



**GRAMERCY
IRVING**

GRAMERCY IRVING RE ADVISORS, L.P.

ADVISER BROCHURE

19 Gramercy Park South

New York, NY 10003

June, 2018

This Brochure provides information about the qualifications and business practices of Gramercy Irving RE Advisors, L.P. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 212-257-1420 or our Chief Compliance Officer (“CCO”), Myles Joshua Edwards, IV, at medwards@gramercyirving.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Gramercy Irving RE Advisors, L.P. is an investment adviser registered with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Gramercy Irving RE Advisors L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov. Gramercy Irving RE Advisors, L.P.’s SEC Registration No. CRD No. 292914.

ITEM 2 – MATERIAL CHANGES

The Adviser is submitting its application for registration as an investment adviser with the United States Securities and Exchange Commission, and as such, this is the first version of the Adviser's Brochure. Item 2 will be used in the future to report any material changes made to this Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business December fiscal year-end. We will also provide you with other ongoing disclosure information about material changes as needed and with a new Brochure as necessary based on changes or new information, at any time, without charge.

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ITEM 4 – ADVISORY BUSINESS

Gramercy Irving RE Advisors, L.P. (“Adviser” or the “Firm”) is an investment adviser with its principal place of business in New York, New York. As of the date of this Brochure, the Adviser has not yet commenced operations as an investment adviser. The Adviser expects to commence operations as an investment adviser in July 2018. As a result, certain responses contained herein are based on the Adviser’s expectations with respect to its investment advisory business.

The Adviser expects to provide investment advisory services on a discretionary basis for the Gramercy Irving Real Estate Fund, L.P. (the “Fund”) and is affiliated with the general partner of the Fund, Gramercy Irving Real Estate Partners GP, L.P., a Delaware limited partnership (the “General Partner”). Gramercy Irving RE Advisors GP LLC is the general partner of both the Advisor and the General Partner and is managed by a board of managers designated by the Sponsors.

The Firm is a real estate private equity company founded in 2017 by Myles Horn and The Falconwood Corporation, a Delaware corporation that serves as the family office of Dr. Henry G. Jarecki (“**TFC**”), (collectively, the “**Sponsors**”). The Firm’s management is headed by Myles Horn, and Christopher S. Harrison (the “Partners”). The Partners share the common principled belief that outsized, risk-adjusted, returns may be achieved through the combination of expertise in a niche and a multi-year hold period. The Firm’s offices are located at the corner of Gramercy Park South and Irving Place in a building owned by one of the Partners.

The Partners comprise the executive management. Together with the Partners, Max Cooper, Alex Horn, Matt Mueller and Jamie Sklar (collectively with the Partners, the “Principals”) manage the Firm. References to the “Principal’s experience,” “Principal’s track record” and other formulations of such concepts refer to the experience and track record of Myles Horn, Alex Horn, Matthew Muller, Max Cooper and, to the extent applicable, TFC. Rachel Brill serves as the Chief Operating Officer (“COO”) for the Firm. The experience of the Firm’s Principals involves a long and successful history of investing in residential real estate assets in New York City metropolitan area. Certain of the Principals have been investing in blocks of rent-stabilized apartment units for over thirty-five years and began making Investments exclusively in this sector in 2001. This experience in buying, redesigning, repositioning, renovating and operating the types of investments anticipated to be made by the Fund provides Gramercy Irving with a deep understanding of the market in which the Fund will operate. The Principals believe that this experience enhances the Firm’s aptitude in identifying attractive investment opportunities, assessing the underlying asset values and risks inherent in such investments, anticipating changes in the market and reacting in an appropriate manner. The depth and breadth of the Principals’ experience has further afforded them recognition as leading investors in the asset class on which the Fund’s strategy will be focused.

The backgrounds of the firm's Partners and Chief Operating Officer are described below and the ADV Form 2B ("Brochure Supplement") is provided as a separate document.

Mr. Myles Horn has over 35 years of experience investing in and operating real estate in the New York City metropolitan market. During that time, he has purchased over 4,000 residential apartment units. Myles graduated from SUNY Buffalo in 1972, with a B.A. and was awarded Phi Beta Kappa and received a J.D. in 1975 from the University of Pennsylvania School, of Law.

Mr. Christopher Harrison has experience as the Chief Investment Officer of The Falconwood Corporation ("TFC"), which he joined in 2016. TFC is a well-established family office which acts as a financial management firm and research laboratory that has incubated and operated numerous highly successful financial and technological ventures. Prior to TFC, Chris served as Co-Head of the market-leading asset management M&A practice of Schulte Roth & Zabel. He is the author of '[*Make the Deal: Negotiating Mergers & Acquisitions*](#)', which was published by Bloomberg Press in 2016 and ranked as the #1 New Release in both Corporate Finance and M&A on Amazon. For nine years, he has been teaching popular courses on M&A at New York University School of Law, from whose J.D. program he graduated *cum laude* in 2000. In addition to Gramercy Irving, Mr. Harrison is also the founding principal at Sterlington Professional Corporation, a legal technology and services firm focused on improving legal efficiency in the financial services markets.

Rachel Brill has eight years of experience in real estate private equity investing and asset management. Prior to joining the Firm, Rachel was a member of the investments team at a \$14 billion "hard asset" credit focused investment manager. Previously, Rachel worked at The Carlyle Group and was a member of the Acquisitions Group at JRK Investors in Los Angeles. Ms. Brill holds a B.A.S in Bioengineering from The University of Pennsylvania and received an MBA from the Wharton School of Business.

Types of Advisory Services

Gramercy Irving RE Advisors, L.P., expects to provide investment advisory services on a discretionary basis for the Fund. The Fund offering is not registered with the SEC under the Securities Act of 1933 (the "**1933 Act**"), as amended. Only a limited number of accredited investors as defined under Rule 501 of Regulation D under the 1933 Act may be solicited to invest in the above offerings. The Fund is also exempt from registration under the Investment Company Act of 1940. For additional information about this offering, a copy of the Private Placement Memorandum ("Offering Memorandum") is available by contacting info@gramercyirving.com.

Assets under Management (Regulatory Assets under Management)

As of the date of this Brochure, the Adviser was not actively managing investor assets or holding any investor accounts on a discretionary basis. As of the date of this Brochure, the Adviser has no Regulatory Assets under Management (RAUM). The Adviser is registering under the Rule 203A-

2(c) exemption which allows the Adviser to register initially with the SEC if it has “a reasonable expectation that it would be eligible to register with the Commission within 120 days after the date the investment adviser's registration with the Commission becomes effective.” That is, as an investment adviser with its principal place of business in New York State, having at least \$25 million of Regulatory Assets under Management (RAUM) within 120 days of registration being approved by the SEC.

ITEM 5 – FEES AND COMPENSATION

During the period commencing from the Initial Closing and ending on the third-year anniversary of the Initial Closing (the “Investment Period”) the Management Company will receive, quarterly, in advance, a management fee (the “Management Fee”), equal to 2.0% per annum of the commitments by the investors in the Fund. After the expiration of the Investment Period, the Management Company will receive, quarterly, in advance, a Management Fee equal to 2.0% per annum of capital contributions (including contributions made after the Investment Period) used to fund the cost of, and which remain invested in investments (less the amount used to fund the cost of investments that have been permanently written off).

Additionally, the General Partner may receive carried interest as a performance or incentive fee as described in the Offering Memorandum.

The Fund’s Offering Memorandum contains detailed information pertaining to management and other fees and expenses that the Fund’s investors may be subject to and the terms and conditions related thereto.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Presently, the Firm has not entered into any performance fee arrangements with investors. At such time that the Firm does enter into such arrangements, they will be structured so that any performance or incentive fee arrangement will be subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (the “Advisors Act”) in accordance with the available exemptions thereunder, including the exemption set forth under Rule 205-3. Performance-based fee arrangements would create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Upon the liquidation of the Fund and final distribution of assets among the Partners, the General Partner will be required to return to the Fund distributions of carried interest previously received, for distribution to the Fund’s investors, to the extent that they exceed the amounts that should have been distributed to the General Partner as carried interest pursuant to Distributions above applied on an aggregate basis covering all transactions of the Fund. In no event, however, will the General Partner be required to return more than the cumulative carried interest distributions received by the General Partner, net of amounts in respect of taxes thereon.

ITEM 7 – TYPES OF INVESTORS

Only Accredited Investors as defined under Rule 501 of Regulation D fund under the 1933 Act will be accepted as investors of the Fund. The Adviser is relying on section 3(c)(1) of the Investment Company Act of 1940, providing it with an exemption from registration as a registered investment company and limiting the Fund to not having more than 100 investors at any given time.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Organization and Professionals

The team is comprised of a highly-qualified team of experts with deep knowledge in real estate and credit investing [as well as construction and renovations]. The [senior investment team] has substantial experience and a history of working together since 2004. The Fund is expected to capitalize on the proprietary knowledge garnered by the Principals over many years of investing in and managing blocks of units in New York City metropolitan area.

When the Principals began investing exclusively in blocks of rent-stabilized and rent-controlled residential apartment units in the New York City metropolitan area seventeen years ago, the stabilized housing stock was largely due to the rent stabilization laws enacted in 1969 which regulated the amount of rent an owner could charge in certain units in apartment buildings constructed prior to 1974. These policies created a base stock of stabilized units¹ that has hovered around one million housing units over multiple decades (with inventory coming in and out with new housing programs and vacancies). Over the years, the Principals began to recognize that stabilized units could generate out-sized, safe and predictable returns, even when purchased at the peak of the market cycle in 2007. The Principals also began to recognize their ability to generate incremental returns beyond the base return of a New York City residential real estate through a smart entry point and a hands-on management style that is collaborative and creative. It is based on this experience and its knowledge of the stabilized class that the Firm believes there is a compelling opportunity for the Fund to make investments with attractive risk-adjusted returns.

The General Partner will establish an investment committee for the Fund (the “Investment Committee”) composed of three members selected by the General Partner responsible for the investment activities of the Fund and all related investment decisions. Each investment decision to acquire or dispose of an investment made by the Fund will require the unanimous approval of the Investment Committee. The initial members of the Investment Committee will be Christopher S. Harrison and Myles Horn.

¹ As used in this Brochure, the terms “rent stabilized” and “stabilized” includes residential rental apartment units that are subject to the Rent Stabilization Code, 19 NYCRR Parts 2520-2530, the Rent Control Law 9 NYCRR parts 2200-2211 and other applicable laws and regulations of a relevant jurisdiction that regulates the amount of rent or increases in rental rates that landlords may charge tenants.

The Firm intends to base decisions regarding the evaluation, selection, monitoring and exiting of investments on a disciplined process that the Principals of the Fund have designed to achieve risk-adjusted returns for the Fund’s investors. This investment process is illustrated in the chart below.

Deal Sourcing	Screening and Analysis	Due Diligence Process	Investment Approval and Execution	Monitoring and Exit
<p>Leverage Gramercy Irving city-based platform and network</p> <p>Proactive mapping of feeder programs and conversions and program buyout activity</p> <p>Relationships with intermediaries, other sponsors, and advisors</p>	<p>Investment team reviews actionable opportunities</p> <p>Prioritize potential investments based on risk-adjusted returns analysis</p>	<p>Fundamental value-driven financial, legal, structural and physical analysis</p> <p>Capitalize on Gramercy Irving platform knowledge and history based on analyzing potential investments in of thousands of buildings</p>	<p>Investment team prepares investment memo</p> <p>Investment Committee discusses and decides</p>	<p>Systematic monitoring and review of the investments and portfolio construction</p> <p>Proactive management of liquidity</p>

Deal Sourcing

The General Partner expects to capitalize and build upon the Principals extensive network of relationships developed over seventeen years of investing exclusively in blocks of residential units in the stabilized sector. The Principals believe that the Firm has developed a strong reputation as a reliable partner to many participants in the transaction chain including intermediaries and traditional and non-traditional sources of financing. Gramercy Irving’s network includes strong contacts in the lender community, brokerage community and real estate private equity community. The General Partner intends to proactively contact potential deal sources (including industry professionals, intermediaries and dynastic families) through face-to-face meetings, email communications, and telephone conversations.

Leverage

The General Partner may utilize a limited amount of leverage on the properties in which the Fund invests with secured or unsecured debt with the goal of enhancing the Fund’s returns. Without the consent of the Advisory Committee, the Fund will not incur, and shall not permit its subsidiaries to incur, indebtedness for borrowed money (i) for properties with a purchase price of fifteen million dollars (\$15,000,000) or less or (ii) for Properties with a purchase price exceeding fifteen million

dollars (\$15,000,000) to the extent that such indebtedness exceeds fifty percent (50%) of the greater of (a) the total project cost of the properties, including, without limitation, acquiring, renovating and managing the properties and (b) the fair market value of the properties as determined by the General Partner. Additional information regarding the use of leverage can be found under the “*Risk Factors*” section of the Offering Memorandum.

Screening

The investment team intends to actively maintain and frequently update a pipeline of potential investment opportunities and ideas generated through the sourcing efforts described above. Upon identifying investment opportunities that they believe may be appropriate for the Fund, the investment team is expected to complete a preliminary analysis of each investment opportunity, including an initial assessment, to support a decision to decline the opportunity or move forward to perform more detailed diligence and analysis. Based upon this preliminary analysis, the investment team will prioritize due diligence efforts on potential investments based on risk-adjusted return considerations.

Due Diligence Process

Gramercy Irving’s formal due diligence process on a prospective investment opportunity is intended to be rigorous, hands-on, and time-intensive. Due diligence is expected to focus on a property’s financial profile, operating metrics, competitive position, governing boards, and overall market dynamics. Following completion of the diligence activities described below, the investment team expects to prepare an investment memorandum and build a financial model that provides a view on the property and its risks.

Diligence activities are expected to include participation in seller meetings or calls, review of materials such as confidential investment memoranda, advisor presentations and projection models, review of third-party diligence, conducting comprehensive analysis of the potential investments and additional qualitative and quantitative analysis as necessary. When evaluating an investment opportunity, the investment team also expects to conduct a comprehensive appraisal of each property. This analysis generally involves a report of comparable properties and comparable unit sales. External resources to complement the Firm’s own internal abilities and expertise may also be utilized in the due diligence process.

In undertaking this analysis, Gramercy Irving intends to capitalize on its industry knowledge and experience as it seeks to determine what buildings are favorable for the Fund. Through its analysis, Gramercy Irving will seek to identify the potential value add opportunities within the property and will seek to understand the interests and incentives of the other interest holders which may differ in situations of growth or financial distress. In analyzing a property, Gramercy Irving expects to

review opportunities to enhance returns at the asset level through value-added redesign and repositioning of the units and the buildings in which they are located. Gramercy Irving believes a granular understanding of the value-added opportunities at the asset level is key to evaluating an investment's risk and return profile.

Investment Approval and Execution

Gramercy Irving intends for the investment team to present and discuss the investment memorandum with the Fund's Investment Committee, which will then determine whether to pursue the potential investment. Gramercy Irving expects that the execution of investments by the Fund will be conducted by the management team in close coordination with the Gramercy Irving finance team and its third-party administrator.

Development and Construction

Gramercy Irving plans to utilize development and construction management services provided by employees of the Advisor and consultants to provide high-quality, cost-effective development and construction services to the properties owned by the Fund. The development and construction team has been working with the Principals of the Fund on a regular basis since [2008] and have managed the development, renovation and construction of over one thousand apartments.

Monitoring and Exits

The investment team intends to actively work, manage, add value, market and monitor each Fund investment and the Fund's portfolio as a whole. The investment team intends to track new developments regarding each property, review performance including operating and financial statements and board materials to closely monitor situations versus the underwriting model to identify any early signs of underperformance. The investment team's review and monitoring process is expected to occur on a regular basis in order to permit the investment team to identify whether the investment is proceeding according to the investment thesis and, if not, provide the investment team with the opportunity to reevaluate the investment and take action, if required or deemed appropriate by the Investment Committee.

Gramercy Irving expects the investment team to hold weekly update meetings with the Fund's Investment Committee, in the course of which the team will review relevant news, market reports, deal activity and/or other information related to applicable current and/or potential investments. The investment team intends to maintain an evolving database of such information, including actions taken by the Fund, to formalize the knowledge-sharing within the Firm. Gramercy Irving expects its focus on investing in the stabilized space to be an advantage to the investment team, as the Firm is continually honing its proprietary expertise in this market.

The investment team intends to actively manage the average life of each investment. The Adviser believes that the investment portfolio will have an average life of four to seven years; certain investments will however potentially be realized over shorter periods and many will only be realized at the end of the term of the Fund. While the Adviser expects to hold an investment for the targeted period, it may seek other opportunities for specific investments that it determines are appropriate based on the status of the investment and the market generally in an effort to maximize returns.

ITEM 9 – DISCIPLINARY INFORMATION

This item is not applicable.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

The Adviser is only registered as an investment adviser with the Securities and Exchange Commission.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has implemented measures to ensure that it adheres to its responsibility to treat its investors with a high level of fiduciary attention.

Code of Ethics

The Adviser has adopted a Code of Ethics and related policies and procedures (collectively, the “Code of Ethics”) which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable federal securities laws.

The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards its investors, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

The Code of Ethics includes policies and procedures for the review of personal transactions in residential real estate. Among other things, the Code of Ethics also requires the prior approval of any acquisition of residential real estate, securities in a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics also provides for oversight, enforcement and recordkeeping provisions.

The Adviser’s Code of Ethics further includes the Adviser’s policy prohibiting the use of material non-public information. While the Adviser does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

The Adviser’s Code of Ethics is designed to assure that the personal securities transactions, activities and interests of its employees will not interfere with making decisions in the best interest

of investors and implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

A copy of our Code of Ethics is available to investors and prospective investors. You may request a copy by email by contacting our Chief Compliance Officer at medwards@gramercyirving or by calling us at 212-257-1420.

Potential Conflicts of Interests

Advisory Committee

The General Partner will establish an advisory committee for the Fund (the “Advisory Committee”) composed of Limited Partner representatives selected by the General Partner (all of whom will be unaffiliated with the General Partner). The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with the Fund Investments, potential conflicts of interest, and other Fund matters. The General Partner will retain ultimate authority over all decisions relating to the operation and management of the Fund, including investment decisions.

Personnel

Certain personnel of the General Partner, the Partner and/or their respective affiliates, such as senior management, will devote only a portion of their business time to the provision of advisory and management services to the Fund. Such personnel also will work on projects for affiliates and conflicts of interest may arise in allocating management time, services or functions among such affiliates.

The Fund will be dependent upon the efforts of the Principals and other employees of Gramercy Irving, some of whom serve on the Investment Committee. The loss of services of the Principals or limits on their availability could have a material adverse effect on the Fund’s performance, as their experience would be difficult to replicate. There can be no assurance that the Principals or other employees of the Advisor will continue to be employed by the Advisor throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund.

Incentive and Management Fee Compensation Arrangement

An incentive compensation arrangement of the type provided by the Fund creates an incentive to make investments that have more risk than would be the case in the absence of an incentive compensation arrangement. In addition, due to the method of calculating the carried interest distributions of the General Partner, the compensation of the General Partner may be affected by the timing of dispositions and other factors within the control of the General Partner. Further, the manner in which Management Fees, and other fees charged by Sponsor Affiliates described in the Offering Memorandum are charged may create an incentive for the Management Company to favor holding investments for long periods of time in order to increase the amount of Management Fees or other fees it and its affiliates are entitled to receive.

Diverse Investors

The Fund's investors are expected to include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax, regulatory or other interests with respect to their investment in the Fund. As a result, conflicts of interest may arise in connection with, among other things, the nature of investments made by the Fund, the structuring or acquisition of investments and the timing of dispositions of investments. Decisions made by the General Partner with respect to the foregoing may be more beneficial for one type of investor in the Fund than for another type investor. In selecting and structuring investments appropriate for the Fund, the General Partner will consider the investment and tax objectives of the Fund and the Partners as a whole, not the investment, tax or other objectives of any of the Fund's investor individually.

Transactions with Affiliates

The General Partner may cause the Fund to enter into certain transactions with engage affiliates of any of (i) the General Partner (ii) any of the partners of the General Partner or (iii) any of the Principals ((i) to (iii), each a "Sponsor Affiliate") on the terms specified in the limited partnership agreement of the Fund (the "Partnership Agreement"). For example, the Partnership Agreement permits the General Partner to have the Fund obtain legal services from Sponsor Affiliates as well as to engage Sponsor Affiliates for other services at rates and on terms approved by the Advisory Committee for such other services. The General Partner will decide upon the application and enforcement of these terms on behalf of the Fund, such as whether a Sponsor Affiliate is entitled to indemnification pursuant to an agreement with the Fund or under the Partnership Agreement and whether such a Sponsor Affiliate has satisfactorily performed its obligations to the Fund, and the General Partner will be subject to conflicts of interest in doing so.

Existing Investments of Principals

Conflicts of interest may arise between the Principals and the Fund in connection with the operation, maintenance and disposition of such Principals' existing investments, including, without limitation, if the Fund and the Sponsor or its affiliates are both seeking to sell or otherwise dispose of similar real estate investments within the same market; if the Sponsor or its affiliates engage in transactions or enter into arrangements with third parties or affiliates in respect of the management, leasing, re-financing, recapitalization, marketing, renovation, repair, repositioning or sale of its existing investments, which transactions or arrangements may restrict the ability of the Fund to enter into similar transactions or arrangements with such parties, or adversely affect the terms upon which the Fund may enter into any such similar transaction or arrangement in such market or otherwise; or if the Fund and the Sponsor or its affiliates compete for construction labor and material for any renovation, repair, or repositioning project occurring contemporaneously in the same market. The Fund may engage consultants that have been engaged and may continue to be engaged by Principals on Gramercy Irving on existing investments which will continue to be held outside the Fund.

Advisory Committee

The General Partner will organize an Advisory Committee for the Fund comprised of individual representatives of certain investors unaffiliated with the General Partner. In addition to consulting with the General Partner on general Fund matters, the Advisory Committee may be authorized to provide certain consents in lieu of the vote or consent of the Fund's investors on behalf of the Fund. In such situations, the Fund's investors will have no input and will be bound by the decisions of the Advisory Committee. Members of the Advisory Committee will be entitled to certain indemnifications and exculpations by the Fund.

[Allocation of Investment Opportunities]

The Sponsors may in the future, manage and advise other pooled investment funds, separate accounts, managed accounts or similar arrangements for the benefit of one or more specific investors (or related group of investors), that, during the Investment Period, may have a partially overlapping investment strategy and focus to the Fund. To the extent that there is an investment opportunity that is appropriate for the Fund and such other funds or accounts, the Sponsors will allocate investment opportunities as described in the Offering Memorandum.]

Sponsor Affiliate Loans to the Fund

If the Fund or any of its subsidiaries is unable to obtain debt financing from third parties on terms acceptable to the General Partner in its discretion, the General Partner may, but is not obligated to, lend or permit a Sponsor Affiliate to lend, funds to the Fund or the relevant subsidiary. If such loans are made, the terms will not be determined through arm's length negotiations. The General Partner will determine the interest rate, collateral and other terms of the loans, and will have a conflict of interest in determining the terms of such loans as well as in administering them and exercising any remedies.

Principal and Cross Agency Transactions

Upon the expiration of the term of the Fund, properties held by the Fund may be transferred to successor funds or other funds or accounts managed by the General Partner or by its affiliates or to Gramercy Irving's owners and their affiliates [subject to procedures on valuation, disclosure and consent to be approved by the Advisory Committee.] Such transfers may give rise to certain conflicts of interest, including that the Management Company and its personnel may have different economic interests in the Fund and the other participating funds or accounts and will have a potentially conflicting division of loyalties and duties to clients on both sides of the transaction. The Management Company or its affiliates may enter into "principal transactions" with the Fund within the meaning of Section 206(3) of the Advisers Act in which any of the Investment Manager or its affiliates act as principal for its own account (which may arise in situations where a commingled fund is considered a proprietary account for these purposes due to the Management Company's ownership percentage in such fund) with respect to the sale of a security to, or purchase of a security, from the Fund. Certain related persons of the Management Company could be the [Principals] (and in the future other funds may be deemed principals), based on SEC staff guidance,

due to an investment in any such fund or related person by the Management Company and its affiliates and controlling persons exceeding 25% of that fund's or related person's assets. All transactions with the Principals and other significant transactions between the Fund and the Management Company or its affiliates will be done in compliance with applicable law and the Management Company's internal policies². Such transactions may be submitted to the Advisory Committee (which will be comprised of members representing Fund's investors of the Fund unaffiliated with Management Company) where approval is required pursuant to the policies and procedures adopted by the Management Company. In analyzing such transactions, the Management Company will have a conflict between acting in the best interests of the Fund and assisting itself or its affiliate by selling or purchasing a particular security.

Principal transactions will generally be approved, prior to settlement, by the Advisory Committee as described in the Offering Memorandum. Subject to appropriate confidentiality restrictions, documentation prepared in connection with such Advisory Committee approvals may be made available to certain, but not all, Fund's investors. All of the Fund's investors, in subscribing for Interests, consent to the authority of the Advisory Committee.

The Management Company or any of its affiliates may engage in "agency cross transactions" as defined in Rule 206(3)-2 ("Agency Cross Transactions") promulgated by the SEC under the Advisers Act in which the Management Company or any of its affiliates acts as a broker for both the Fund and for another person on the other side of the transaction. The Management Company or any of its affiliates may receive commissions from and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such Agency Cross Transactions. The Fund may at any time, upon written notice to the Management Company, revoke its consent to such transactions. Agency Cross Transactions will be affected by the Management Company or its affiliates only to the extent permitted by applicable law and the Management Company's internal policies.

The Management Company may also, to the extent permitted under [ERISA and other] applicable laws and to the extent consistent with its internal policies, effect client cross-transactions where the Advisor causes the Fund to pursue a transaction to be effected between (i) the Fund and (ii) another account advised by the Management Company or any of its affiliates, for example, the transfer of investments from the Fund to a successor fund upon expiration of the term of the Fund. The Management Company may determine that a client cross- transaction may also be a "principal transaction" and seek the consent of the Advisory Committee.

While the Management Company expects to obtain the consent of the Advisory Committee prior to engaging in the transactions described above, the Advisory Committee will not necessarily represent the interests of all the Fund's investors and the members of the Advisory Committee may

² The Management Company acting as the registered investment adviser has policies and procedures in place which comport with the Investment Advisers Act of 1940 to ensure that transactions with affiliated entities are executed accordingly.

themselves be subject to various conflicts of interest (including as investors in other entities managed by the Management Company or its affiliates). In general, the Fund's investors will not be entitled to control the selection of Advisory Committee members or to review the actions or deliberations of the Advisory Committee.

Legal Representation

Schulte Roth & Zabel LLP ("Schulte Roth") and Sterlington Professional Corporation acting through Harrison Legal PLLC ("Sterlington"), jointly act as counsel for the Fund in connection with the offering of Interests and also serve as counsel to the General Partner, the Partner, affiliated Fund's investors and their respective affiliates in connection with the Fund and/or on other matters. In connection with the Fund's offering and ongoing advice to the Fund, the General Partner, the Partner and affiliated investors, Schulte and Sterlington will not represent any non-affiliated Limited Partner or the Fund's investors as a group. If any controversy arises in which the interests of the Fund are in conflict with those of the General Partner or its affiliates, other counsel will be retained for the Fund, the General Partner or both, as the General Partner may decide in its sole discretion.

[Investment Relationships]

The Principals have long-term relationships with a significant number of real estate operators, and their respective senior management, which may cause employees of the Sponsor to discuss investment opportunities from time to time with the foregoing persons. The Principals also have relationships with numerous investors, including institutional investors and their senior management. The existence and development of these relationships may influence whether or not the General Partner undertakes a particular investment on behalf of the Fund, and if so, the form and level of such investment. Similarly, the Partner may take the existence and development of such relationships into consideration in its management of the Fund and its investments.]

Co-investment Opportunities

The Fund may invest alongside strategic, financial or other third-party co-investors. In addition, subject to the terms of the Partnership Agreement, the General Partner, in its sole discretion, may offer certain co-investment opportunities to strategic investors, lenders, one or more investors (including investors that are affiliates of the General Partner), or when appropriate, other third parties. Investing in the Fund does not entitle any of Fund's investors to allocations of any co-investment opportunities. The General Partner shall have no obligation to offer any such co-investment opportunities to the Fund's investors, and there can be no assurance that the Partner will be able to identify co-investors or that a particular co-investment opportunity will not be offered to third parties other than the Fund's investors. The Fund's ability to achieve certain co-investment objectives assumes that the Fund will be able to identify such co-investors and to negotiate and execute mutually acceptable terms and conditions in respect thereof. Nothing in the Offering Memorandum constitutes a guarantee, prediction or projection of the availability of future co-investment opportunities. Investments alongside co-investors or joint venture partners will

involve additional risks which may not be present in investments which do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the Fund, may be in a position to take action contrary to the Fund's investment objectives, or may default on its obligations. In addition, under certain circumstances the Fund may be liable for actions of its co-investors. While the Fund intends to mitigate these risks contractually through co-investment agreements, there can be no assurance that it will be successful in doing so. The terms of any co-investment or joint venture opportunities may differ from those of the Fund. Fees and expenses incurred in respect of any investment (and any transaction or other fee income earned in respect of any investment) will be allocated among the Fund and any co-investors on the basis of capital committed by each to the relevant investment. All expenses incurred in connection with transactions that are not consummated will be borne solely by the Fund [except to the extent that other co-investors shall have contractually committed to share in such expenses prior to the termination of the applicable transaction].

Limitations on Raising Successor Funds

Because of the requirement that the General partner and its affiliates will not commence the operation of another real estate fund with principal objectives, and strategies substantially similar to those of the Fund until the earlier of: (i) the end of the Investment Period; and (ii) such time as at least 70% of the Commitments have been invested or committed for identified investments, used for Fund expenses, including Management Fees, or reserved for follow-on investments or reasonably anticipated expenses of the Fund, the General Partner and Management Company may be incentivized to deploy capital commitments more rapidly than may otherwise be the case with the result of less selectivity in investments and choosing to not employ as much leverage on investments in order to optimize returns.

The Offering Memorandum contains additional discussion on potential conflicts of interest and certain risk factors.

ITEM 12 – BROKERAGE PRACTICES

Gramercy Irving is not registered, nor does it act as a broker-dealer.

Best Execution

As an investment adviser, Gramercy Irving has a duty to use reasonable diligence to obtain "best execution" for the transactions being affected for our investors. Since, assets held by the Fund do not meet the statutory definition of securities required to be subject to the "best execution" requirements, at this time the Adviser will consider other factors such as those described in the Offering Memorandum to ensure that properties purchased for the Fund are based upon reasonable independent valuations.

Certain other actions by the Fund, such as sales of investments and the redemption of Interests of defaulting investors of the Fund, will be based on the General Partner's estimate of the value of the

Fund's investments. In the case of most of the Fund's investments, market price quotations are unlikely to be readily available. Accordingly, the Fund's investor will need to rely on the judgment of the General Partner in valuing such Fund's investments. Valuations do not necessarily represent the price at which an investment would sell because market prices of investments can only be determined by negotiation between a willing buyer and seller. If the Fund were to liquidate an investment, the realized value may be more than or less than the valuation of such investment as determined by the General Partner.

ITEM 13 - REVIEW OF ACCOUNTS

Investor accounts are monitored periodically by Myles Joshua Edwards, IV our Chief Compliance Officer while reviewing objectives and restrictions. The Adviser issues periodic written reports to its investment advisory investors. These written reports generally contain a list of assets, investment results, and statistical data related to the client's account. We urge investors to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser on behalf of the Fund may from time to time employ placement agents to introduce prospective investors to the Fund. As noted throughout this Investment Advisory Brochure, all of Gramercy Irving's significant revenue sources are derived from the Fund and completely transparent to its investors.

ITEM 15 – CUSTODY

The SEC has provided guidance that if an adviser manages client assets that are not funds or securities it is not required to maintain these assets with a qualified custodian under Rule 206(4)-2. The Fund' will send investors periodic statements and tax reporting forms.

ITEM 16 – INVESTMENT DISCRETION

The Adviser through its investment management of the Fund maintains discretion over the Fund's investments.

ITEM 17 – VOTING CLIENT SECURITIES

The Fund's portfolio does not contain assets subject to the Proxy Voting Rules.

ITEM 18 – FINANCIAL INFORMATION

As an Adviser that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Gramercy Irving has no financial commitment that impairs its ability to

meet contractual and fiduciary commitments to investors and has not been the subject of a bankruptcy proceeding.