional pages as necessary):

[Please see Exhibit 2.]

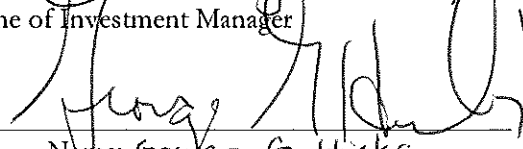
Neither the Placement Agent nor any officer, partner, principal or affiliate thereof is registered as a lobbyist with any state government.

9. The Investment Manager hereby confirms that none of the Investment Manager, the Placement Agent nor their respective officers, partners, principals or affiliates has made any contribution to the Treasurer or any elected official in violation of any published policy approved by the Treasurer or applicable state or federal law.

[Signature Page Follows]

By signing below, the Investment Manager hereby (i) represents and warrants that the information found in this Disclosure Letter is true, correct, and complete in all material respects, and (ii) agrees that it shall provide the Treasurer with a written update of any material changes to any of the information in this Disclosure Letter within fourteen (14) days from the date the Investment Manager knew or should have known of the change of information.

Sincerely,

Värde Management, A.P., by
Name of Investment Manager
By:  Värde Management, Inc., Its General Partner.
Name: George G. Hicks
Title: Principal
Date: June 15, 2011

[Disclosure Letter should be signed by an authorized representative of the Investment Manager]

Disclosure Letter reviewed and accepted by:

NORTH CAROLINA DEPARTMENT OF STATE TREASURER

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

WILLIAM H. RIDDLE, JR., Managing Director

- Longstanding relationships with investors in the Southeast, Northeast and Western United States, as well as Asia
 - Over 20 years in private equity and a recognized industry leader across the GP and LP communities
 - Prior experience includes twenty-two years at Merrill Lynch, where he was most recently a Managing Director in the New York office and the Co-Head of the Private Equity Group
- North Carolina State University, B.A. in *Economics and Business Management*

BENJAMIN J. SULLIVAN, JR., Managing Director

- Top industry professional in deal execution; longstanding relationships within the GP community in the United States and Europe
 - Prior experience includes fifteen years at Merrill Lynch in the Private Equity Group, where he was most recently a Managing Director in the New York office
 - Other previous experience includes Dean Witter Reynolds and The Bank of New York
- University of Virginia, The Darden School, M.B.A.,
University of North Carolina at Chapel Hill, B.A.

HOLCOMBE T. GREEN, III, Managing Director

- Strong relationships with investors on the East coast
 - Prior experience includes six years at Merrill Lynch, where he was most recently a Vice President
 - Substantial experience across the private equity placement industry, secondary private equity sales and acquisitions, primary fund and direct private placements
 - Other experience includes serving as Director of Corporate Development for IBM Corporation and on the staff of U.S. Senator Sam Nunn
- Yale School of Management, M.P.P.M.,
Dickinson College, B.A. in *Philosophy*

DANIEL F. RUDGERS, Managing Director

- Strong investor relationships in the Northeast and Mid-Atlantic United States, as well as Eastern Canada
 - Prior experience includes three years at Lehman Brothers as a Senior Vice President in the Private Fund Marketing Group
 - Thirteen years at Deutsche Bank (formerly BT Alex. Brown), including four years as a Managing Director in the Private Equity Finance Group
 - Two years at Wachovia Securities in the Fixed Income Division, where he covered alternative investors across the United States
- Niagara University, B.B.A. in *Accounting*

J. MICHAEL SUTKA, Managing Director

- Experienced, senior deal execution professional with strong GP relationships globally
- Prior experience includes nine years at Merrill Lynch in the Private Equity Group, where he most recently was a Managing Director in the New York office
- Other previous experience includes NatWest Bank Lafayette College, *A.B. in Business and Economics*

STEPHEN B. CHASE, Director

- Strong relationships with real estate investors throughout the United States
- Prior experience includes ten years at CIBC World Markets in Institutional Equity Sales, where he was most recently an Executive Director in the New York office
- Prior experience providing institutional sales coverage in New York and the Southeast for Dain Rauscher Yale University, *B.A. in History*

KEVAN COMSTOCK, Director

- Strong relationships with investors across the Midwestern United States
 - Prior experience includes four years at Allstate Investments in the Private Equity Group, most recently as a Principal investing in funds, direct co-investments and secondary transactions
 - Prior experience at Chestnut Partners, a boutique merchant bank, and at Salomon Smith Barney, covering business services investment banking
- Northwestern University, Kellogg Graduate School of Management, *M.B.A.*
Middlebury College, *B.A. in Economics*

PABLO DE LA INFUESTA, Director

- Strong relationships with primary and secondary investors across Europe
 - Prior experience includes five years at Campbell Lutyens in London, an advisory firm specializing in fund raising for private equity firms, where he was most recently a Principal
 - Prior experience includes investment banking at Goldman Sachs, Dresdner Kleinwort Benson and Salomon Brothers
 - Fourteen years experience in Europe across investment banking and private equity placement
- MIT, Sloan School of Management, *M.B.A.*,
ICADE, B.A. in Business Administration

MATTHEW D. DENATALE, Director

- Strong relationships with investors in the Western and Northeastern United States and Western Canada
 - Prior experience includes five years at CIBC World Markets in Institutional Equity Sales, where he was most recently a Director in the New York office
 - Previously responsible for Midwestern coverage of institutional accounts out of its Chicago office
- Connecticut College, B.A. in *Economics*

JOHN J. MARSHALL II, Director

- Strong relationships with GPs and investors throughout the United States
 - Prior experience includes nineteen years of financial advisory and fund raising experience, most recently as Executive Director at UBS in the Private Funds Group raising private equity across multiple disciplines including buyouts, distressed and venture capital
 - Prior experience as a real estate investment banker with Merrill Lynch and Prudential Securities
 - Began career in institutional real estate investing at Prudential Realty Group
- Rice University, B.A. in *Economics, Managerial Studies and Art/Art History*

JAMES JACOBS, Director

- Strong relationships with real estate investors across Europe
 - Prior experience includes five years at DTZ Corporate Finance, a real estate investment banking team, where he was most recently a Director specializing in fund raising for private real estate vehicles
 - Prior experience as a communications, media & technology investment banker at Goldman Sachs in London
- Cambridge University, B.A. in *Economics*

EDWARD G. McDONALD, Director

- Strong relationships with GPs and investors across Europe, Asia and the Middle East
 - Prior experience includes ten years at Trinity Group, an investment banking firm focused on private equity and real estate placement, most recently as a Managing Director
 - Seventeen years institutional calling experience in Europe and the Middle East across alternative assets and private equity
- University of Greenwich, B.A. in *International Business*

DAN DRAKE, Vice President

- Prior experience includes three years at Ennis, Knupp & Associates in the Global Real Estate Group, where he was most recently a Senior Investment Consultant in the Chicago office
- Prior experience sourcing real estate investments at a family office Middlebury College, *B.A. in Political Science*

JOSH OVERBAY, Vice President

- Prior experience includes three years at Perseus Realty Partners as Vice President of Capital Raising and Investor Relations in Washington, DC
- Three years of business development and public policy experience at U.S. Chamber of Commerce
- Prior experience with The Corporate Executive Board Georgetown University, *M.P.S. in Real Estate*
The George Washington University, *M.A. in Legislative Affairs*
Roanoke College, *B.A. in International Relations*

JOHANNA LOTTMANN, Vice President

- Three years in the Lazard Private Fund Advisory Group
- Prior experience includes three years as a member of Lazard's UK M&A team, focusing on the Telecom, Media & Technology sector University of Westminster, *MSc in International Finance*

SOFIA VASILEADOU, Vice President

- Prior experience includes two years in Deutsche Bank's Global Markets division, where she specialized in strategy consulting across fixed income, equities and principal investments
- Three years of investment banking experience in UBS's corporate finance division in London and Frankfurt focusing on European M&A and real estate
The London School of Economics, *MSc and BSc in Management*
University of St. Gallen – Switzerland, *CEMS Master's in International Management*

JONATHAN P. WALLER, Vice President

- Five years in the Lazard Private Fund Advisory Group
 - Prior experience includes two years at Mercer Management Consulting in London
- Imperial College, *MSc in Finance* and *BSc in Mathematics*

JOANNE WEETMAN, Vice President

- Three years in the Lazard Private Fund Advisory Group
 - Prior experience includes three years at Acanthus Advisers, a London-based advisory boutique specializing in fund raising for European private equity firms
- University of Cambridge, *M.A. in Economics and Management*

JEFFREY HYPES, Associate

- Three years in the Lazard Private Fund Advisory Group
 - Prior experience includes three years at Aurora Investment Management L.L.C., a fund of hedge fund manager
- Denison University, *B.A. in Economics*

NICHOLAS MILES, Associate

- Three years in the Lazard Private Fund Advisory Group
 - Prior experience includes one year at Deloitte Consulting
- University of Oxford, *B.A. in Modern Languages*

MONICA C. VITORIA, Associate

- Three years in the Lazard Private Fund Advisory Group
- New York University, *B.A. in Economics*

SIMON GOLDMAN, Analyst

- Analyst in the Lazard Private Fund Advisory Group
- Yale University, *B.A. in History*

CLAIRE-LOUISE GREENAWAY, Analyst

- Analyst in the Private Fund Advisory Group
 - Prior experience includes two years as a member of Lazard's UK M&A team, focusing on the Telecom, Media & Technology and Financial Institution sectors
- University College London, *BSc in Economics*

STEPHENS JOHNSON, Analyst

- Analyst in the Lazard Private Fund Advisory Group
 - Prior experience includes one year at Private Advisors in London with the private equity fund of funds group
- University of North Carolina at Chapel Hill, *B.A. in History*

ELIZABETH LAWRENCE, Analyst

- Analyst in the Lazard Private Fund Advisory Group
- University of Pennsylvania, *The Wharton School, B.S. in Economics, Finance and Marketing*

EMILY C. MELCHIOR, Analyst

- Analyst in the Lazard Private Fund Advisory Group
- William Smith College, *B.A. in Economics and Environmental Studies*

SARAH STEWART, Analyst

- Analyst in the Lazard Private Fund Advisory Group
 - Prior experience includes two years at Dresdner Kleinwort in Institutional Sales
- University of Cambridge, *M.A. in Natural Sciences and Management*

Lazard Private Fund Advisory Group

Team Member	Years with the Group	Relevant Years of Experience	Registrations (Series #)
Bill Riddle	8	20+	7, 8, 24, 63, 79
Ben Sullivan	8	20+	7, 24, 63, 79
Holcombe Green	8	15	7, 24, 63, 79
Dan Rudgers	4	12	7, 24, 63, 79
John Marshall	3	19	7, 63, 79
Steve Chase	3	15	7, 63, 79
Kevan Comstock	3	12	7, 79
Jeff Hypes	3	6	7, 79
Dan Drake	1	6	7, 63
Matt DeNatale	4	10	7, 63, 79
Pablo de la Infiesta	4	15	n/a (London-based)
Ed McDonald	5	18	n/a (London-based)
Sofia Vasileiadou	3	8	n/a (London-based)
Joanne Weetman	3	6	n/a (London-based)
James Jacobs	3	10	n/a (London-based)
Michael Sutka	8	16	7, 24, 63, 79
Johanna Lottman	2	6	n/a (London-based)
Josh Overbay	1	7	22, 63, 79
Jonny Waller	4	7	n/a (London-based)
Simon Goldman	2	2	7, 79
Claire-Louise Greenaway	1	3	n/a (London-based)
Stephens Johnson	1	2	79
Elizabeth Lawrence	1	1	NR
Emily Melchior	3	3	79
Nicholas Miles	4	4	n/a (London-based)
Sarah Stewart	1	3	n/a (London-based)
Monica Vitoria	4	4	79

Exhibit 2: Additional disclosure to Addendum A - Form Investment Manager Disclosure Letter

3. Placement Agent Compensation: Described below is any and all compensation of any kind provided or agreed to be provided to a Placement Agent including the nature, timing and value of such compensation. *(Note that compensation to a Placement Agent is deemed to include compensation to third parties as well as employees of the Investment Manager who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from or business with any of the NC Funds (attach additional pages as necessary))*:

Lazard is paid ongoing consulting fees that are offset against certain fees Lazard earns based on percentages of up to 1.75% of the capital commitments to The Värde Fund X ("Fund X") by various categories of prospective investors. Under the agreement, Lazard will also be reimbursed for certain reasonable out-of-pocket charges. All fees shall be paid to Lazard on or before the date that is forty-two months from the date of the initial Closing.

4. Terms of Agreement with Placement Agent: Described below are the terms of the agreement or arrangement (oral or written) creating an obligation to pay a fee to or for the benefit of any Placement Agent the Investment Manager has elected to use in connection with obtaining investments or doing business with the Treasurer. *(Please note that in the case of any oral agreement, the full extent of such agreement should be written and summarized, succinctly describing the terms of such agreement or arrangement with the Placement Agent, including details of the nature, timing, and value of the compensation or benefit provided (attach additional pages as necessary))*

Värde has entered into an agreement with Lazard pursuant to which Lazard functions as the exclusive placement agent for The Värde Fund X ("Fund X") and any other funds created for the purpose of investing in parallel with the Fund X. Lazard's services to the Company have included and will continue to include, as necessary and requested: (a) advice with respect to the structure of Fund X and current general market conditions; (b) assistance in development of a marketing strategy for Fund X; (c) assistance in the identification of prospective investors in Fund X (including prioritization of investors) and advice relating to strategy and tactics for initiating discussions with the identified investors; (d) assistance with the preparation of the offering materials and due diligence materials; (e) consultation and assistance regarding commercial aspects of the Fund X agreements; (f) arranging and attending presentation meetings between prospective investors and representatives of Värde; (g) consultation and assistance with negotiations with prospective investors; (h) assistance in organizing due diligence visits and in providing due diligence materials to potential investors; and (i) responding to investor requests, due diligence inquiries and otherwise following-up with prospective investors.

In exchange for the services provided, Lazard is entitled to the fees described above. The agreement also contains standard representations such as Lazard's compliance with applicable laws as well as other standard terms and conditions, including Värde's agreement to indemnify Lazard in certain circumstances.

5. Registration of Placement Agent and Licensing of Placement Agent Representatives. The Investment Manager hereby confirms that (i) the Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, (ii) the individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses, (iii) no placement fee has been shared with any person or entity not so registered and (iv) the Placement Agent is in the habitual systematized business of acting as a Placement Agent.

- (a) The Placement Agent's registration details are as follows:

Lazard Frères & Co. LLC is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and as a member of the Financial Industry Regulatory Authority ("FINRA"), and as a broker-dealer in all 50 U.S. states, the District of Columbia and Puerto Rico. Lazard & Co., Limited is authorized and regulated by the Financial Services Authority in the UK. Applicable professionals in the Lazard Private Fund Advisory Group hold all required securities licenses. Please see attached Exhibit 1 for further detail. Lazard is in the habitual systematized business of acting as a Placement Agent and has not shared a placement fee in connection with the Private Placement.

8. Lobbying Information of Placement Agent *(please check the appropriate box):*



The Placement Agent (and/or any officer, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked, the following are the names and positions of such persons and the registrations held *(attach additional pages as necessary)*:

Lazard Frères & Co. LLC is registered as a lobbying firm in the State of California, and the following Private Fund Advisory Group professionals are registered as lobbyists in the State of California: William H. Riddle, Jr. (Managing Director), J. Michael Sutka (Managing Director), Holcombe T. Green, III (Managing Director), and Matthew DeNatale (Director).