

Firm Brochure

SLRA Inc. “Liquid Realty”

**199 E. Linda Mesa Avenue, Suite 10
Danville, CA 94526
Tel: (415) 875-7500**

www.LiquidRealty.com

This brochure provides information about the qualifications and business practices of SLRA Inc., the successor investment adviser to Liquid Realty Advisors, LLC. If you have questions about the contents of this brochure, please contact Liquid Realty at (415) 875-7500, or by email at: SMarsh@LiquidRealty.com or mail to: . The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. SLRA Inc. is registered with the SEC as an investment adviser. Registration as an investment adviser does not imply any level of skill or training. Additional information about SLRA Inc. is available on the SEC's website at www.adviserinfo.sec.gov

March 2015

Table of Contents

1.	Advisory Business.....	3
	(a) Firm Description and Principal Owners	3
	(b) Description of Advisory Services	3
2.	Fees and Compensation	4
	(a) Description.....	4
	(b) Fee Billing	4
	(c) Other Fees and Expenses.....	4
	(d) Advance Fees.....	4
	(e) Compensation for Sales and Conflict of Interest	5
3.	Performance-Based Fees and Side-By-Side Management.....	5
4.	Types of Clients	5
5.	Methods of Analysis, Investment Strategies and Risk of Loss	6
	(a) Methods of Analysis and Investment Strategy	6
	(b) Material Risks	6
	(c) Risks of a particular security.....	7
6.	Disciplinary Information	8
7.	Other Financial Industry Activities and Affiliations	9
	Relationships with Related Persons:	9
	(a) Investment company or other pooled investment vehicle.	9
	(b) Other investment adviser or financial planner.	9
	(c) Sponsor or syndicator of limited partnerships.	9
8.	Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading	9
	(a) Code of Ethics.	9
	(b) Material Financial Interest of Related Person	11
	(c) Investment by Related Persons in Same Securities	11
	(d) Recommends and Buys or Sells Concurrently.....	11
9.	Brokerage Practices	11
10.	Review of Accounts.....	11
	(a) Periodic Review of Fund Accounts.....	11
	(b) Reports to Funds	12
11.	Fund Referrals and Other Compensation	12
12.	Custody	12
13.	Investment Discretion.....	12
14.	Voting Fund Securities	12
15.	Financial Information.....	12

1. Advisory Business

(a) Firm Description and Principal Owners

SLRA Inc., which is referred to herein as “SLRA” or, with its affiliates, “Liquid Realty,” is the successor investment adviser to Liquid Realty Advisors, LLC (“LRA”) and its relying advisers Liquid Realty Advisors III, LLC (“LRA III”) and Liquid Realty Advisors IV, LLC (“LRA IV”), and may be the investment adviser to other relying advisers that may be formed by Liquid Realty in the future (collectively, the “Liquid Realty Advisors”). In 2013 LRA, LRA III and LRA IV were consolidated into the newly formed SLRA Inc., a California corporation, in order to streamline costs.

LRA was formed in February 2003, and served as the investment manager of Liquid Realty Partners, LLC, a Delaware limited liability company (“LRP I”), Liquid Realty Partners II, LLC, a Delaware limited liability company, and Liquid Realty Partners II Ursula AIV, LP, a Delaware limited partnership (“LRP II”). LRA III was formed in February 2006, and served as the investment manager of Liquid Realty Partners III, LP and Liquid Realty Partners III-A, LP, each a Delaware limited partnership (“LRP III”). LRA IV was formed in September 2006 and served as the investment manager of Liquid Realty Partners IV, LP, , Liquid Realty Partners IV Investments AIV, LP, Liquid Realty Partners IV Investments II, AIV, LP all a Delaware limited partnership and Liquid Realty Partners IV (PF1), LP a California limited partnership (“LRP IV”). Third party investors invested directly in LRP I, LRP II, LRP III and LRP IV as limited partners. LRA, LRA III and LRA IV were referred to informally as “Liquid Realty” prior to their consolidation into SLRA.

LRP I, LRP II, LRP III and LRP IV, collectively known as the “Funds,” commenced operations between 2002 and 2006. Certain Liquid Realty affiliates (the “Managing Members”) act as the managing members or general partners, as applicable, of the Funds. As noted above, in order to streamline costs as the Funds have moved closer to liquidation, the Liquid Realty Advisors were merged together to form SLRA. The principal owners of SLRA, and the owners of the Liquid Realty Advisors prior to the consolidation, are and were Scott Landress and his affiliates. There was no change in control or ownership of the Liquid Realty Advisors as a result of the consolidation and no change in the investment advisory services provided. SLRA currently is the investment adviser to LRP I, LRP II and LRP IV.

(b) Description of Advisory Services

Liquid Realty has discretionary authority over the Funds and their assets and, over the life of the Funds, has sought to achieve returns through the Funds’ investments in other private equity real estate funds. Liquid Realty does not offer other types of advisory services or advise other funds. The Funds are fully invested, and are in or approaching liquidation. A decision has been taken by Liquid Realty not to raise new capital or accept new capital commitments.

The strategy for investing the Funds was to make secondary investments in limited partnership or similar interests or to recapitalize investments in the private equity real estate sector. The Funds’ objectives at inception were to achieve investment returns for their investors through income and appreciation without incurring excessive risk. Over the life of the Funds, Liquid Realty sought to achieve this objective principally by applying its strategy to investments in or related to real estate.

The Funds are under common management and control of Liquid Realty. The Funds are managed in accordance with the investment restrictions and guidelines set forth in their limited liability company agreements or limited partnership agreements, as applicable, and referenced in their private placement memoranda. Liquid Realty pursued similar investment strategies for each of the Funds. Liquid Realty did not tailor Fund investments to the requirements of investors in the

Funds, and the Funds' investors do not have authority over or participate in the management of the Funds.

Liquid Realty is not planning to raise new capital or accept new capital commitments, and the Funds' assets are in or approaching liquidation. As of September 30, 2013, the most recent reporting date, the Funds reported aggregate gross asset value of approximately \$89 million. Liquid Realty does not currently manage any capital on a non-discretionary basis.

2. Fees and Compensation

(a) Description

Liquid Realty is entitled to investment management fees for performing investment management services, and such fees are based upon either a percentage of committed capital, a percentage of net asset value, or a quarterly schedule, as applicable, for each of the Funds. Liquid Realty is also entitled to additional fees for providing additional services, and such fees are conditioned upon Liquid Realty's provision of such services and the proceeds available from the Funds' dispositions. Liquid Realty is also entitled to receive carried interest allocations conditioned upon the Funds' profits. Liquid Realty is also eligible to become entitled to receive liquidator fees. The Funds' offering documents, limited liability company agreements, limited partnership agreements or other agreements, as applicable, as referenced in private placement memoranda, include further details on fees, compensation and related matters.

(b) Fee Billing

Liquid Realty is paid investment management fees from the Funds in advance on a quarterly basis, as disclosed in the Funds' limited liability company agreements or limited partnership agreements, as applicable. Liquid Realty may additionally be paid performance-based fees as invoiced, and as described in the preceding paragraph and Section 3 below, per the same agreements.

(c) Other Fees and Expenses

In addition to the fees described above, Liquid Realty receives reimbursements from the Funds for all costs and expenses incurred in connection with the formation and organization of the Funds and the Managing Members up to certain specified amounts. The Funds also bear all operating expenses, including, without limitation, all third party costs and expenses of acquiring and managing the Funds' investments and maintaining and operating the Funds, including, without limitation, taxes, fees and other governmental charges levied against the Funds, insurance, administrative fees, fees for outside services, audit costs, custodians, outside counsel and accountants, and litigation.

(d) Advance Fees

The Funds pay investment management fees to Liquid Realty in advance on a quarterly basis. The investment management fees are assessed and paid quarterly until the liquidation of the Funds is complete, at which time either Liquid Realty or another party will become the liquidator and earn liquidator fees. If the Funds are dissolved prior to the expiration of their specified terms, the assessment of investment management fees will cease on the date of dissolution and windup, and Liquid Realty will reimburse the Funds the amount of investment management fees that exceeds the amount Liquid Realty was entitled to receive. Other fees and expenses are typically assessed and paid after the services have been provided and subject to availability of cash balances.

(e) Compensation for Sales and Conflict of Interest

Neither Liquid Realty nor its employees accepted or otherwise received, directly or indirectly, compensation for the sale of securities or other investment products in connection with the formation and capitalization of the Funds.

3. Performance-Based Fees and Side-By-Side Management

The limited liability company agreements or limited partnership agreements, as applicable, of the Funds provide limitations on additional services provided by Liquid Realty to the Funds, which in all cases are conditional on the fairness of the performance-based compensation paid and other terms and subject in most cases to investor approval. The Fund agreements further provide limitations on transactions between the Funds and Liquid Realty as principals, which in all cases are conditional on the fairness of the consideration paid and other terms and subject in all cases to investor approval.

Liquid Realty is conditionally entitled to receive a portion of the profits from the Funds as carried interest allocations based on the profitability of the applicable Fund. This amount is calculated as a percentage, which is provided in the governing documents of each respective Fund, of the amounts otherwise distributable to each investor after specific conditions are met, including the return of all capital contributed to the Funds by investors, and the payment to investors of a preferred return on such contributed capital. Each of the Funds, which are Liquid Realty's sole clients, has similar carried interest provisions. As such, those arrangements do not present conflicts of interest in exercising discretion in making investment decisions.

Liquid Realty does not have fee arrangements with any Fund in which Liquid Realty is not conditionally entitled to performance-based fees. While the fee arrangements that Liquid Realty has with its respective Funds may differ, the nature of Liquid Realty's business is such that these differences do not provide incentives to favor certain Funds in allocating or disposing of assets. In addition, if Liquid Realty were to seek to dispose of assets on behalf of the Funds, it would treat each of the Funds involved fairly. As a general matter, Funds selling the same assets at the same time would receive the same price on the sale of their respective interests in such assets.

4. Types of Clients

The Funds are pooled investment vehicles whose investors purchased ownership interests in the Funds. The Funds' investors consist primarily of endowments and foundations, state and municipal government agencies, public and private retirement and pension plans, insurance companies, investment companies, trusts and estates, charitable organizations, corporations and other experienced investors.

Each of the Funds' investors is subject to applicable suitability requirements identified in each Fund's offering and organizational documents and relevant operating agreements, as applicable. Each investor in the Funds must be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and investors in the Funds must be "qualified purchasers" as defined in the Investment Company Act of 1940, as amended.

5. Methods of Analysis, Investment Strategies and Risk of Loss

(a) Methods of Analysis and Investment Strategy

Investment Strategy. Liquid Realty made secondary and recapitalization investments in private equity real estate funds and other investment vehicles.

Investment Sourcing. Liquid Realty sourced investments through a variety of industry professionals.

Due Diligence and Pricing Procedures. Liquid Realty employed a value investing philosophy through an analytical approach to due diligence and pricing.

Investment Diversification. Liquid Realty sought to manage risk through diversification by investing in a variety of managers, assets, markets, strategies and vintages

Leverage. Liquid Realty sought to use leverage to enhance overall returns without disproportionately increasing the Funds' risk.

Transaction Structuring. Liquid Realty sought to structure transactions as traditional or structured secondary and recapitalization investments.

Description of Transactions. Liquid Realty sought to transact in a variety of investment styles, seller types, investment vehicles, asset categories and investment structures.

Description of Services. Liquid Realty continues to provide day-to-day investment management services to the Funds, including collecting and analyzing data, communicating with fund managers, monitoring investments, preparing investor reports, attending investor meetings, managing cash and securities, monitoring debt levels, exercising decision rights, and providing financial reports. In addition to the investment management services, Liquid Realty has provided additional services from time to time, including acquisition, financing, disposition, restructuring and recapitalization services.

(b) Material Risks

An investment in a Fund entails a high degree of risk. Only sophisticated institutions and individuals should invest in a Fund. Investors should not invest their entire investment portfolio in a Fund. Investors should seek to fully understand the potential risks and benefits of investing in a Fund. Investors should consider whether they can bear the risks of an investment in a Fund. Prospective investors should carefully consider various factors, including the following non-exhaustive list of such risks:

1. No established market for potential investments exists
2. Absence of operating history of newly formed funds
3. Illiquidity of investments
4. Changes in legal, fiscal, and regulatory regimes
5. Nature of equity or equity-related investments
6. Non-U.S. investments
7. Dependence on key Liquid Realty personnel
8. Deterioration of the credit markets
9. Debt market conditions
10. Portfolio concentration
11. Investment environment and market risk

12. Inflation
13. Market volatility risks
14. Risk of loss of entire investment

Real estate markets may fluctuate substantially over time. Performance of any investment is not guaranteed. Although attempts may be made to manage risks through careful research and ongoing monitoring of investments, the securities and other investments purchased by the Funds might in fact decline in value, or the Funds might incur significant losses. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds. Liquid Realty does not guarantee any level of performance or that investors in the Funds will not experience a loss of their account assets. The Funds might not be able to generate positive returns and the returns might not be commensurate with the risks inherent in their investment strategy. The marketability and value of any investment made by the Funds will depend upon many factors beyond the control of the Funds. The expenses of the Funds may exceed their income. An investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund if the investor could withstand a total loss of its investment. In addition, all prospective investors are required to represent that they are investing in reliance on their own tax, legal and financial advisers and not on any advice or recommendation of Liquid Realty.

(c) Risks of a particular security

No Established Market for Secondary or Recapitalization Investments.

There is no established market for secondary investments and no liquid market is expected to develop for secondaries. Moreover, the market for secondary investments has been evolving and is likely to continue to evolve. The Funds acquired interests in other investment funds on an opportunistic basis from existing investors in such funds and provided recapitalization capital to such funds. There can be no assurance that a Fund will identify sufficient investment opportunities or acquire sufficient investments on attractive terms.

Contingent Liabilities Associated With Investments in Private Equity Funds.

In the cases where a Fund acquires an interest in a private equity fund in a secondary transaction, the Fund may also acquire contingent liabilities of the seller of the interest. More specifically, where the seller has received distributions from the relevant private equity fund and, subsequently, that private equity fund recalls one or more of these distributions, the Fund (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the private equity fund. While the Fund may, in turn, make a claim against the seller for any such monies so paid to the private equity fund, there can be no assurances that the Fund would prevail on such claim.

General Real Estate Risks.

The underlying funds are subject to the risks incident to the ownership and operation of real estate, including risks associated with the general economic climate, local real estate conditions, geographic or market concentration, potentially severe fluctuations in rental rates, vacancy rates and operating expenses in local markets, competition from other space, the ability of the underlying funds or third-party borrowers to manage the real properties, government regulations, fluctuations in interest rates, and excessive leverage. Investment funds that invest directly in real property incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. With respect to investments in mortgage and other loans, the investment funds are in large part dependent on the ability of third parties to successfully operate the underlying properties. In addition, certain of the mortgage and other loans may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of

default at that time. The possibility exists of partial or total loss of capital, and investors should not subscribe unless they can readily bear the consequences of such loss.

Development Activities.

The Funds purchased or recapitalized interests in investment funds that invested in undeveloped, and development and re-development properties. Such properties may involve more risk than properties on which development has been completed. Such properties do not generally generate operating revenue while costs are incurred to develop the properties, and may also generate certain expenses including property taxes and insurance. Development activities include the risks that development projects may be abandoned after expending resources, construction costs of a project may exceed original estimates, occupancy and rental rates at a newly completed property may be less than anticipated and construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations. Contingencies in development activities beyond the control of the Funds could occur.

Environmental Considerations.

As is the general case for investors in real estate properties and other real assets, investment funds can face substantial risk of loss from environmental claims related to their investments.

Bankruptcy Considerations.

Under certain circumstances, payments to a Fund from underlying funds that made investments that are operating in workout mode or under applicable bankruptcy laws, and subsequent capital distributions by such a Fund to its investors in respect of such investments, may be reclaimed by Liquid Realty on behalf of such Fund if such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under concepts of applicable bankruptcy law.

6. Disciplinary Information

Liquid Realty is required to disclose legal or disciplinary events that are material to the Funds' or a prospective investor's evaluation of its advisory business or the integrity of its management:

Liquid Realty Partners ("Liquid") asserted claims against former Liquid employees ("Employees") and Clairvue Capital Partners and its affiliates (collectively, "Clairvue") concerning the manner in which the Employees departed Liquid and formed Clairvue. The Employees asserted counterclaims concerning their interests in certain Liquid partnerships and companies. On September 10, 2013, an arbitrator awarded relief on the claims and counterclaims. Following the award, the Employees and Clairvue agreed to pay Liquid a confidential sum and assign to Liquid all interests that they previously held in Liquid entities to settle the parties' dispute.

SLRA and LRGP III, the general partner of LRP III, initiated litigation (the "Litigation") against certain limited partners (the "Limited Partners") in Liquid Realty Partners III, L.P. and Liquid Realty Partners III-A (the "Partnerships") in August, 2014. By means of the Litigation, SLRA and LRGP III seek a declaratory judgment that SLRA was contractually entitled to the payment of certain fees (the "Service Fees") for services that a SLRA predecessor entity performed for the Partnerships between 2006 and 2013. Alternatively, SLRA and LRGP III seek the payment of the Service Fees on a quantum meruit basis. The Limited Partners have asserted counterclaims against LRGP III and SLRA in the Litigation based on various legal theories. The Limited Partners seek to recoup the Service Fees paid to SLRA, certain legal fees and expenses incurred in connection with the dispute concerning the payment of the Services Fees for which

the Partnerships reimbursed LRGP III and SLRA, and certain fees paid to SLRA and its predecessor entity for the day-to-day management of the Partnerships.

7. Other Financial Industry Activities and Affiliations

Relationships with Related Persons:

- (a) **Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).** Liquid Realty serves as the investment manager of the Funds, and neither Liquid Realty nor its management personnel has an investment relationship or arrangement with other pooled investment vehicles.
- (b) **Other investment adviser or financial planner.** As previously noted, before the restructuring of the Liquid Realty Advisors into SLRA, the Liquid Realty Advisors operated as separate investment advisers to the various Funds, and shared certain personnel who allocated their time among the Funds. Moreover, prior to this restructuring, the service compensation and transaction profit-sharing arrangements of the Liquid Realty Advisors differed, which could create incentives that could affect decisions regarding the allocation of investment transaction opportunities. To avoid potential conflicts of interest while the Funds were making new investments, Liquid Realty agreed not to form new Funds before the old Funds were substantially invested. While the Funds were making new investments, such transaction opportunities that were recommended to the Funds were ratably allocated based on the Funds’ respective uncalled capital commitments, and such transactions were generally completed simultaneously and on the same terms. Furthermore, known conflicts of interests were disclosed in the private placement memoranda and other materials distributed by the Funds to investors. Since the Funds are no longer making new investments, Liquid Realty is not planning to raise new capital or accept new capital commitments, and Liquid Realty is wholly owned by the majority owner of the Liquid Realty Advisors, while certain historical compensation arrangements remain in place, these factors no longer present a potential conflict of interest.
- (c) **Sponsor or syndicator of limited partnerships.** Liquid Realty and its related parties act as the sponsors and syndicators of the Funds.

8. Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading

- (a) **Code of Ethics.** Liquid Realty has adopted a code of ethics (the “Code of Ethics”) which sets forth ethical standards of business conduct. Liquid Realty owes certain duties to its Funds, and has undertaken an effort to adhere not only to the specific provisions of its Code of Ethics, but also to the general principles that guide the Code of Ethics. When divergent, the terms of the Funds’ governing documents control.

Liquid Realty’s Code of Ethics covers its directors, officers, and other personnel. Its procedures require that personnel pre-clear certain transactions, and report to Liquid Realty their public securities holdings of investments in which the Funds also hold an investment interest. In addition, as a general matter, without prior authorization by the Chief Compliance Officer, personnel are prohibited from personally investing in the companies in which the Funds and other funds managed by Liquid Realty invest. Moreover, personnel are prohibited from acquiring beneficial ownership in any security in an initial public offering or in a limited offering (i.e. a private placement) without the prior written consent of the Chief Compliance Officer, and the reasons for granting permission to allow personnel to engage in such transaction must be documented.

Liquid Realty's Code of Ethics includes other policies and procedures to address potential conflicts of interest, including:

Confidentiality: The use of material non-public information is prohibited. While employees may on occasion have access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity, and are subject to the policy on Insider Trading.

Gifts: Typically, gifts of a small nominal value may be offered or received. Gifts in excess of a small nominal value must be declined or returned. No personnel may give or offer to give gifts worth more than a *de minimis* value to existing or prospective investors in the Funds, or to persons or entities that may introduce investors to Liquid Realty in respect of the Funds.

Outside Business Activities: Outside business activity by employees involving a non-affiliated company must be pre-approved.

Liquid Realty's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of its personnel will not interfere with making decisions in the best interest of the Funds, and implementing such decisions while, at the same time, allowing personnel to invest for their own accounts.

Liquid Realty has established the following policies and procedures for implementing its Code of Ethics, to ensure compliance with regulatory obligations and provide the Funds and potential funds with full and fair disclosure of such conflicts of interest:

- No covered person may put their own interest above the interest of a Fund.
- No covered person may buy or sell securities for their personal portfolio(s) where their decision derives from information received as a result of his or her employment, unless the information is also available to the investing public.
- Prior approval is required for any initial public offering or private placement investments.
- A list of all reportable securities holdings is maintained for the Funds and employees associated with this advisory practice that have access to advisory recommendations. These holdings are reviewed on a regular basis by Liquid Realty's Chief Compliance Officer or designee.
- Procedures have been established for the maintenance of all required books and records.
- All employees must act in accordance with applicable Federal and State regulations governing registered investment advisory practices.
- Established policies requiring that Code of Ethics violations be reported to Liquid Realty's Chief Compliance Officer, who will report any known material violations to management personnel.
- Employees who violate any of the above restrictions may be subject to penalties up to and including termination.

Liquid Realty will provide a copy of its Code of Ethics upon request to prospective and Fund investors.

(b) Material Financial Interest of Related Person

Liquid Realty, from time to time, has opportunities to buy or sell securities for a fund in which a related person or a fund managed by an affiliate also has a material financial interest. For example, Liquid Realty may take a position in a real estate fund for one Fund, and then take another position in the same fund for another Fund. As explained in section 7(c)(iii) above, to avoid conflicts of interest, Liquid Realty generally allocates such transactions ratably on behalf of its Funds and other investment vehicles advised by affiliates. Moreover, these affiliates do not establish additional investment pools similar to the Funds before the Funds are substantially invested. Thereafter, Liquid Realty recommends transaction opportunities to the old and new Funds and on a pro rata basis and on the same terms.

As discussed in section 8(a) above, Liquid Realty's Code of Ethics requires that employees pre-clear certain transactions and report their securities holdings. In addition, as a general matter, without prior authorization by the Chief Compliance Officer, employees are prohibited from personally investing in the Funds or in private equity-backed investments in which the Funds invest.

(c) Investment by Related Persons in Same Securities

Liquid Realty's Compliance Manual and Code of Ethics prohibit investments by Liquid Realty or related persons in the same securities as Liquid Realty or related persons recommend to a client.

(d) Recommends and Buys or Sells Concurrently

Liquid Realty's Compliance Manual and Code of Ethics prohibit the recommendation to a Fund, or the buying or selling for the Funds' accounts, of securities in which Liquid Realty or related persons have a material financial interest.

9. Brokerage Practices

Liquid Realty has discretion to select which broker to use in acquiring or disposing of investments for the Funds. Liquid Realty does not receive incentives to select or recommend a broker-dealer, and is prohibited from selecting an affiliate to act as broker. The Funds reimburse Liquid Realty for any brokerage fees or expenses incurred in acquiring or selling investments for them. Moreover, Liquid Realty uses its reasonable best efforts to obtain a favorable price and execution of purchase and sale transactions in light of the overall quality of brokerage services available. Best execution is not limited exclusively to obtaining the lowest commissions possible; rather, it also considers other factors, including a broker's execution capability, trading expertise, accuracy of execution, commission rates, research, reputation and integrity, fairness in dispute resolution, financial responsibility, and responsiveness.

10. Review of Accounts

(a) Periodic Review of Fund Accounts

The Funds' accounts are currently the only accounts under Liquid Realty's supervision. Liquid Realty monitors the Funds' accounts and investments on an ongoing basis. The Funds' investments are managed in an effort to achieve returns, provide investor reports and communications, and mitigate market and investment risk when practicable.

(b) Reports to Funds

Liquid Realty regularly reviews and reports on each Fund's investments to its investors. Periodic unaudited and audited statements are shared with Fund investors when they become available. Liquid Realty provides the Funds' investors with information pertaining to their investments, including information required to prepare reports to governmental authorities.

Certain investors in the Funds may request information relating to the Funds. If the requested information is readily available or may be obtained without unreasonable effort or expense, Liquid Realty generally provides the information requested. Consequently, these investors will possess information regarding the business and affairs of the Funds that may not be known to other investors.

11. Fund Referrals and Other Compensation

Liquid Realty has used third parties to solicit prospective investors in the Funds in the past, and may continue to do so in the future if it decides to raise new capital commitments.

12. Custody

Liquid Realty manages and controls the Funds' assets or acts as Managing Member of each Fund. In 2014, each Fund hired a qualified custodian to hold custody of all of each Fund's assets and to disseminate quarterly asset statements to Fund investors. Cash and other securities are held by qualified custodians in accordance with applicable SEC custody rules.

The Funds are subject to annual audits by an independent public accountant, in respect of which audited account statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles. The investors in the Funds are also sent unaudited financial reports on a quarterly or semi-annual basis. Additionally, each Fund hired an independent public accountant to conduct annual surprise audits.

13. Investment Discretion

Liquid Realty is responsible for the day-to-day operations of the Funds, may provide additional services to the Funds, and has discretionary authority to manage the Funds' investments and securities accounts on behalf of the Funds in accordance with the investment guidelines, limitations, other provisions and terms set forth in the Funds' offering documents and limited liability company or limited partnership agreements, as applicable.

14. Voting Fund Securities

It is Liquid Realty's policy to exercise voting rights relating to the Funds' investments in the best interests of the Funds. Investors may obtain information from Liquid Realty about how to obtain a copy of its proxy voting policies and procedures, and how Liquid Realty has voted the Funds' securities, by contacting Liquid Realty at the contact information found on the cover of this brochure.

15. Financial Information

Liquid Realty has never filed for bankruptcy, and is not aware of financial conditions reasonably likely to impair its ability to meet its contractual commitments to its clients.