

Item 1 – Cover Page

Property Investment Advisors, Inc.

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January 1, 2019

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and “Property Investment Advisors, Inc.” (PIA, us, we, our). This Brochure provides information about our qualifications and business practices.

This brochure provides information about the qualifications and business practices of Property Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (804) 644-4474 or dcroy@piainc.net. 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.

Additional information about Property Investment Advisors, Inc. also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “Investment Adviser Search” and type in our firm name or our SEC file number, “801-73367”). Results will provide you both Part 1 and 2 of our Form ADV.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, are information for you to use to evaluate us (and other advisers) as you decide to hire or continue to maintain a mutually beneficial relationship with us.

Item 2 – Material Changes

1. This document is updated from the Brochure dated Jan 1, 2018.
2. Item 4 is updated to reflect current cumulative investments.
3. Item 7 is updated to reflect the current makeup of our types of clients and minimum subscriptions.
4. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
5. If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, David M. Croy at (804) 644-4470 or dcroy@piainc.net.

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Item 4 – Advisory Business

Property Investment Advisors, Inc. (“PIA”, “we” or “our”) is a Richmond, Virginia-based investment manager founded in 1994 to provide real estate investment advisory services to institutions and high net-worth individuals. The principal owners of PIA are R. Lewis Boggs (Lew) and Christopher B. Boggs (Chris). PIA, Inc. is the majority owner of Property Investment Advisors, LLC, (“PIA, LLC”) the Managing Member for both the Funds and individual Projects described below. Chris and Lew Boggs are the other minority owners of PIA, LLC.

PIA specializes in investing in commercial real estate development opportunities and limited acquisitions of existing real estate. PIA currently manages investments for over 50 endowments, foundations, and other accredited investors across five private blind pool funds and four single project funds. These funds have invested over \$350 million in 81 properties with an aggregate capitalized cost (meaning the total debt and equity capital invested in the projects by PIA’s funds, the developer, senior lenders, and others) of over \$1.8 billion. PIA focuses on long-term relationships with experienced, proven real estate developers across a variety of commercial property types and geographic markets located primarily, though not exclusively, in the Mid-Atlantic, Southeastern, and portions of Southwestern United States. PIA seeks to use its knowledge, experience, and relationships with developers to provide its clients with a diversified portfolio of investments in real estate development projects that offer superior and stable returns not correlated with traditional asset classes.

PIA operates pooled investment vehicles with Investor Members subscribing to one of our two primary types of investment vehicles. The first type is a blind pool fund (“Fund”) where individuals subscribe to a larger, closed-end, multi-investment Fund that accepts subscriptions from multiple investors and the Fund then makes several different real estate investments. At the time investors subscribe to the Fund, they will not know the specific investments the Fund will undertake; although they will know the general investment parameters the Fund will operate under as well as the Fund’s objectives. The second type of investment vehicle is a single asset fund where individuals commit to invest in only one single real estate project through a special purpose investment entity (either “Project” or “Project Company”). In this case, the investors are given a description of the specific investment the Project Company will make and their capital will only be used for this one investment. The legal structure of the Fund and the Project are similar; investors act as Investor Members or Limited Partners, while Property Investment Advisors, L.L.C. acts as the Managing Member or General Partner. The operations of the two entities are also similar. The primary difference between the Fund and Project is that the Fund is a larger investment vehicle which pools larger amounts of money to invest in several different investments over a longer period; while the Project Company only invests in a single investment, usually over a shorter timeframe. The investment objectives and strategy of both the Fund and the Project are described in detail to investors prior to making an investment decision. The operation of each individual Fund or Project Company is in accordance with that Fund or Project’s Operating Agreement. Additionally, when properly disclosed to investors, a Project Company may make a co-investment in a particular real estate asset alongside an investment made by the Fund. PIA

operates pooled investment vehicles and does not tailor its advisory services to the individual needs of its investors; additionally, investors may not impose restrictions on investing in certain securities or types of securities. As a pooled investment vehicle, all investor members own a pro rata share of the Fund or Project they have subscribed to and all member subscriptions are treated equally. Each individual Fund or Project is established at the end of a discrete subscription period. At the time the Fund or Project is established, it is closed to new subscriptions. As investment opportunities are identified, investment commitments are called from the members on a pro rata basis and invested in the real estate projects as described in the applicable Operating Agreement. In the case of an individual Project, potential investors are provided more detailed information on the specific Project, subscriptions are accepted for that Project, and virtually all of the capital is then called to make the investment with a minor uncalled contingency as described in the Project's Operating Agreement.

PIA does not participate in any wrap fee program.

As of January 1, 2019, PIA managed \$131,369,195 of client's assets on a discretionary basis. PIA does not manage assets on a non-discretionary basis.

Item 5 – Fees and Compensation

Management Fees

Each Fund or Project pays the Managing Member an annual management fee as described in the Fund or Project's Operating Agreement. This amount varies by Fund or Project and is typically between 1% and 2% of called capital. Additionally, PIA receives a performance based incentive distribution (see Item 6 of this brochure for more details on performance based fees).

These management fees are negotiable at the Fund or Project level and may include discounted management fees for investors who make commitments above a specific dollar threshold or within a specific timeframe. The conditions which must be met to receive discounted management fees are disclosed in the Fund or Project's offering documents.

Management fees are paid in arrears on a quarterly basis. Fees are deducted directly out of the Fund or Project operating account. In the event there are insufficient funds available in the operating account to pay management fees, they may be accrued until such time as cash is available from investment projects to make a payment.

Structuring Fee

The Managing Member will receive for each investment made by the Fund or Project, a one-time structuring fee (also sometimes referred to as an "origination fee"), payable by the developer-

partner from the operating company account upon the initial closing of the investment and the establishment of an investment's operating documents.

The practice of receiving a one-time structuring fee payable by our developer-partner in an investment creates a conflict of interest in that the payment is made upon closing of the investment. The structuring fee is not related to the ultimate success or failure of the investment, and the non-refundable structuring fee is considered fully earned upon closing. This structuring fee is tied directly to the aggregate real estate project cost. It is designed to not only help offset PIA's project-related overhead associated with conducting the due diligence for each specific real estate project, but also allows PIA to reduce the total fee charged to Investor Members by charging management fee only on called capital versus charging a fee on the investor's total committed capital. The fee is calculated at roughly 0.5% of the forecasted aggregate costs for the specific real estate project and not on the equity invested in the project.

Structuring fees are paid by the developer-partner to the Managing Member and the Managing Member retains all such structuring fees for its own account. Structuring fees are not paid by the Fund or Project Company and such fees will not directly offset, reduce, or otherwise affect amounts of the management fee, administration fees, or any other ongoing fees that arise in connection with the Fund or Project.

Other Fees

The Fund or Project shall bear and be charged with all costs and expenses (and shall promptly reimburse the Managing Member or its Affiliates to the extent that any of such costs and expenses are paid by such entities) which are associated with the conduct of the business of the Fund or Project, including, without limitation:

- third-party expenses incurred in connection with maintaining qualification of the Company to do business in Virginia and any other jurisdiction in which qualification is necessary or appropriate;
- all expenses incurred in connection with identifying, evaluating, structuring and negotiating the Fund investments or Project and the acquisition, holding, sale, proposed sale or other disposition or valuation of the investment(s), Project or assets of a Project;
- fees and expenses of consultants, custodians, counsel, investment bankers, accountants, attorneys, the registered agent and other advisors incurred in connection with the business of the Fund or Project;
- third-party expenses of holding the securities held by the Fund or Project, including record keeping expenses and brokerage and other similar fees;
- third-party fees and expenses incurred in preparing tax and accounting reports for the Members of the Fund or Project;
- any taxes, fees, or other governmental charges levied against the Fund or Project, or on its income or assets or in connection with its business or operations;

- all costs and expenses of litigation and other matters as described in the Fund or Project Operating Agreement; and
- expenses associated with the acquisition, valuation, holding, and disposition of Fund or Project investments, including travel and extraordinary expenses (such as litigation, if any).

Item 6 – Performance-Based Fees and Side-By-Side Management

The Managing Member receives a performance based incentive distribution as described in the Fund or Project’s Operating Agreement. This amount varies by Fund or Project and is typically between 10% and 20% of all realized profits (which are calculated after payment of Fund or Project expenses and Management Fee). This incentive is paid after Investor Members receive a payment of an 8% annually compounding preferred return and the return of all invested capital. A preferred return is an amount calculated on the Investor Member’s capital contribution which is paid to the Investor Member before any performance based incentives are distributed to the Managing Member.

These incentive fees are negotiable at the Fund or Project level and may include discounted incentive fees for investors who make commitments above a specific dollar threshold or within a specific timeframe. The conditions which must be met to receive discounted incentive fees are disclosed in the Fund or Project’s offering documents.

Performance based fees are charged only to “qualified clients” as defined by Section 205, Rule 205-3 of the Investment Advisers Act. Qualified clients are generally defined as:

1. A natural person or company that has \$1,000,000 under management of the adviser.
2. A natural person or company whom the adviser believes (a) has a net worth of \$2,100,000, excluding the value of the person’s primary residence, or (b) is a qualified purchaser as defined in section 2(a)(51) of the Investment Company Act.
3. An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser (in this case PIA); and certain other employees as described by the Rule.

PIA does participate in side-by-side management. Side-by-side management is the management of accounts that are charged a performance-based fee while at the same time managing other accounts that are charged another type of fee (such as hourly, flat, or asset-based fees). Additionally, PIA may establish a Project Company specifically to co-invest in a particular investment alongside a Fund which is also managed by PIA. In this case, the Project and Fund may each invest at terms that are materially different. This creates a conflict of interest in that PIA

may be incentivized to allocate certain investment opportunities to the vehicle that pays higher fees. PIA has mitigated this conflict by adopting investment allocation policies and procedures as described in more detail under Item 8.

Item 7 – Types of Clients

PIA's clients are solely pooled investment vehicles as described in Item 4. Our Investor Members in these pooled investment vehicles must be accredited investors or qualified purchasers (as defined in SEC Regulations and dependent upon the specific investment vehicle) as well as qualified clients. Approximately 35% of our existing Investor Members are educational or other non-profit institutions and collectively provide over 70% of the total invested capital. Additionally, approximately 62% of our investors are high net worth individuals who provide approximately 12% of the total invested capital. The minimum subscription accepted is \$100,000. Minimums may vary by Fund or Project and may be negotiated at PIA's discretion.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment in the Fund or Project entails a high degree of risk and is suitable only for sophisticated institutions and individuals for whom an investment in the Fund or Project is not a complete investment program and who fully understand and can bear the risks of an investment in the Fund or Project. The Managing Member seeks to identify unique commercial real estate investment opportunities that offer stable returns that are not correlated with traditional asset classes. We do this by working with a small group of real estate developers who each specialize in specific types of commercial real estate. Through our underwriting process, we identify projects in markets with above average growth, a supportive business environment, an underserved product type, moderate to high barriers to entry, and where acquisition and/or construction can be obtained at a reasonable cost relative to the expected cash flow from the project.

There are multiple risks involved in investing in the Fund or Project and prospective investors should carefully consider these various risks, which may include:

- **Nature of Investment.** An investment in either the Fund or Project requires a long-term commitment with no certainty of return. There is a possibility the Fund or Project will bear a significant loss of capital, and investors should not subscribe for a Membership Interest unless they can readily afford to lose their entire investment in the Fund or Project. Even if the investments are successful, they may not produce significant cash flow to the investors for a period of years. There can be no assurance the Fund or Project's investment

objectives will be achieved or there will be any return of capital.

- **Risks Related to Investment Structure.** Generally, the Fund or Project will make equity investments. However, where it does make a debt investment, it is unlikely the Fund or Project will receive collateral of any material value for the loans it makes to its developer-partners, and the Fund or Project will invest in companies that have minimal or no equity capitalization. Accordingly, in the event of default by a developer-partner (including bankruptcy), it is unlikely the Fund or Project will be able to recover the value of all or any part of its investment from the developer-partner, and the Fund or Project may bear a significant loss of capital.
- **Future Investments Unspecified.** While it is expected that a substantial portion of our future Fund or Projects will be invested in multi-family development, as of the date of this disclosure, no specific future investments with agreed upon terms have been identified. Investors, therefore, will be relying on the ability of management to identify and evaluate the investments to be made using the proceeds of our offering documents. Because such investments may occur over time, the Fund or Project faces the risks of changes in interest rates and adverse changes in the real estate market.
- **Risks of Real Estate Market.** The ability of the Fund or Project to achieve its investment objectives will be highly dependent on the real estate market generally. Real estate has historically experienced significant fluctuations and cycles in value, and changes in specific market conditions for development projects may result in reductions in the value of the Fund or Project's investments. The value of the investments will depend on many factors beyond the control of the Fund, Project, or PIA, including: (i) changes in general or local economic conditions; (ii) changes in supply of, or demand for, competing properties in an area; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental laws and regulations, including laws and regulations relating to land-use and zoning restrictions, environmental protection, and occupational safety; (v) unavailability of mortgage funds that may render the sale of a property difficult; (vi) the financial condition of tenants, buyers, and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of God and natural disasters. In addition, general economic conditions in the United States, as well as conditions of domestic and international financial markets, may adversely affect operations of the Fund or Project. Furthermore, most of the Fund and Project investments will be passive in nature, and neither PIA, the Managing Member, nor their respective affiliates can control the day-to-day operation of the development projects directly or indirectly financed by the Fund or Project.
- **Risks of Engaging in Development Activities.** The ability of the Fund or Project to achieve its investment objectives will be highly dependent on the performance of the development projects in which we directly or indirectly invest. Such projects will be subject to various risks, including those set forth above in *Risks of Real Estate Market* and the risk that there may be unanticipated delays in the completion of such projects due to factors beyond the control of the Fund or Project. These factors may include: (i) strikes;

(ii) adverse weather; (iii) changes in building plans and specifications; (iv) material shortages; (v) increases in the costs of labor and materials; or (vi) delays in zoning approval or inspections. Delays in completing any development project will cause corresponding delays in the receipt of operating income and, consequently, the distribution of any cash flow by the Fund or Project with respect to such project. In addition, the estimated costs and schedules of developing and constructing buildings and related landscaping may be affected by changes in construction plans and specifications, or by other unforeseen events, any of which may cause additional expenses to be incurred, which likely will be borne by the Fund or Project.

- **Insufficient Number of Investment Opportunities.** The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. Since Projects are only proposed after identification of a specific investment opportunity, this risk only applies to the Fund.
- **Risks Associated with Lending.** Generally, the Fund or Project will make equity investments. However, where it does make a debt investment, loans extended by the Fund or Project to developer-partners in connection with investments in development projects may become nonperforming for a wide variety of reasons. In addition to the risks of borrower default, the Fund or Project will be subject to a variety of risks in connection with such investments, including the risks of mismanagement or a decline in value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws, and the imposition of common law or statutory restrictions on the Fund or Project's exercise of contractual remedies for defaults on such investments.
- **Leverage and Interest Rates - Senior Lenders.** Many of the development projects financed directly or indirectly by the Fund or Project are likely to use a leveraged capital structure, in which case a third party would be entitled to cash flow generated by its loans prior to the Fund or Project receiving a return. Fluctuations in interest rates may adversely affect the performance of such projects. Use of borrowed funds to leverage investments involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in the value of an investment and will increase the exposure of an investment to adverse economic conditions, such as fluctuations in interest rates, downturns in the local economies in which the development projects financed directly or indirectly by the Fund or Project are located, or deterioration in the condition of such projects. In addition, if the development projects are unable to generate sufficient cash flow to meet principal and interest payments on the project's debt, the development projects financed directly or indirectly by the Fund or Project may be forced to default on this debt, which could result in additional expenses to the development projects and/or forced liquidation of the development projects at prices that may not reflect the full value thereof and may result in a total loss. In addition, the amount or terms of financing may restrict the amount of funds available for distribution to the Fund or Project.

- **Reliance on Key Persons.** The success of the Fund or Project is substantially dependent on R. Lewis Boggs and Christopher B. Boggs. Should either or both individuals become incapacitated or in some other way cease to participate in the Fund or Project, its performance could be adversely affected.
- **Reliance on the Managing Member.** The Fund or Project will be managed exclusively by the Managing Member. The Investor Members will not have any right to participate in the management of the Fund or Project's business or affairs.
- **Lack of Diversification.** In the case of the Fund, Members have no assurance of diversification in the Fund's investments, either by geographic region or asset type. In addition, the Fund may fail to raise the targeted amount of aggregate committed capital, which could lead to increased risk because of the Fund's investments being less diversified and the types of investments available to the Fund being more limited than desired. This may have an adverse impact on the ability of the Fund to achieve its investment objectives. We further expect a significant portion of the Fund will be invested in multi-family housing; and, therefore, the aggregate return of the Fund may be substantially affected by industry- or sector-specific conditions.
- **Failure to Make Capital Contributions.** In the case of the Fund, if an investor fails to pay installments of its Commitment to the Fund when due, and the contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. Thus, the Fund may be subjected to significant penalties that could have a materially adverse effect on the returns to investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the Operating Agreement, redemption by the Fund of all or any portion of the defaulting investor's Membership Interest on terms and conditions unfavorable to such investor.
- **Dilution from Subsequent Closings.** In the case of the Fund, each investor subscribing for an interest at any subsequent closing will participate in existing investments of the Fund, diluting the interests of existing investors therein. Although each such investor will contribute its *pro rata* share of previous drawdowns (plus an amount of interest thereon), there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional investor subscribes for a Membership Interest.
- **Illiquidity of Membership Interests.** The Membership Interests represent highly illiquid investments and should only be acquired by investors able to commit their funds for an indefinite period. The Membership Interests are not registered under federal or state securities laws and may not be resold unless they are subsequently registered or an exemption from such registration is available. Transfers of Membership Interests (other than to certain affiliates) are also subject to the approval of the Managing Member (which may be granted or denied in the sole discretion of the Managing Member) and the satisfaction of certain other conditions.

- **Illiquidity of Investments.** The investments to be made by the Fund or Project are also likely to be illiquid. Dispositions of investments may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof.
- **Targeted Returns.** The Fund or Project will make investments based on the Managing Member's estimates or projections of internal rates of return and current returns. Investors have no assurance the Fund or Project will achieve its targeted total return on its investments. In addition, the Managing Member may adjust targeted returns to reflect any changes in market conditions.
- **Limitation on Liability of Managing Member.** The Operating Agreement will provide that neither the Managing Member, nor its affiliates or their respective officers, directors, members, shareholders and employees will have any liability to the Fund, the Project, or the Members for any act or omission performed or omitted by any of them unless such act or omission results from his, her, or its gross negligence, willful malfeasance, willful breach of any material provision of the Operating Agreement, or knowing violation of criminal law.
- **Environmental Risks.** The Fund or Project may be exposed to risk of loss from environmental claims arising with respect to real estate with environmental problems at projects being developed by a developer-partner of the Fund or Project. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of an investment and could not have been foreseen.
- **Availability of Insurance Against Certain Catastrophic Losses.** With respect to development projects directly or indirectly financed by the Fund or Project, it is expected the owner or property manager will obtain suitable comprehensive liability, fire, and extended coverage insurance with insured limits and policy specifications that are customary for similar properties. However, certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks, or other similar events, may be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments of the Fund or Project. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against terrorism. If a major uninsured loss occurs, the Fund or Project could lose both invested capital in and anticipated profits from the affected investments.
- **United States Federal Income Tax Risks.** An investment in the Fund or Project entails significant tax risks, including, but not limited to: (i) the possibility certain deductions claimed by the Fund or Project may be disallowed and that any audit of the Fund or Project's tax return may result in an audit of any Member's tax return; (ii) the possibility the Fund or Project may have taxable income allocable to Members in an amount greater

than the cash available for distribution; and (iii) the possibility future legislative, administrative or judicial interpretations of current law or future legislation will change the tax treatment of investors described herein. Each investor should carefully review the Fund or Project's Operating Agreement regarding additional risks described in *Certain Federal Income Tax Considerations* and should consult its own tax advisor.

- **Unrelated Business Taxable Income.** Although the Fund or Project will seek to reduce the amount of income that is treated as Unrelated Business Taxable Income ("UBTI") with respect to tax-exempt Members to the extent reasonably practicable and consistent with its objective of maximizing the pre-tax returns of all the Members, it is probable that portions of the Fund or Project's income will be treated as UBTI with respect to some Members.
- **Employee Benefit Plans.** In considering an investment in the Fund or Project, the fiduciary of an employee benefit plan should consider, among other things, the possibility the assets of the Fund or Project could be deemed to be the "plan assets" of such benefit plan. If any assets of the Fund or Project were deemed to be "plan assets" of employee plans whose assets were invested in the Fund or Project, certain provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") would generally extend to investments made by the Fund or Project. This would result in, among other things, the possibility that certain transactions which the Fund or Project might enter into as part of its investment strategy might constitute prohibited transactions under ERISA and the Code, and the Fund or Project might not be able to pursue its investment strategy.

An investment in the Fund or Project and the activities thereof will be subject to certain potential conflicts of interest:

- **Management of the Fund or Project.** The principals of the Managing Member will devote such time to managing the Fund or Project that they, in their sole discretion, deem necessary to carry out operations effectively. The principals of the Managing Member may also work on projects for affiliates, and conflicts of interest may arise in allocating management time, services, or functions among such affiliates. To monitor and mitigate any conflict of interests that may arise out of these activities, principals of the Managing Member are required to report outside business activities to the Chief Compliance Officer.
- **Multiple Funds.** The principals of the Managing Member participate in the management of other entities with similar investment strategies. This currently includes Property Holdings ("PH"), PH III, PH IV, PH V, PH VI, PH Reedyview, PH Asheville, PH District South, and PH Wolf Ranch and they may devote significant time in the future to the management of those entities. Except as otherwise provided in the applicable Operating Agreement, these persons will not be restricted with respect to any other investment activities, and it is anticipated that each will undertake other investment activities. This could result in significant conflicts between their duties to the Managing Member, the Fund or Project, and these other interests. To monitor and mitigate any conflicts of interest that may arise out of these activities, principals of the Managing Member are required to report

outside business activities to the Chief Compliance Officer.

- **Compensation of the Managing Member.** In addition to the structuring fees associated with each investment and the management fee of approximately 1% to 2% of called capital, the Managing Member will receive distributions equal to 10% to 20% of any net profits of the Fund or Project, and may not have contributed any capital that could be subject to loss. The existence of the structuring fees and this right to distributions may create an incentive for the Managing Member to make more speculative investments on behalf of the Fund or Project than it would make in the absence of such structuring fees or performance-based compensation. In addition, due to the method of calculating the distributions to the Managing Member, the Managing Member's compensation may be affected by the timing of investment realizations and other factors under the control of the Managing Member.
- **Diverse Membership.** The Members 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, or other interests. As a result, conflicts of interest may arise in connection with, among other things, the nature of investments made, the structuring or characterization of investments, and the timing of realizations of investments. Decisions made by the Managing Member with respect to the foregoing may be more beneficial for one type of Member than for another type of Member. In selecting investments appropriate for the Fund or Project, the Managing Member will consider the investment objectives of the entity as a whole, not the investment, tax, or other objectives of any Member individually.
- **Common Counsel.** Both Williams Mullen and Hirschler Fleischer Attorneys at Law, which act as counsel for the Fund or Project in connection with the offering of Membership Interests, also serves as counsel to PIA, the Managing Member, and some of their affiliates on other matters. If any controversy arises in which the interests of the Fund or Project are in conflict with those of PIA, the Managing Member or their affiliates, separate counsel will be retained for each of the Fund or Project, PIA, and the Managing Member or all of them, as the Managing Member may decide in its sole discretion.
- **Allocation of Investments Among Different Funds or Projects.** PIA has multiple Funds and Projects, each of which may continue to invest in investment opportunities similar to the other Funds or Projects. Investment opportunities in which more than one entity managed by PIA may participate are allocated by PIA in its sole discretion, with consideration to factors including the relative size of the investment and the available capital of the client Funds, the client Funds' current investment holdings, and the age and life-cycle status of each Fund as compared to the anticipated holding period of the investment. PIA may consider all other factors it deems relevant to such a determination. For example, it may be appropriate to allocate an investment to a particular Fund in order to diversify one or more Fund's holdings, or when the size of a project makes it unwise to place the full amount of an investment in one Fund, or when available commitments are not sufficient in an older Fund and the investment must be shared with a newer Fund. PIA makes a good faith effort to ensure one entity does not receive preferential treatment over any other; however, where PIA in its sole discretion determines

it is necessary under the circumstances, PIA will cause more than one entity to invest in a project on different terms. In certain cases, transaction costs or other transaction factors may prevent precise pro-rata allocation and PIA reserves the right to resolve any such issues by causing one or more entities to invest on a non-pro rata basis in its sole discretion.

- **Co-Investments Between Funds and Projects.** PIA may choose to establish a traditional blind pool Fund and for each separate investment made by that Fund, we may allow additional investors to subscribe to a new individual Project (or “co-investment vehicle”) that is created solely to co-invest alongside the Fund in a particular investment. The terms of this co-investment Project may differ from those of the Fund. The maximum percentage of the co-investment that may be allocated to the Project will be described in each of the respective entities’ Operating Agreements. The actual allocation within those maximum percentages will be determined by PIA in its sole discretion and will be based on factors such as the size of a project, available commitments, current diversification, and investor interest. As a result, conflicts of interest may arise since the timing and amounts paid to PIA may be different between the two PIA managed investment vehicles. Additionally, some investments may garner more interest from investors seeking individual Projects, this could cause some Projects to receive greater commitments and reduce the allocation available to the Fund. PIA will manage this risk by establishing a maximum percentage that may be allocated to the co-investment vehicle and will make a good faith effort to provide investors in the Fund with the first opportunity to subscribe to the co-investing Project. In certain cases, transaction costs or other transaction factors may prevent precise pro-rata allocation and PIA reserves the right to resolve any such issues by causing one or more entities to invest on a non-pro rata basis in its sole discretion.

Item 9 – Disciplinary Information

There are no legal or disciplinary events by any Manager or Member of PIA.

Item 10 – Other Financial Industry Activities and Affiliations

No management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

PIA has adopted a code of ethics that applies to all officers and employees of PIA. This code of ethics requires all officers and employees to act in an ethical manner befitting our fiduciary role. It requires all personnel to be familiar with and adhere to PIA's policies and procedures which were written to ensure we meet our fiduciary obligation to our clients. Further, our code requires the protection of material non-public information and provides for sanctions and adequate record keeping of all material violations of our code of ethics. A copy of this code will be provided to investors or prospective investors upon request.

To assist in mitigating the appearance of benefiting from investment transactions made on behalf of the Fund or Project, no officer or employee of PIA may purchase any interest in the securities of our developer-partners.

No officer or employee of PIA may invest personal funds beside investor funds in any individual development project without proper review and disclosure to Members. Provided however, that an officer or employee may use personal funds to invest as a Member of a Fund or Project.

Item 12 – Brokerage Practices

PIA does not engage in brokerage transactions or Soft Dollar Benefit programs.

Item 13 – Review of Accounts

Individual investor capital and preferred return accounts are reviewed on a monthly basis. Investor Members are provided a quarterly report within 45 days of the end of each quarter in the case of the first 3 quarters of the year. Investor Members are provided an annual report within 90 days of the end of each year. Additionally, within 120 days of the end of the Fund or Project's fiscal year-end, members receive a copy of Fund financials which are prepared and audited by a Public Company Accounting Oversight Board (PCAOB) registered and inspected independent auditor.

Item 14 – Client Referrals and Other Compensation

PIA does not receive an economic benefit from anyone who is not a client and who provides investment advisory services to our clients. PIA does not pay for client referrals.

Item 15 – Custody

PIA maintains custody of client assets in accordance with the terms of the offering documents. During capital events such as acquisition or sale of a project, when receiving operating funds from an investment, or in the case of holding working capital for the Fund or Project, PIA will accept, hold, and account for client funds on an individual or pro rata basis.

Each individual Fund or Project is a separate Pooled Investment Vehicle (PIV). A PIV combines capital (dollars) from many investors and invests those dollars according to a particular investment strategy. After the receipt of a capital call (a request for investors to send a certain amount of money to the Fund or Project), individual client funds are wired to a qualified custodian and accounted for on a pro rata basis. Funds are pooled or combined and invested according to the terms negotiated between the Managing Member and the entity's developer-partner (the commercial real estate developer we are undertaking a project with).

Rule 206(4)-2 of the Investment Advisers Act (known as the "Custody Rule") requires advisors with custody to maintain client funds and securities with "qualified custodians." Qualified custodians include banks, registered broker-dealers, and certain foreign custodians. Qualified custodians are generally required to provide at least quarterly account statements directly to the advisor's clients. PIA maintains client funds at a qualified custodian; however, as an advisor to a PIV that meets certain requirements (defined below), we are exempted (under the Custody Rule) from the requirement to have the qualified custodian deliver account statements directly to our clients. Additionally, under Rule 206(4)-2, a surprise examination is required for advisors who have custody of investor funds. An exemption to this requirement exists for certain advisors to PIVs. To use these exemptions related to PIVs, an advisor to a PIV must be subject to an annual financial statement audit by a PCAOB registered and inspected accountant; and audited financial statements of the PIV must be distributed to the pool's investors within 90 days of the completion of the audit. PIA meets the requirements for these exemptions.

Investor Members will receive a quarterly statement from the Managing Member indicating the member's capital balance, capital calls and distributions during the period, the outstanding balance of the member's preferred return, and indicating the member's pro rata valuation based on fair value of the real estate investments.

As a PIV, members will also receive financial statements audited by a PCAOB audited and inspected independent auditor within 120 days of the Fund or Project's fiscal year-end.

Item 16 – Investment Discretion

Prior to investing in a Fund or Project, potential investors complete a subscription agreement and form of an Operating Agreement which empowers the Managing Member to use discretionary authority within the scope of the Operating Agreement to identify, negotiate, and execute investments on behalf of the Members. The Operating Agreement serves as the legal basis for the Managing Member's authority and provides limitation on the Investor Member's authority in the day to day management of the Fund or Project.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

PIA does not vote client securities. Due to the nature of our investments in real estate projects, there are no proxies to be voted.

Item 18 – Financial Information

PIA does not require prepayment of management fees.

Item 19 – Requirements for State-Registered Advisers

PIA is a federally registered investment adviser; therefore this section is not applicable.