

KONOVER PROPERTY TRUST INC
Form SC 13D/A
July 29, 2002

=====

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 10)

KONOVER PROPERTY TRUST, INC.
(formerly known as FAC Realty Trust, Inc.)
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

301953 10 5
(CUSIP Number)

MARJORIE L. REIFENBERG, ESQ.
LAZARD FRERES REAL ESTATE INVESTORS L.L.C.
30 ROCKEFELLER PLAZA
NEW YORK, NY 10020
(212) 632-6000

WITH A COPY TO:

TOBY S. MYERSON, ESQ.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064
(212) 373-3000

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

July 26, 2002
(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 1(f) or 1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

66.0%

14 TYPE OF REPORTING PERSON

00 (real estate investment trust)

3

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Prometheus Southeast Retail L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		None
	8	SHARED VOTING POWER
		21,052,631
	9	SOLE DISPOSITIVE POWER
		None
	10	SHARED DISPOSITIVE POWER
		21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

21,052,631

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

66.0%

14 TYPE OF REPORTING PERSON

00 (limited liability company)

4

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

LFSRI II SPV REIT Corp.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER
NUMBER OF SHARES
BENEFICIALLY OWNED BY EACH
REPORTING PERSON WITH

None

8 SHARED VOTING POWER

21,052,631

9 SOLE DISPOSITIVE POWER

None

10 SHARED DISPOSITIVE POWER

21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

21,052,631

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
66.0%

14 TYPE OF REPORTING PERSON
CO

5

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
LF Strategic Realty Investors II L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2 (d) or 2 (e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

	7	SOLE VOTING POWER
NUMBER OF SHARES		None
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		21,052,631
	9	SOLE DISPOSITIVE POWER
		None
	10	SHARED DISPOSITIVE POWER
		21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
21,052,631

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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[_]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
66.0%

14 TYPE OF REPORTING PERSON
PN (limited partnership)

6

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
LFSRI II Alternative Partnership L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [_]
(b) [_]

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) [_]

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER None
	8	SHARED VOTING POWER 21,052,631
	9	SOLE DISPOSITIVE POWER None
	10	SHARED DISPOSITIVE POWER 21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
21,052,631

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
66.0%

14 TYPE OF REPORTING PERSON
PN (limited partnership)

7

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
LFSRI II-CADIM Alternative Partnership L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER None
	8	SHARED VOTING POWER 21,052,631
	9	SOLE DISPOSITIVE POWER None
	10	SHARED DISPOSITIVE POWER 21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
21,052,631

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

66.0%

14 TYPE OF REPORTING PERSON

PN (limited partnership)

8

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Lazard Freres Real Estate Investors L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		None
	8	SHARED VOTING POWER
		21,052,631
	9	SOLE DISPOSITIVE POWER
		None
	10	SHARED DISPOSITIVE POWER
		21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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21,052,631

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
66.0%

14 TYPE OF REPORTING PERSON
00 (limited liability company)

9

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Lazard Freres & Co. LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER None
	8	SHARED VOTING POWER 21,052,631
	9	SOLE DISPOSITIVE POWER None
	10	SHARED DISPOSITIVE POWER 21,052,631

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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21,052,631

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

66.0%

14 TYPE OF REPORTING PERSON

00 (limited liability company)

11

This Amendment No. 10, dated July 26, 2002, is filed by Prometheus Southeast Retail Trust, a Maryland real estate investment trust ("Trust"), Prometheus Southeast Retail LLC, a Delaware limited liability Company ("Prometheus"), LFSRI II SPV REIT Corp., a Delaware corporation ("SPV"), LF Strategic Realty Investors II L.P., a Delaware limited partnership ("LFSRI II"), LFSRI II Alternative Partnership L.P., a Delaware limited partnership ("Alternative"), LFSRI II-CADIM Alternative Partnership L.P., a Delaware limited partnership ("CADIM"), Lazard Freres Real Estate Investors L.L.C., a New York limited liability company ("LFREI"), and Lazard Freres & Co. LLC, a New York limited liability company ("Lazard," and together with Trust, Prometheus, SPV, CADIM, Alternative, LFSRI II and LFREI, the "Reporting Persons").

Capitalized terms used herein but not defined shall have the meanings ascribed thereto in the Schedule 13D dated March 6, 1998 (the "Initial Schedule 13D"), as amended, filed by Prometheus and LFSRI II (as amended, the "Existing Schedule 13D"). This Amendment hereby amends and supplements the Existing Schedule 13D as follows:

ITEM 1. SECURITY AND ISSUER.

No change.

ITEM 2. IDENTITY AND BACKGROUND.

Item 2 is hereby amended and restated in its entirety as follows:

(a) This Statement is filed by (i) the Trust, a Maryland real estate investment Trust, (ii) Prometheus, a Delaware limited liability company, (iii) SPV, a Delaware corporation, (iv) LFSRI II, a Delaware limited partnership, (v) Alternative, a Delaware limited partnership, (vi) CADIM, a Delaware limited partnership, (vii) LFREI, a New York limited liability company, and (viii) Lazard, a New York limited liability company.

(b) The principal business addresses of the Trust, Prometheus, SPV, LFSRI II, Alternative, CADIM and LFREI is c/o Lazard Freres Real Estate Investors L.L.C., 30 Rockefeller Plaza, New York, New York 10020. The principal business address of Lazard is 30 Rockefeller Plaza, New York, New York 10020.

(c) and (f) The Trust and Prometheus were formed to acquire and hold the Common Stock of the Issuer that was issued pursuant to the Stock

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Purchase Agreement, dated as of February 24, 1998 which was amended and restated in its entirety in the Amended and Restated Stock Purchase Agreement, dated as of March 23, 1998 ("Stock Purchase Agreement"), by and between the Company and Prometheus. The Trust now owns all of such Common Stock and Prometheus owns 100% of the common stock of the Trust. The name, business address, citizenship and principal occupation or employment

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of each of the executive officers and directors of the Trust are set forth in Schedule I hereto and are incorporated by reference herein.

SPV is a holding company and is the sole member of Prometheus. The name, business address, citizenship and principal occupation or employment of each of the executive officers and directors of SPV are set forth in Schedule I hereto and are incorporated by reference herein. SPV disclaims any beneficial ownership it may be deemed to have of any of the shares of Common Stock.

LFSRI II, Alternative and CADIM (collectively, the "Funds") are investment partnerships formed to invest in companies active in the real estate industry. The Funds together own all of the common stock of SPV. Their respective ownership of the common stock of SPV is as follows: LFSRI II has 86.159%; Alternative has 10.3806%; and CADIM has 3.4602%. The Funds disclaim any beneficial ownership they may be deemed to have of any of the shares of Common Stock.

LFREI is the general partner of each of the Funds. LFREI's activities consist principally of acting as general partner of several real estate investment partnerships that are affiliated with Lazard. The name, business address, citizenship and principal occupation or employment of each of the executive officers of LFREI are set forth in Schedule II hereto and are incorporated by reference herein. LFREI's investment decisions must be approved by its investment committee. The name, business address, citizenship and principal occupation or employment of each of the members of the LFREI investment committee are also set forth on Schedule II hereto and are incorporated by reference herein. LFREI disclaims any beneficial ownership it may be deemed to have of any of the shares of Common Stock.

Lazard is the managing member of LFREI. Lazard's activities consist principally of financial advisory services. On a day-to-day basis, Lazard is run by a management committee. The name, business address, citizenship and principal occupation or employment of each of the members of the management committee of Lazard are set forth in Schedule III hereto and are incorporated by reference herein. Lazard disclaims any beneficial ownership it may be deemed to have of any of the shares of Common Stock.

Lazard is wholly owned by Lazard LLC, a Delaware limited liability company ("LLC"), and therefore LLC may be viewed as controlling Lazard. LLC is a holding company. The Head of Lazard controls LLC subject to the approval of certain significant matters by the Lazard Board of LLC. The name, business address, citizenship and principal occupation or employment of the members of the Lazard Board of LLC are set forth on Schedule IV hereto and are incorporated by reference herein. The principal business office of LLC is 3711 Kennett Pike, Suite 120, P.O. Box 4649, Greenville, Delaware 19807-4649. Lazard, on behalf of LLC, disclaims any beneficial ownership LLC may be deemed to have of any of the shares of Common Stock.

(d) and (e) During the last five years, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the persons listed on Schedules I,

II, III or IV hereto (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor (ii) has been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction, and is or was, as a result of such proceeding, subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or fining any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

No change.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 is hereby amended and supplemented by the addition of the following information:

On July 26, 2002, PSCO Acquisition Corp., a Maryland corporation ("Merger Sub"), and the Company entered into an Amendment No. 1 to the Agreement and Plan of Merger, dated as of July 26, 2002 (the "Merger Agreement Amendment"), amending the Agreement and Plan of Merger, dated as of June 23, 2002, by and between Merger Sub and the Company (the "Merger Agreement"). A copy of the Merger Agreement Amendment is attached as an exhibit hereto and incorporated herein by reference. Pursuant to the Merger Agreement, as amended by the Merger Agreement Amendment, on the terms and subject to the conditions set forth therein, Merger Sub will merge (the "Merger") with and into the Company, with the Company as the surviving corporation (the "Surviving Corporation").

The Merger Agreement Amendment provides, among other things, that if the Merger is approved by the affirmative vote of the holders of two-thirds of the outstanding shares of the Company's common stock, then upon consummation of the Merger, the charter of the Surviving Corporation will be amended to be substantially identical to the form of charter attached as Exhibit B-1 to the Merger Agreement Amendment, a copy of which is attached as an exhibit hereto and incorporated herein by reference.

The Merger Agreement Amendment alternatively provides that if the Merger is not approved by the affirmative vote of the holders of two-thirds of the outstanding shares of the Company's common stock, but instead the Merger is approved by the affirmative vote of the holders of a majority of the outstanding shares of the Company's common stock, then upon consummation of the Merger, the charter of the Surviving Corporation will be amended to be substantially identical to the form of charter attached as Exhibit B-2 to the Merger Agreement Amendment, a copy of which is attached as an exhibit hereto and incorporated herein by reference.

In connection with the execution and delivery of the Merger Agreement Amendment, on July 26, 2002, Merger Sub, the Trust, LFSRI II, Alternative, CADIM, Kimkon Inc., and Kimco Realty Corporation, entered into an Amendment No. 1 to the

Co-Investment Agreement, dated as of July 26, 2002 (the "Co-Investment Agreement

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Amendment"), amending the Co-Investment Agreement, dated as of June 23, 2002, by and among the aforementioned parties (the "Co-Investment Agreement"). A copy of the Co-Investment Agreement Amendment is attached as an exhibit hereto and incorporated herein by reference. The Co-Investment Agreement Amendment provides for, among other things, the agreement that, if necessary, PSRT and KI shall, as soon as possible following the consummation of the Merger, cause the Surviving Corporation to amend and restate its charter to be substantially identical to the form of charter attached to the Merger Agreement Amendment as Exhibit B-1 thereto.

In addition, the issuance by the Surviving Corporation of up to one hundred fifty (150) shares of a series of redeemable preferred stock to over 100 people was initially contemplated in the Co-Investment Agreement (a copy of which was previously filed as an exhibit to Amendment No. 9 to the Initial Schedule 13D) to occur subsequent to the Merger. The Co-Investment Agreement Amendment amends the Co-Investment Agreement so that immediately prior to the consummation of the Merger, Merger Sub shall issue up to one hundred fifty (150) shares of a series of redeemable preferred stock of Merger Sub to more than 100 people. Pursuant to the Merger Agreement Amendment, each share of such newly issued series of redeemable preferred stock issued and outstanding immediately prior to the effective time of the Merger will be converted into one share of series B redeemable preferred stock of the Surviving Corporation.

The information set forth in response to this Item 4 is qualified in its entirety by reference to the full text of (1) the Merger Agreement Amendment, Exhibit B-1 to the Merger Agreement Amendment, Exhibit B-2 to the Merger Agreement Amendment and the Co-Investment Agreement Amendment, which are each filed as exhibits hereto and incorporated herein by reference and (2) the Merger Agreement and the Co-Investment Agreement, which were each filed as exhibits to Amendment No. 9 to the Initial Schedule 13D.

Except as set forth above, the Reporting Persons have no present plans or intentions that would result in any of the matters required to be set forth in items (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

No change.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Item 6 is hereby amended and supplemented by the addition of the following information:

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As previously reported in Amendments No. 3, 4 and 5 to the Initial Schedule 13D, pursuant to an Amended and Restated Loan Agreement (the "Loan Agreement") dated as of February 8, 2001, by and among Capital Trust, Inc. (the "Senior Lender"), SPV and Senior Quarters Funding Corp. ("SQFC," and together with SPV, the "Borrowers") and related loan documents, (i) SPV and SQFC borrowed \$110 million from Senior Lender, (ii) SPV pledged 100% of its membership interest in Prometheus to Senior Lender to secure such borrowings, (iii) Prometheus pledged 100% of its shares of common stock in Trust to Senior Lender to secure such borrowings, (iv) pursuant to a custodial agreement the shares of Common Stock were placed in a custodial account with LaSalle Bank National Association (now known as LaSalle National Bank, "LaSalle") whereby Trust maintained all voting rights and powers related to the Common Stock

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subject to the Loan Agreement and related documents and (v) any dividends paid on the Common Stock are deposited into a deposit account with The Chase Manhattan Bank, N.A. for the benefit of Midland Loan Service, Inc., as agent for Capital Trust, Inc. and Capital Trust, Inc.'s Lender.

On July 11, 2002, the Borrowers entered into a Loan Agreement (the "Subordinate Loan Agreement") dated as of July 11, 2002 with CTMP II FC LF (MS) as lender ("CTMP II") and related documents, pursuant to which (i) CTMP II agreed to loan Borrowers up to \$65 million for the purposes described therein, (ii) SPV pledged 100% of its membership interest in Prometheus to CTMP II which pledge secures the borrowings under the Subordinate Loan Agreement and is subject and subordinate to the existing pledge to Senior Lender, (iii) Prometheus pledged 100% of its common stock in Trust to CTMP II which pledge secures the borrowings under the Subordinate Loan Agreement and is subject and subordinate to the existing pledge to Senior Lender, (iv) the custodial agreement was amended to add CTMP II as a party and provide that the Trust maintains all voting rights and powers related to the Common Stock subject to both the Loan Agreement and its related documents and the Subordinate Loan Agreement and its related documents and (v) after payment in full of the indebtedness under the Loan Agreement and its related documents, all dividends paid on the Common Stock are to be deposited into a deposit account for the benefit of Midland Loan Services, Inc., as agent for CTMP II and CTMP II's lender, if any. The Subordinate Loan Agreement and related documents also require the repayment of a portion of the loan in connection with certain transfers of the Common Stock after payment in full of the Indebtedness under the Loan Agreement.

A copy of the Subordinate Loan Agreement, the Pledge and Security Agreement dated as of July 11, 2002 between CTMP II, SPV, Prometheus and Trust, the Pledge and Security Agreement dated as of July 11, 2002 between CTMP II, Prometheus and Trust and the First Amendment to Custodial Agreement are attached as exhibits hereto and incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Amendment No. 1 to the Agreement and Plan of Merger dated as of July 26, 2002 by and between PSCO Acquisition Corp., and Konover Property Trust, Inc.
2. Exhibit B-1 to the Merger Agreement (Form of Charter of the Surviving Corporation).
3. Exhibit B-2 to the Merger Agreement (Form of Charter of the Surviving Corporation).
4. Amendment No. 1 to the Co-Investment Agreement dated as of July 26, 2002 by and among Prometheus Southeast Retail Trust, Kimkon Inc., PSCO Acquisition Corp., LF Strategic Realty Investors II L.P., LFSRI II Alternative Partnership L.P., and LFSRI II-CADIM Alternative Partnership L.P.
5. Loan Agreement dated as of July 11, 2002 by and between CTMP II FC LF (MS), LFSRI II SPV REIT Corp., and Senior Quarters Funding Corp.
6. Pledge and Security Agreement dated as of July 11, 2002 by and among CTMP II FC LF (MS), LFSRI II SPV REIT Corp., Prometheus Southeast Retail LLC and Prometheus Southeast Retail Trust.
7. Pledge and Security Agreement dated as of July 11, 2002 by and among

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CTMP II FC LF, Prometheus Southeast Retail LLC and Prometheus Southeast Retail Trust.

8. First Amendment to Custodial Agreement dated as of July 11, 2002, among Capital Trust, Inc., Prometheus Southeast Retail Trust, LaSalle National Bank and CTMP II FC LF (MS).

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of July 26, 2002

PROMETHEUS SOUTHEAST RETAIL TRUST

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief
Financial Officer

PROMETHEUS SOUTHEAST RETAIL L.L.C.

By: LFSRI II SPV REIT Corp.
as managing member

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief
Financial Officer

LFSRI II SPV REIT CORP.

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief
Financial Officer

LF STRATEGIC REALTY INVESTORS II L.P.

By: Lazard Freres Real Estate Investors
L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

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LFSRI II ALTERNATIVE PARTNERSHIP L.P.

By: Lazard Freres Real Estate Investors
L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LFSRI II-CADIM ALTERNATIVE PARTNERSHIP L.P.

By: Lazard Freres Real Estate Investors
L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LAZARD FRERES REAL ESTATE INVESTORS L.L.C.

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LAZARD FRERES & CO. LLC

By: /s/ Scott D. Hoffman

Name: Scott D. Hoffman

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Title: Managing Director

SCHEDULE I

Except as otherwise indicated, the business address
for each of the following persons is
30 Rockefeller Plaza, New York, NY 10020

Executive Officers and Directors of Prometheus Southeast Retail Trust

NAME OF OFFICER -----	TITLE -----	PRESENT AND PRINCIPAL OCCUPATION -----
Matthew J. Lustig	President and Director	Managing Principal of Lazard Freres Real Estate Investors L.L.C. and Managing Director of Lazard Freres & Co. LLC
Mark S. Ticotin	Vice President and Director	Managing Principal of Lazard Freres Real Estate Investors L.L.C.
John A. Moore	Vice President, Chief Financial Officer and Director	Managing Principal and Chief Financial Officer of Lazard Freres Real Estate Investors L.L.C.
Henry C. Herms	Treasurer	Controller of Lazard Freres Real Estate Investors L.L.C.
Marjorie L. Reifenberg	Secretary	Principal, General Counsel and Secretary of Lazard Freres Real Estate Investors L.L.C.

Executive Officers and Directors of LFSRI II SPV REIT Corp.

NAME OF OFFICER -----	TITLE -----	PRESENT AND PRINCIPAL OCCUPATION AND BUSINESS ADDRESS (IF OTHER THAN INDICATED ABOVE) -----
Matthew J. Lustig	President and Director	Managing Principal of Lazard Freres Real Estate Investors L.L.C. and Managing Director of Lazard Freres & Co. LLC
Mark S. Ticotin	Vice President and Director	Managing Principal of Lazard Freres Real Estate Investors L.L.C.
John A. Moore	Vice President, Chief Financial Officer and Director	Managing Principal and Chief Financial Officer of Lazard Freres Real Estate Investors L.L.C.
Henry C. Herms	Treasurer	Controller of Lazard Freres Real Estate Investors L.L.C.

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Marjorie L. Reifenberg	Secretary	Principal, General Counsel and Secretary of Lazard Freres Real Estate Investors L.L.C.
Adrienne M. Horne	Director	Assistant to the Division Head of CT Corporation CT Corporation 1209 Orange Street Wilmington, DE 19801

SCHEDULE II

Executive Officers and Members
of the Investment Committee
of Lazard Freres Real Estate Investors L.L.C.

The following is a list of the executive officers and of the members of the investment committee of Lazard Freres Real Estate Investors L.L.C. ("LFREI"), setting forth the present and principal occupation and citizenship for each such person and the corporation or other organization in which such employment is conducted. The business address of each such person is 30 Rockefeller Plaza, New York, NY 10020. Except as otherwise indicated, each such person is a citizen of the United States.

LFREI EXECUTIVE OFFICERS

Robert C. Larson	Chairman and Managing Principal of LFREI and Managing Director of Lazard Freres & Co. LLC
Matthew J. Lustig	Managing Principal of LFREI and Managing Director of Lazard Freres & Co. LLC
John A. Moore	Managing Principal and Chief Financial Officer of LFREI
Mark S. Ticotin	Managing Principal of LFREI
Gary Ickowicz	Principal of LFREI
Marjorie L. Reifenberg	Principal, General Counsel and Secretary of LFREI
Douglas N. Wells (Citizen of Canada)	Principal of LFREI
Andrew E. Zobler	Principal of LFREI
Henry C. Herms	Controller of LFREI

LFREI INVESTMENT COMMITTEE

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Albert H. Garner	Managing Director of Lazard Freres & Co. LLC
Steven J. Golub	Managing Director of Lazard Freres & Co. LLC
Jonathan H. Kagan	Managing Director of Lazard Freres & Co. LLC
Robert C. Larson	Chairman and Managing Principal of LFREI and Managing Director of Lazard Freres & Co. LLC
Matthew J. Lustig	Managing Principal of LFREI and Managing Director of Lazard Freres & Co. LLC
James A. Paduano	Managing Director of Lazard Freres & Co. LLC
Mark S. Ticotin	Managing Principal of LFREI
Ali E. Wambold	Managing Director of Lazard Freres & Co. LLC

SCHEDULE III

Members of the Management Committee of Lazard Freres & Co. LLC

Set forth below are the names of each of the members of the management committee of Lazard Freres & Co. LLC. Except as otherwise indicated, the principal occupation of each such person is managing director of Lazard Freres & Co. LLC, the business address of each such person is 30 Rockefeller Plaza, New York, New York 10020 and each person is a citizen of the United States.

NAME -----	PRINCIPAL OCCUPATION (IF OTHER THAN AS INDICATED ABOVE) -----
Michael J. Castellano	
Norman Eig	Co-Chief Executive Officer of Lazard Asset Management and Managing Director of Lazard Freres & Co. LLC
Steven J. Golub	
Scott D. Hoffman	
Kenneth M. Jacobs	Deputy Chairman of Lazard and Managing Director and Head of House of Lazard Freres & Co. LLC
Gary S. Shedlin	
David L. Tashjian	
Ali E. Wambold	
Charles G. Ward, III	President of Lazard

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SCHEDULE IV

Lazard Board of Lazard LLC

Set forth below are the members of the Lazard Board of Lazard LLC, their business address, principal occupation and citizenship:

NAME	PRINCIPAL OCCUPATION AND BUSINESS ADDRESS	CITIZENSHIP
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Marcus Agius	Deputy Chairman of Lazard and Chairman and Managing Director of Lazard Brothers & Co., Limited Lazard Brothers & Co., Limited 21 Moorfields London EC2P 2HT United Kingdom	United Kingdom
Antoine Bernheim	Investor Chairman of Assicurazioni Generali S.p.A. Lazard Freres S.A.S. 121 Boulevard Haussmann 75382 Paris Cedex 08 France	France
Gerardo Braggiotti	Deputy Chairman of Lazard; Managing Director of Lazard Freres S.A.S., Lazard Freres & Co. LLC and Lazard Brothers & Co., Limited; Vice Chairman of Lazard AB Stockholm and Lazard & C. Srl; Member of Super- visory Board of Lazard & Co. GmbH; and Chairman of Lazard Asesores Financieras S.A. Lazard Freres S.A.S. 121 Boulevard Haussmann 75382 Paris Cedex 08 France	Italy
Michel A. David-Weill	Chairman of Lazard and Chairman of the Lazard Board of Lazard LLC Lazard Freres & Co. LLC 30 Rockefeller Plaza New York, NY 10020, USA	France
Jean Guyot	Investor Lazard Freres S.A.S. 121 Boulevard Haussmann 75382 Paris Cedex 08 France	France
Kenneth M. Jacobs	Deputy Chairman of Lazard; and Managing Director and Head of House of Lazard Freres & Co. LLC Lazard Freres & Co. 30 Rockefeller Plaza New York, NY 10020, USA	USA
Alain Merieux	President Directeur General (CEO)	France

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BioMerieux S.A. and BioMerieux Alliance
 69280 Marcy L'Etoile
 France

SCHEDULE IV
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NAME	PRINCIPAL OCCUPATION AND BUSINESS ADDRESS	CITIZENSHIP
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Bruno M. Roger	Chairman and Head of House of Lazard Freres S.A.S. Lazard Freres S.A.S. 121 Boulevard Haussmann 75382 Paris Cedex 08 France	France
Patrick Sayer	Chief Executive Officer of Eurazeo Eurazeo 3 Jacques Bingen 75017 Paris France	France
Francois Voss	Managing Director of Lazard Freres S.A.S. Lazard Freres S.A.S. 121 Boulevard Haussmann 75382 Paris Cedex 08 France	France
Bruce Wasserstein	Head of Lazard and Chairman of the Executive Committee of Lazard Strategic Coordination Company LLC Lazard Freres & Co. LLC 30 Rockefeller Plaza New York, NY 10020, USA	USA