



Harbert Management Corporation

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FOR IMMEDIATE RELEASE

HARBERT and SMITH/HALLEMANN VENTURE CLOSES on MAJOR OFFICE PROPERTIES

Smith/Halleman Partners and Harbert United States Real Estate Fund IV, L.P. purchased 5 buildings in nearly a \$100 million transaction.

Nashville, Tennessee-based Smith/Halleman Partners and Birmingham based Harbert United States Real Estate Fund IV, L.P. ("HUSREF IV") announced the purchase of five multi-tenant, office properties in Nashville, Tennessee and Cincinnati, Ohio, containing nearly 1 million square feet for a total purchase price of \$97,050,000.00 from Duke Realty Corporation (NYSE:DRE).

Two buildings, The Enquirer Building (312 Elm Street) and 312 Plum Street are located in the Cincinnati Central Business District, and encompass approximately 610,000 total square feet. Three buildings, One, Two and Three Lakeview Place are located in the Century City Office Park near the Nashville International Airport.

Constructed in 1988 and 1992, the Cincinnati buildings are well-located in Cincinnati's vibrant central business district, directly across the street from the city's NFL and Major League Baseball stadiums on the Ohio River. In Nashville, One, Two and Three Lakeview Place are modern Class A suburban office buildings located in the vibrant Century City Office Park containing approximately 380,000 total square feet. The buildings were all developed by Duke Realty in the 1986-1998 timeframe. "This is a continuation of our strategy to find high quality assets along with operating partners that provide a distinct advantage at a time when real estate markets offer exceptional value" says Alan C. Fuller, VP and Senior Managing Director of HUSREF IV's general partner.

The Nashville and Cincinnati offices of Cassidy Turley Company (www.cassidyturley.com) acted as brokers in the transaction and will provide property management and leasing services to Smith/Halleman Partners.

About Smith/Halleman Partners

Smith/Halleman Partners is a partnership comprised of Tom Smith and Terry Halleman of Nashville,

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Tennessee. Messrs Smith and Hallemann are also general partners of SCH Fund, LP, a private limited partnership that now has ownership interests in over 1.8 million square feet of commercial property in the United States. Smith/Hallemann Partners was formed to facilitate acquiring, owning and operating a diversified portfolio of income-producing properties.

About Harbert Management Corp.

HUSREF IV is the latest U.S. real estate fund sponsored by Harbert Management Corporation (“HMC”), an independent investment firm focused on fundamentally-based private and public market strategies. HMC’s U.S. real estate funds identify real estate investment opportunities through their investment team’s network of long-term, strategic relationships, having owned, developed and managed multifamily, office, industrial, retail and hotel properties throughout the Southeastern and Southwestern United States. Their approach is hands-on, targeting properties that they believe are undervalued, and where value can be created through focused operational management. Additional information about HMC can be found at www.harbert.net.

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