

PREIT Realty, LLC

Audit Committee Charter

I. Organization

1. There shall be a committee of the Board of Managers of PREIT Realty, LLC (the “Company”) to be known as the Audit Committee.
2. Audit Committee members and the committee chair shall be designated by the full Board of Managers.
3. The Audit Committee shall be composed of at least three financially literate members of the Board of Managers, none of whom shall be an employee of the Company or any of its subsidiaries.
4. Members of the Audit Committee may be removed from the Audit Committee by the full Board of Managers, upon the recommendation of any Manager or this Committee and upon a determination by the full Board of Managers that such member is not fulfilling his or her duties under this Charter.

II. Purpose and Overall Responsibilities

1. Oversee the accounting and financial reporting processes of the Company.
2. Assist the Board of Managers in its oversight of the integrity of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements, the qualifications and independence of the Company’s independent audit firm and the performance of the Company’s internal audit functions and independent audit firm.
3. Oversee the performance of the independent audit firm in the preparation or issuing of an audit report or related work.
4. Provide an open avenue of communication between the Company’s independent audit firm, internal auditor and the Board of Managers.
5. Meet quarterly, or more frequently, as circumstances require. The Audit Committee shall review reports received from members of management, the internal auditor and the Company’s independent audit firm, on matters relating to accounting, financial reporting, internal controls, auditing, and other matters.
6. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal auditing controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. Receive from the independent auditor on a timely basis reports of all critical accounting policies and practices, alternative treatments of financial information discussed with management of the Company and the ramifications thereof and the treatment preferred by the independent audit firm, and copies of all other material written communications between the independent audit

firm and the Company's management.

8. Make inquiries of the internal auditor and independent audit firm to determine that management has maintained the reliability and integrity of the accounting policies and financial reporting practices of the Company.

9. Conduct or authorize investigations into any matters within the committee's scope of responsibilities. The Audit Committee shall be empowered to retain and determine the appropriate compensation to be paid to independent counsel, accountants or others to assist it in the conduct of any investigation or otherwise to carry out its duties.

10. Report regularly to the Board of Managers regarding results of the Audit Committee's activities.

11. Oversee overall hedging strategy. The Committee shall have the authority to review and approve the decisions by the Company or any of its subsidiaries to enter into derivative transactions, including swaps, that might be subject to certain clearing and execution requirements or regulations, and swap transactions that might be exempt or excluded from such clearing and execution requirements or regulations because the Company qualifies for the "end user exception" as defined by federal law and regulations to such requirements.

The Committee shall have the authority and shall review and approve (a) the Company's hedging policies and procedures; and (b) the decision to grant on a general, blanket basis, authority for the Company to use swaps that are excepted from clearing and execution because the Company or its subsidiary is eligible for the end user exception, or earlier in connection with a significant change in hedging strategy or policy. The Committee may also, but need not, review such transactions on a swap- by-swap basis.

III. Selection, Retention and Discharge of Independent Audit Firm

1. Select and retain a qualified and independent audit firm for purposes auditing the Company's annual financial statements. The independent audit firm's ultimate accountability shall be to the Audit Committee.

2. Determine the terms of engagement of and compensation to be paid to the independent audit firm for performing audit services, including the rendering or issuing of an audit report, and to pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent audit firm, which may include establishing policies and procedures for the Audit Committee's pre-approval of permitted services by the Company's independent audit firm on an on-going basis.

3. Review and evaluate the qualifications, performance and independence of the Company's independent audit firm, including the lead audit partner, and ensure the regular rotation of the lead audit partner having responsibility for the audit and the audit partner reviewing the audit to the extent required by law.

4. Consider, in consultation with the independent audit firm, the scope and plan of forthcoming audits from the perspective of the independent audit firm's responsibility under generally accepted auditing standards.

5. Review with the Company's independent audit firm any audit problems or difficulties and management's response, including any restrictions on the scope of the independent audit firm's activities or access to requested information. Resolve disagreements between the Company's management and the independent audit firm.

6. Receive annually from the Company's independent audit firm, and conduct a review of, a report describing (i) the independent audit firm's internal quality-control procedures, (ii) any material issues raised by the independent audit firm's most recent internal quality control review, peer review or inquiry or investigation by governmental or professional authorities within the preceding five years with respect to one or more of its independent audits and any steps taken to deal with any such issues, and (iii) all relationships between the firm and the Company or any of its subsidiaries; and to discuss with the independent audit firm this report and any relationships or services that may impact the objectivity and independence of the auditors.

7. Determine whether to discharge the Company's independent audit firm and effect any such determination.

IV. Review of Financial Statements

1. Review and discuss with management and the independent audit firm at the completion of the annual examination:

- The Company's annual financial statements and related footnotes.
- The independent audit firm's audit of the financial statements and their report thereon.
- Any significant changes required in the independent audit firm's audit plan.
- Any difficulties or disputes with management encountered during the audit.
- Accounting principles and financial statement presentations, including changes in the selection or application of principles.
- Major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in response to material internal control deficiencies.
- Analyses prepared by management and/or the independent audit firm with respect to significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of employing any alternative GAAP methods.
- The effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
- Other matters relating to the conduct of the audit that are to be communicated to the committee under generally accepted auditing standards.
- With the participation of the Company's counsel, legal and regulatory matters that may have a material impact on the financial statements, related Company

compliance policies and programs and reports received from regulators.

2. Discuss the Company's quarterly financial statements with management and the independent audit firm.
3. Keep the Company's independent audit firm informed of the Audit Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and review and discuss with the Company's independent audit firm the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.
4. Periodically, meet separately with management; with the independent audit firm; with the internal auditor; and on request, with the Company's general counsel.

V. Review of Internal Audit

1. Ensure the existence of the Company's internal audit function.
2. Review the internal audit function of the Company including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the independent audit firm.
3. Review the results of the regular internal audit activities, including major reports, conclusions, findings, recommendations and management's responses.

VI. Review of Internal Controls

1. Discuss with the internal auditor and independent audit firm the adequacy and effectiveness of the Company's systems of internal control.
2. Review any controls deemed to be deficient and discuss any changes required with the internal auditor and the independent audit firm, as the Audit Committee deems appropriate.
3. Obtain recommendations from the internal auditor regarding internal controls and other matters relating to the accounting procedures and the books and records of the Company and its subsidiaries.
4. Inquire of the internal auditor and the independent audit firm regarding any matters required to be discussed under Statement of Auditing Standards No. 114 relating to the conduct of the audit, including any changes in significant accounting policies or estimates, any significant audit adjustments, any disagreements with management and any difficulties encountered in performing the audit.

VII. Review of Ethical Compliance and Company Policy Compliance

1. Review with management and Internal Audit the Company's conformity with Company policies/ procedures, including the Company's Code of Conduct, and review reports regarding

violations, and the identification and treatment thereof.

2. Review the Company's systems for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal control, or auditing matters, and the confidential anonymous submissions of concerns regarding questionable accounting or auditing matters.

3. Review and approve (or ratify) all related-party transactions in accordance with the Company's related party transactions policy.