

RESILIENT CAPITAL MANAGEMENT, LLC

PART 2A OF FORM ADV FIRM BROCHURE

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ITEM 1. COVER PAGE

This Brochure provides information about the qualifications and business practices of Resilient Capital Management, LLC (“**RCM**” or the “**Firm**”). Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact Brucker Stensrud at 972-975-5665 or brucker@resilientcappartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about RCM is also available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

NOTE

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product by RCM; or
- a complete discussion of the features, risks or conflicts associated with any account advised by RCM.

As required by the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), RCM provides this Brochure to current and prospective investors.

Persons who receive this Brochure should be aware that it is designed solely to provide information about RCM as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or client relationship such as an advisory contract.

ITEM 2. MATERIAL CHANGES

This is the initial annual amendment filing this Brochure prepared by Resilient Capital Management, LLC. We report the following material changes since the Firm's initial Brochure filing in June 2023.

- In **Item 1**, we have updated our principal office's address.
- In **Item 4**, we have updated our regulatory assets under management.
- In **Item 10**, we have added affiliated entities of the Fund.

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ITEM 4. ADVISORY BUSINESS

RCM is a Delaware limited liability company with its principal place of business in Dallas, Texas. RCM is registered with the SEC under the Advisers Act. The Firm was formed in 2020 and is owned by John Powers and Brucker Stensrud.

RCM provides investment management services to pooled investment vehicles, RCP Fund I, LLC (“**Fund I**”) RCP SMI, LLC (“**SMI**”) and RCP Fund II, LP (each a “**Fund**” and together the “**Funds**”), investing primarily in marina and marina-related interests. RCM supervises, oversees and controls all investment advisory services with respect to these Funds. The Firm manages each Fund on a discretionary basis in accordance with applicable governing documents. Each Fund invests primarily in marina and/or marina related assets.

RCM provides investment advisory services with respect to each Fund in accordance with the investment objectives, policies, guidelines, limitations and restrictions set forth in applicable Fund offering or governing documents. The Firm provides investment advisory services solely with respect to the Funds, and no investor in any such Fund should look to RCM for advice regarding any of its own investment decisions, including any decision to invest in a Fund. The Firm treats the Funds, and not any of their investors, as “clients” for purposes of the Advisers Act and other applicable laws and regulations, to the extent permitted under such laws.

Each of the Funds relies upon and qualifies for exclusion from the definition of “investment company” as set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Company Act**”).

Assets under management including all Funds were approximately \$266 million as of December 31, 2023. The Firm does not manage any assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

RCM is entitled to receive fees and other compensation as set forth in Fund governing documents. Compensation provisions vary for each Fund. Investors should review the governing documents of each Fund for detailed information about fees, other compensation, and expenses. RCM may enter into side letters or other agreements with investors that provide for different fees or compensation.

Fund Management Fees

The Firm charges management fees (“**Management Fees**”) to each Fund for investment advisory services. The Management Fee ranges from 1.5% to 2.0% of committed capital per annum. Management Fees are payable quarterly in advance.

Performance Allocation

An affiliate of the Firm of each Fund is entitled to a performance allocation (“**Performance Allocation**”) from each respective Fund. The Performance Allocation is 20.0% after investors receive their capital invested plus an 8.0% internal rate of return hurdle rate. This includes full Manager catch-up.

Expenses

The Funds are responsible for various expenses as set forth in each Fund's governing documents, and investors should refer to such documents for detailed information regarding such expenses. In general, the Funds are subject to all expenses related to Fund operations, including a) fees, costs and expenses incurred in connection with investments or potential investments and the identification, evaluation, acquisition, ownership, sale, hedging or financing of any investment or potential investment, including expenses incurred in evaluating potential investments that are ultimately not pursued; b) the cost of preparing Fund financial statements, tax returns and Schedule K-1s; c) audit fees and expenses; d) custodial fees; e) taxes and other governmental fees and charges; f) expenses incurred in connection with any indebtedness entered into by the Fund; g) expenses of the Board of Directors, Advisory Committees, and annual investor meetings; h) applicable research reports; i) insurance expenses; j) travel expenses, which may include commercial, business class or private travel expenses; k) litigation and indemnification expenses; l) administrative expenses; m) extraordinary expenses; and n) such other expenses as are established in Fund governing documents or disclosures. Funds are also responsible for offering and organizational costs to the extent permitted by Fund governing documents.

The Funds pay expenses directly or indirectly and reimburse RCM for eligible Fund expenses. Expenses are incurred by or relate to more than one Fund and/or RCM. The Firm attempts to allocate aggregate costs or expenses among applicable Funds (and, in certain cases, among RCM, affiliates of RCM and applicable Funds) in a fair and equitable manner based on the nature of the product or service and relative benefit derived by the applicable Fund or entity. However, expense allocation determinations can involve potential conflicts of interest, and the portion of a common expense that the Firm allocates to a Fund may not reflect the relative benefit derived by such Fund from that product or service in any particular instance. The Firm's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by the Firm in good faith generally will be binding and final on each Fund.

The foregoing list is not intended to be exhaustive and is qualified in its entirety by the applicable governing documents of each Fund. The Firm discloses certain information about the amount and nature of Fund expenses in Fund financial statements, capital call notices and other investor communications. However, investors do not receive detailed information regarding specific expenses paid by a Fund or its subsidiaries. The investment strategies the Firm employs for the Funds generally do not involve the purchase or sale of publicly offered securities, and as such, do not typically entail expenses related to brokerage commissions, but the Firm expects any securities brokerage commissions that may be incurred in the future on behalf of the Funds to be at market rates. To the extent applicable, the Funds will be responsible for and pay any of their respective custodial fees and expenses. See Item 12 below.

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

As noted in Item 5 of this Brochure, RCM affiliates) are entitled to receive a Performance Allocation in the profits of those Funds' investments. Such Performance Allocation represents a form of performance-based compensation.

Investors should note that the terms of the Funds' governing documents are intended to align the Firm's interests and Fund investors' interests, thereby mitigating seemingly inherent risks in performance-based compensation, including incentive for the manager of a Fund to make investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. The interests of the Firm include, but are not limited to, the amount of RCM's capital contributions (if any), the percentage of distributions in respect of Common Units or any Performance Allocation and the timing of payment of such distributions. The Performance Allocation is calculated based on realized, not unrealized gains. This leads the Firm to scrutinize investment and property fundamentals when considering project investments for the Funds.

Performance-based compensation is only charged in accordance with the provisions of Rule 205-3 of the Advisers Act and/or applicable state regulations.

ITEM 7. TYPES OF CLIENTS

RCM provides investment advisory services to pooled investment vehicles that invest directly or indirectly in marina or marina related assets.

Each investor must satisfy accredited investor and/or qualified purchaser eligibility requirements outlined in the offering documents or otherwise required by applicable laws. Investment in the Funds is subject to minimum initial investment amounts per investor, which may be waived at the discretion of RCM.

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

Investment Strategy

Fund I, SMI and Fund II invest primarily in marina and/or marina related real estate assets or debt instruments. Methods of Analysis

The Firm considers a number of factors when identifying potential real estate investments and development opportunities, including: the strengths and weaknesses of any operating or development sponsor; the overall condition of the property; the cost and availability of lots and/or land for development; the cost of entitlements for each developmental parcel; the efficiency with which a property has been operated and the efficiency with which a property could be operated in the future; the comparative value of the cost of funds (debt and equity); and the authenticity and validity of a properties trailing and forecasted income and expense assumptions.

Risks Related to the Offering

Our strategy is speculative and involves a high degree of risk.

Our strategy is speculative and involves a high degree of risk. You must be prepared to lose all or substantially all of your investment.

The Interests are subject to substantial restrictions on transfer.

The Interests may be assigned, conveyed, sold, encumbered or transferred, only with the prior consent of the Manager. In addition, the Interests will not be registered with the SEC and cannot be readily sold or transferred by an investor. Investors should be prepared to bear the risk of their investment in the Company for an indefinite period of time.

There is no public trading market for the Interests and there is no assurance that one will develop; therefore, you may not be able to sell the Interests at a price equal to or greater than the amount of your investment, or at all.

There is no public market for the Interests, nor do we expect a public market for our Interests to develop. It will, therefore, be difficult for you to sell your Interests promptly, or at all. In addition, the price received for any Interests sold is likely to be less than the proportionate value of the assets we own. Therefore, you should purchase the Interests only as a long-term investment. We do not anticipate ever applying to list the Interests on a national securities exchange or over-the-counter market, and, if we do apply for listing, we do not know when such application would be made or whether it would be accepted.

If the Interests are listed, we cannot assure you that a public trading market will develop. We cannot assure you that the price you would receive in a sale on a national securities exchange or over-the-counter market would be representative of the value of the assets we own or that it would equal or exceed the amount you paid for the Interests.

Because we have no meaningful operating history, we are subject to the risks of failure associated with any new business venture.

We were only recently formed and lack a meaningful operating history on which potential investors can assess our performance and prospects. Potential investors should be aware that there is a substantial risk of failure associated with any new business venture as a result of problems encountered in connection with the commencement of new operations. These include, but are not limited to, the entry of new competition, unknown or unexpected additional costs, and expenses that may exceed estimates.

No independent experts are representing the investors in the offering of the Interests.

No counsel has been appointed to represent the investors in connection with the offering of the Interests. Accordingly, each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Company, as well as with respect to the consequences of holding Interests.

The Manager may receive fees from the Portfolio Companies, decreasing the amount of funds otherwise payable to us.

The Manager, which is an affiliate of the Company, may be paid management, acquisition, and other fees and reimbursement of expenses from the Portfolio Companies in which we will invest. The Company will not share in these fees, if any.

The risk that we will not be able to accomplish our business objectives will increase if we are not able to raise sufficient capital in the offering of the Interests.

The Interests are being offered on a “best efforts” basis and no underwriter, broker-dealer or other person has agreed to purchase any of our Interests offered hereby. We are subject to the risk that all of the Interests offered hereby may not be sold. If we are only able to sell a portion of the Interests being offered, we expect that we will be able to invest in a smaller number of projects than if the offering is fully subscribed. The actual number of projects in which we will invest cannot be determined because the investments we pursue will depend on a number of factors. As a result, we will have less diversification in terms of the number and types of investments we pursue and the geographic regions in which our investments are located. If our investments are not diversified, our operations and ability to pay distributions will be dependent on the success of a smaller number of investments. Therefore, if we are only able to sell less than the maximum amount of Interests in the offering, we may lack a diversified portfolio of investments, our portfolio concentration in terms of investment type and geographic location will be greater, and our fixed operating expenses such as general and administrative expenses (as a percentage of gross income) will be higher, and we will not achieve the benefits associated with a large, diversified portfolio.

The dollar amount of Interests available for future issuance or sale could dilute the value of previously issued Interests.

From time to time, the Company may issue additional Interests, which, at the Company’s option, may have terms that are more favorable than those of the Interests being initially issued and may result in dilution to the then-outstanding Interests. Because the Company’s ability to issue additional Interests up to the target amount of the offering will depend on market conditions and other factors beyond its control, the Company

cannot predict whether more favorable terms will need to be offered in order to attract additional investors. Thus, then-existing holders of Interests will bear the risk of future issuances.

Risks Related to Our Business and Operations

Because of the speculative nature of real estate investments, investor may lose their entire investment.

Investments in real estate are inherently risky. One of the major risks of investing, directly or indirectly, in real estate is the possibility that we may not be able to sell the project as planned. Thus, investors must be prepared for the delays and costs associated with such delays. If a Portfolio Company is not able to make debt payments, a lender may foreclose on the affected project. Foreclosure of projects may result in a total loss of investment. Thus, our investment objectives must be considered speculative, and there can be no assurance that we will achieve them. Real estate projects may generate income and capital appreciation at a rate less than that anticipated or available through investment in other investments and may not even generate income sufficient to meet operating expenses. Income from real estate development projects may be affected by many factors, including adverse changes in general economic conditions; adverse local conditions, such as competitive over-building or a decrease in employment; adverse changes in real estate zoning laws, particularly “down-zoning,” which may reduce the desirability of real estate in the area; adverse changes in regulations affecting our Investments, including environmental regulations, which could increase the costs associated with owning and operating our Investments; or acts of God, such as earthquakes and floods.

Although we intend to focus on real estate projects that we project will produce rental or other periodic income required to cover their holding costs, there is no guaranty that all, or any, of our investment projects will produce positive income prior to their ultimate disposition. Because of the nature of our anticipated projects, we will likely not make distributions sufficient to return the capital contributed by our investors for years from the date of our initial investment in a real estate development project, if ever. We intend to make significant distributions following the sale or refinancing of our projects, with a projected time frame of five to seven years, but there can be no guaranty when, if ever, the real estate markets recover so that our projects can be sold for profit. Therefore, investors should not purchase Interests with the expectation of receiving a steady cash flow.

The Investments are highly illiquid and it may be difficult for the Company to sell or otherwise dispose of its properties at attractive prices or at all.

The Investments are expected to consist almost exclusively of marinas and real estate assets that are synergistic with marina assets. Marinas are a specialty asset class with a far less active market and fewer participants than for more traditional classes of real estate such as commercial office, retail and multifamily residential properties. Furthermore, real property investments, including marinas, are generally illiquid investments and can become even less liquid due to any number of uncontrollable and unpredictable factors. Consequently, it may be difficult for the Company to sell or otherwise dispose of its Investments at attractive prices or at all, whether the properties are generating losses, have lost value or have appreciated in value. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an Investment. Therefore, it may be difficult for the Company to return capital from sales or other dispositions or to realize gains on successful Investments. Furthermore, the Company may not be able to halt mounting losses on Investments that are not performing well or that are losing value.

A high concentration of properties in a particular geographic area would materially magnify the effects of downturns in that geographic area and have a disproportionate impact on the value of the Investments.

In the event that the Company has a concentration of properties in any particular geographic area, an adverse situation that disproportionately effect that geographic area would have a magnified adverse effect on our properties.

Reduced water levels at properties that are located on lakes could impact the operations at the Investments.

Some of the properties acquired, directly or indirectly, or developed by the Company may be located on lakes that are not “constant level” lakes. The water levels in those lakes could be substantially impacted by long-term drought conditions. In extreme cases, boaters may not be able to access their boats from the docks in the marina at the affected lake, which could have a material adverse impact on the operating performance of those properties and, accordingly, the Company’s operating results.

Some of the properties may be located on lakes where recreation is a secondary use and subordinate to the interests of the primary use.

Some of the properties acquired, directly or indirectly, or developed by the Company may be located on lakes where the primary use is water management for low land farmers, for water supplies or for energy related uses (such as hydro power or cooling ponds). Recreational use of these lakes is subordinate to these purposes and often water management districts will drop lake levels in order to satisfy the primary users. The water levels in those lakes could be substantially impacted by these conditions. In extreme cases, boaters may not be able to access their boats from the docks in the marina at the affected lake, which could have a material adverse impact on the operating performance of those properties and, accordingly, the Company’s operating results.

We may invest in undeveloped land or underdeveloped real property, which would subject us to the cost and risks relating to timely completion of construction (including risks beyond our control, such as weather) and the availability of both construction and permanent financing on favorable terms.

We may acquire interests in undeveloped land or underdeveloped real property which will most often be non-income producing. To the extent we invest in such assets, we will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond our control, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development, which may make such development less attractive than at the time it was commenced.

We may invest in real properties under construction. The primary risks associated with new construction are cost overruns and delays. Should delays occur, an Investment may be subject to a longer holding period, possibly decreasing the return to us. Although we will attempt to mitigate some of the construction risk, there can be no assurances that we will be successful in so doing. Any increased construction costs or delay could materially and adversely affect the return on our investment.

We have only limited restrictions in our organizational documents on the types of investments we make; therefore, our investments may not be diversified. Any lack of diversity in our investments could increase the impact of defaults on our results of operations.

We expect to invest in a range of real estate assets and loans through various Portfolio Companies. Unless approved by in accordance with the terms of the LLC Agreement, however, the Company will not be permitted to contribute more than twenty-five percent (25%) of the total contribution commitments with respect to any one Portfolio Company. However, we have no other formal diversification policies. Subject to the foregoing restrictions, the Manager has discretion to allocate our assets among various categories of assets in whatever percentages it determines is in our best interest. Our assets may be concentrated in one type of investment. If our assets are not diversified among the categories of investments in which we intend to invest, we may be subject to an increased risk of default if the category in which our assets are concentrated experiences disproportionate economic losses.

We intend to invest in other entities, which involve risks not present in direct investments.

We intend to make Investments through single-purpose entities with outside investors. Such investments may involve risks not present in direct investments, including, for example, the possibility that a co-investor or partner might have financial difficulties, become bankrupt, or be in a position to take (or block) actions in a manner inconsistent with our objectives. Any such co-investor or partner may have interests, objectives, rights or remedies which are different from or impose an impediment to ours. Furthermore, if such co-investor or partner defaults on its funding obligations, it may be difficult or impossible for us to make up the shortfall. In addition, we may be liable for the conduct of our co-investors or partners.

Participation in joint ventures subjects us to the management and financial stability of third parties.

We may participate in partnerships or other joint ventures in which we and our affiliates may not be the controlling general partner or member. These types of investments are inherently riskier than investments that we make without third parties. In such cases, we will be subject to the risk of mismanagement and malfeasance by third parties, as well as to the risk of co-investors defaulting on their obligations.

We will be subject to redevelopment or repositioning risk, which includes the risk that our costs incurred in connection with the initial development may not be recovered.

We may seek to redevelop or reposition certain properties. Such redevelopment or repositioning carries a number of attendant risks, including the possibility that costs incurred in connection with the initial development may not be recovered. In addition, it may be that suitable purchasers will not be found for repositioned properties, which could lead to our owning vacant properties producing insufficient income to meet expenses or provide a suitable return to us. Other risks associated with redevelopment or repositioning include the risk that delays in the construction timetable result in a property not reaching a stage where it is reasonably fit for occupancy. Similarly, there may be planning risks arising from difficulties in obtaining planning consents and licenses which delay the construction timetable of a redevelopment or repositioning timetable.

Natural and environmental disasters, weather events and conditions and other environmental conditions may have a material adverse impact on the Investments.

Natural disasters and severe weather events, such as hurricanes, floods, droughts and tornadoes, and other environmental disasters, such as oil spills, could adversely affect the Investments. Since a number of the Investments are likely to be located along the eastern coast of the United States and along the Gulf of Mexico, any natural or environmental disaster that occurs in those regions could directly impact the operations at the properties. These disasters could destroy or significantly damage the properties or could result in the closing of the waterways that the properties serve. In addition, weather conditions in general have a strong impact on the Company's daily operations. Unforeseen weather events may cause

temporary or prolonged operational disruptions. Such disruptions may result in increased operations costs, reductions/disruptions in production capacity, the inability to do business, reduced demand for goods/services and increase capital costs. Severe hurricanes, flood or drought conditions may also lead to closures of the properties in the affected locality for an indeterminable amount of time, negatively impacting the overall business. Any of the events or factors could adversely affect the value of the impacted Investments or the ability of those Investments to generate income, which could harm the Company's operating results and financial condition, as well as its ability to make distributions to Investors.

Unforeseen factors may emerge from time to time that may have a material adverse impact on the Investments.

Unforeseen factors emerge from time to time, and we cannot predict which factors will arise or their ultimate impact on the Investments or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from the anticipated results. One of these factors is the outbreak of an epidemic or pandemic

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

Because real estate investments are relatively illiquid, our ability to sell promptly one or more investments in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors that are beyond our control, including:

- adverse changes in national and local economic and market conditions;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and costs of compliance with laws and regulations, fiscal policies and ordinances;
- changes in operating expenses; and
- civil unrest, acts of terrorism or war, natural disasters, including earthquakes and floods, and pandemics, which may result in uninsured and underinsured losses.

We cannot predict whether we will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. These factors and any others that would impede our ability to respond to adverse changes in the performance of our properties could harm our operating results and financial condition, as well as our ability to make distributions to investors.

A number of our Investments will be held subject to ground leases and government licenses, the loss of any of which could result in a loss of the Investment.

We expect that a number of our Investments will be subject to ground leases or concession agreements from governmental entities, some of which could have remaining terms less than the Investment Period. As a result, if the applicable Portfolio Company is unable to extend the term of any such ground lease or concession, we may be required to sell such Investment at a price substantially less than the price at which it was acquired. In addition, most of our Investments are operated pursuant to operating permits or licenses which frequently are required to be renewed annually. If the applicable Portfolio Company is unable to renew any such permit or license, or if any delay occurs in obtaining a required permit or license, the return on our Investment in such Portfolio Company could be materially and adversely affected.

We may be subject to liability for the costs of removal or remediation of certain hazardous or toxic substances on or in properties in which we invest.

Under various U.S. federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such enactments often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral.

If we are unable to identify and participate in satisfactory investment opportunities, we will be unable to execute our business plan, and our business may fail.

We are newly formed and have a limited operating history. We have not identified any potential investment opportunities in which we intend to invest the net proceeds of the offering of the Interests. There can be no assurance that we will ultimately be able to invest in any additional projects we identify on sufficiently favorable terms for us to participate in those opportunities.

Similarly, there can be no assurance that any purchase of, investment in, or development of any real estate project or loan will be consummated. At present, a prospective investor has no assurances as to the identity of any investment or loan to be acquired by us or other relevant economic and financial data that, if known, would be of assistance in evaluating the merits of investing in the Interests. There can be no assurance that any investment which may be made by us in the future will produce income or will increase in value, or that desirable investments meeting our investment objectives and policies can be acquired on financially attractive terms. We may be unable to invest the net proceeds of the offering of the Interests on acceptable terms or at all.

The success of our business depends on our ability to identify projects or loans with significant potential for price appreciation. There can be no assurance that we will successfully identify attractive project opportunities or be able to acquire projects on attractive terms and bring them to market in a timely manner.

If we are not able to develop new projects, our business may fail.

To the extent that we invest in any development opportunities, our operating results may depend on our ability to identify and develop new real estate projects. The success of any development projects in which we might invest will be dependent on several factors, including proper identification and analysis of project opportunities, accurate project time and cost estimations, differentiation of projects from those of our competitors, and meeting changing customer tastes and demands. The development of new projects is an uncertain process requiring high levels of experience, as well as the accurate anticipation of market trends. There can be no assurance that we will successfully identify new project opportunities or develop and bring new projects to market in a timely manner.

We expect to depend on borrowings to purchase some of our assets and reach our desired amount of leverage. If we fail to obtain or renew sufficient funding on favorable terms or at all, we will be limited in our ability to acquire assets, which will harm our results of operations.

We expect to depend on loans to fund a portion of our acquisitions and reach our desired amount of leverage. Accordingly, our ability to achieve our business objectives depends on the ability of our

Portfolio Companies to borrow money in sufficient amounts and on favorable terms. We expect to depend on a few lenders to provide the desired credit. If we cannot obtain financing on favorable terms or at all, we might not be able to acquire otherwise desirable projects or we may have to make acquisitions without the leveraging benefits of debt financing.

Because the payment of distributions is dependent upon the Company receiving distributions, sales proceeds and other amounts with respect to Investments in Portfolio Companies, Investors may not realize cash distributions at the frequency or in the amounts they anticipate.

No assurance can be given that future earnings of the Company will be sufficient to permit the legal payment of cash distributions to Investors at any time in the future. Even though available cash will be distributed promptly upon receipt, the amount and timing of our receipt of cash will be dependent upon receiving distributions, sales proceeds and other amounts with respect to Investments in Portfolio Companies. To the extent that the Company controls a Portfolio Company, the Manager is not required to cause such Portfolio Company to make distributions. In addition, the Manager may determine that available cash is required to fund working capital reserves rather than distributing such available cash. We currently do not intend to pay a regular cash distribution to the Investors. Additionally, because of significant restrictions on the resale of the Interests, the Investors may be unable to sell their Interests should they desire to do so.

Forward looking assessments have been prepared by the Manager based on numerous assumptions, which may eventually prove to be incorrect.

Our ability to accomplish our objectives and whether or not we will be financially successful is dependent upon numerous factors, each of which could have a material effect on the results obtained. Some of these factors are within the discretion and control of management and others are beyond management's control. The assumptions and hypotheses used in preparing any forward-looking assessments of profitability contained herein are considered reasonable by management. There can be no assurance, however, that any projections or assessments contained herein or otherwise made by management will be realized or achieved at any level. Prospective investors should have the potential acquisition of the Interests reviewed by their personal investment advisors, legal counsel and/or accountants to properly evaluate the risks and contingencies of such an investment.

Because of the illiquidity of our real estate projects, we may be unable to generate cash should the need arise.

Because real estate projects frequently require a substantial amount of time to sell or liquidate, we expect that our investments will be highly illiquid. Therefore, we may be unable to dispose of our investment in real estate when we need to do so in order to generate cash. Additionally, our investments in real estate projects will be made via other entities, and our interests in such entities will likely be highly illiquid. Notwithstanding the amount of due diligence which may be carried out by us prior to our commitment to any particular project, any one or all of our projects may nevertheless fail for a variety of reasons which may not be foreseeable or avoidable by the Manager.

If our business is unsuccessful, the Investors may lose their entire investment.

Although Investors will not be bound by or be personally liable for our expenses, liabilities or obligations beyond their total capital contributions, if we suffer a deficiency in funds with which to meet our obligations, the Investors as a whole may lose their entire investment in the Company.

If changes relating to the real estate underlying our projects occur and we are unable to adapt to the change, our business may fail.

Investments in and the development of real estate projects carry inherent risks, such as environmental challenges, zoning changes, public protests and shifts in user tastes. Although we intend to anticipate and attempt to avoid such risks, we cannot anticipate every potentially adverse event. Such events may lead to the failure of a given project or of our business as a whole.

The geographic concentration of the properties underlying our investments may increase our risk of loss.

We have not established any limit upon the geographic concentration of properties underlying our investments. We intend to invest in markets near the water and/or the beach as well as at high-end resort destinations. However, we may not be able to find attractive investments in those states in which we desire to invest. As a result of our geographic concentration, we may experience more losses than if our investments were more geographically diversified. A worsening of economic conditions in the geographic regions in which our projects are located could have an adverse effect on our business, including increasing the risk that projects cannot be completed, reducing the value of projects, and limiting the ability of the projects to generate rental or other periodic income.

A period of economic deflation could harm our business.

We believe that reductions in the supply of money or credit, falling prices or consumer expectations of falling prices, or other factors could combine to create a general decline in prices. A period of general economic deflation could result in a material decrease in the value of our investments and in our ability to sell our real estate assets. The expectation of falling prices could also make it difficult or impossible to obtain acquisition financing. Any sustained economic deflation may significantly harm our business, financial condition, liquidity, and results of operations.

Adverse environmental conditions could impact the operations at our properties.

Prolonged adverse weather conditions would limit the use of our marina properties and as a result the return on our investment in the applicable Portfolio Company could be materially and adversely affected. In addition, some of our properties are expected to be located in lakes that are not “constant level” lakes. As a result, the water levels in those lakes could be substantially impacted by long-term drought conditions. In the most extreme cases, boaters may not be able access their boats from the docks in the marina at the affected lake, which could have a material adverse impact on the results of operations of the applicable Portfolio Company.

We may rely on information provided to us by third parties which we cannot always verify in making our investment decisions. If any of these third parties makes an error or misrepresents information to us, we may make investments in assets that we would not otherwise make.

Our decisions about which projects to undertake depend on several factors, such as the third-party appraisal of the property involved and our analysis of the financial position of the developer, co-developer, or business affiliates. If the appraiser makes an error in the appraisal, or the developer, co-developer, or business affiliate or its accountant makes an error or a misrepresentation in the information provided to us, we may make our decision based on faulty information, which may lead us to invest in an asset which we would not otherwise pursue. We may also receive information from brokers, lenders and others in our target markets, which information may be inaccurate. If any such mistake or misrepresentation leads us to pursue

a high-risk project, we may suffer an increased risk of failure, and if in fact the project fails, our revenues will decline.

The “fair value” of our real estate investments may differ materially from the actual or realizable value.

The “fair value” of real estate that we hold may often differ materially from its actual or realizable value (even more so than in most other illiquid investments). Our success relies on our ability to forecast returns and to execute according to our projections.

Failure to obtain or maintain adequate financing for our projects may harm our results of operations.

Any failure to obtain or maintain adequate financing on attractive terms could harm our operations and our overall performance. Obtaining financing on attractive terms at the Portfolio Company level allows us to leverage our investments in the underlying real estate assets. If the Portfolio Companies cannot obtain financing on attractive terms, we may need to invest more equity in the Portfolio Companies relative to the value of the underlying assets, thereby decreasing our leverage and potential gains.

Turmoil in capital markets could adversely impact acquisition activities and pricing of real estate assets.

Volatility in capital markets could adversely affect acquisition activities by impacting certain factors including the tightening of underwriting standards by lenders and credit rating agencies and the significant inventory of unsold collateralized mortgage backed securities in the market. These factors directly affect a lender’s ability to provide debt financing as well as increase the cost of available debt financing. As a result, we may not be able to obtain favorable debt financing in the future or at all. Furthermore, any turmoil in the capital markets could adversely impact the overall amount of capital available to invest in real estate, which may result in price or value decreases of real estate assets.

Our leverage strategy increases the risks of our operations, which could reduce our net income and the amount available for distributions or cause us to suffer a loss.

We may indirectly borrow funds through the Portfolio Companies to make Investments. The Portfolio Companies would incur this indebtedness by borrowing against the real estate assets acquired by such entities. If an entity uses leverage, it faces the risk that it might not be able to meet its debt service obligations and, to the extent it cannot, it might be forced to liquidate its assets at disadvantageous prices, or its assets may be foreclosed upon. If any Portfolio Company that we invest in experiences losses as a result of leverage, we may lose our investment in such entity and such losses would reduce the amounts available for distribution to the Investors.

Our performance may depend on our ability to receive rental or other periodic income.

The majority of our short-term income is expected to be derived from rental income or other periodic income from our interests in real property projects, including our investment. As a result, our performance will depend on our ability to collect rent from tenants or receive distributions. At any time, our tenants may experience a downturn in their business that may significantly weaken their financial condition and ability to meet rental or distribution obligations. Our income and funds for distribution would be negatively affected if a significant number of our tenants, or any of our major tenants delay lease commencements, decline to extend or renew leases upon expiration, fail to make rental payments when due, or close stores or declare bankruptcy. Any of these actions could result in the termination of the tenants’ lease and the loss of rental income attributable to the terminated leases. If projects do not produce

income, additional capital that could otherwise be used for investing in new projects may be required to fund the holding and operating costs of existing projects. A tenant that files for bankruptcy protection may not continue to pay us rent. A bankruptcy filing by or relating to one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from the tenant or the lease guarantor, or their property, unless the bankruptcy court permits us to do so. A tenant or lease guarantor bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. As a result, it is likely that we would recover substantially less than the full value of any unsecured claims it holds, if at all.

Our lack of experience in workouts of distressed properties may harm our results of operations.

Some opportunities to invest in properties at steep discounts may involve distressed properties. Investments in distressed properties are typically undervalued due to market conditions or inefficiencies resulting from the uncertainties of prospective insolvencies and/or threatened restructurings and the lack of information regarding such matters. Distressed properties are traditionally identified as being owned by companies that are potentially or actually insolvent due to economic and operating factors, causing these investment opportunities to be undervalued and capable of being acquired at substantial discounts both to their price as well as to what the Manager assesses their true value to be. Workouts, foreclosures and reorganizations are some of the procedures for resolving distressed properties. Restructurings are rebalancings of assets and liabilities in a more financially prudent fashion.

Workouts, foreclosures, and reorganizations are multi-disciplinary undertakings and will require us to have an understanding of a variety of issues, including bankruptcy protocol, industry-specific issues (industry dynamics, accuracy and adequacy of financial statements and accounting data, operating issues, industry trends, etc.), and legal issues. We do not have extensive experience in acquiring distressed assets from workouts, foreclosures, reorganizations or similar procedures. Our lack of experience may lead to inefficiencies in pursuing target properties, bad decisions or the inability to identify mispricings that could be materially adverse to our business or may cause us to pass up opportunities that would require experience that we do not have in order to make such opportunities work. We may be at a competitive disadvantage as compared to other investors in the market for the same opportunities that we are pursuing who may have greater experience in maneuvering through the variety of issues inherent in distressed properties.

The Manager may establish and change our operating policies and strategies without prior notice or Investor approval and such changes could harm our business and results of operations.

The Manager has the authority to establish, modify or waive our operating policies and our strategies without prior notice and without Investor approval. We cannot predict the effect of any policy or strategy or any changes to such operating policies and strategies on our business and operating results. However, the effects might cause harm to us.

We operate in a highly competitive market among competitors who have significantly greater resources than we have, and we may not be able to compete effectively.

Our competitors include well-known companies with histories of real estate investment. They have substantially greater resources than we have and have established national presences. Because of greater resources, some of our competitors may be able to adapt more quickly to new opportunities, to devote greater resources to the promotion and sale of their products than we can, or they may introduce governmental regulations and policies to create competitive advantage. In addition, current and potential competitors have established, or may in the future establish, collaborative relationships among themselves

or with third parties, including third parties with whom we have business relationships. Accordingly, new competitors or alliances may emerge and rapidly acquire significant market share. There is no assurance that we will be able to successfully compete against either current or potential competitors, or that competition will not have a material adverse effect on our business, operating results and financial condition.

If we suffer an uninsured loss, our business may fail.

The projects that we invest in may suffer a casualty or loss that is uninsured. Real estate projects are subject to natural disasters, such as floods and earthquakes, which may not be covered by insurance. A terrorist attack would likely have an adverse impact on the regional economy. Terrorism and the economic fallout from terrorism may also not be covered by insurance or may not be covered at reasonable rates. Such losses to any project would adversely affect our business.

We depend on our key personnel and the loss of any of our key personnel could severely and detrimentally affect our operations.

We depend on the diligence, experience and skill of the officers and the people working on behalf of the Manager for the selection, acquisition, structuring and monitoring of real estate development projects. If the Manager or its personnel are unable or unwilling to continue in our service, or if the Manager is unable to identify and retain any required third-party service providers, our results of operations will be negatively impacted. We have not entered into employment agreements with our officers. We do not currently employ personnel dedicated solely to our business, and the Manager's officers and employees are free to engage in other activities, including competitive activities in our industry. The loss of any key person could harm our business, financial condition, cash flow and results of operations, and we do not intend to purchase key man insurance.

We do not have separate legal counsel.

The same legal counsel may from time to time represent us, the Manager and its affiliates. Such legal counsel does not represent Fund Investors.

ITEM 9. DISCIPLINARY INFORMATION

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the Firm, or the integrity of its management. The Firm has no reportable disciplinary events to disclose.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

RCP GP Fund II GP, LLC is the general partner of Fund II and is an affiliate of RCM.

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

Code of Ethics

The Firm has adopted and implemented a Code of Ethics, which sets forth standards of business conduct for its supervised persons. RCM's Code of Ethics is designed to educate supervised persons about the

Firm's philosophy regarding ethics and professionalism, emphasize its fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address material conflicts of interest that arise from personal trading. Subject to the terms of the Code of Ethics, the Firm generally imposes restrictions on employees relating to the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Access Persons generally will be required to submit (i) initial and annual reports of their personal securities holdings and (ii) quarterly reports of all their personal securities transactions within 30 days after the close of each calendar quarter. In addition, employees must seek prior approval from the Chief Compliance Officer before (a) buying or selling any security of an issuer on the Firm's Restricted List, (b) completing a transaction in marina related investments (c) participating in initial public offerings (IPOs) or (d) making private investments. The Chief Compliance Officer's personal transaction requests require preapproval by Mr. John Powers, Co-Founder.

The Firm will also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons engage in outside business activities or accept, provide, offer or give gifts or entertainment events. The Firm will provide a copy of its Code of Ethics to clients upon request.

Transactions Involving Conflicts of Interest

Principal transactions are transactions (i) where an adviser, acting as principal for its own account, knowingly buys securities from, or sells securities to, a client and (ii) where an affiliate or controlling person of the adviser is acting in a principal capacity with clients of the adviser (i.e., where RCM or an affiliate cause a client to engage in a trade with an affiliate of RCM). Section 206(3) of the Advisers Act generally prohibits an investment adviser from engaging in a principal transaction unless such adviser (i) makes written disclosure to the client of the capacity in which it is acting and (ii) obtains the client's consent to the transaction. The Firm generally will not engage in a principal transaction with respect to any of the Funds unless the Firm obtains the prior approval of the applicable investors (in accordance with the provisions set forth in the applicable Fund governing document or offering memorandum).

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts are fully disclosed, or the employee is directed to cease this activity.

ITEM 12. BROKERAGE PRACTICES

The Firm has not historically purchased publicly traded securities; as a result, it does not maintain contracts with broker-dealers and does not engage in soft dollar practices, directed brokerage or trade aggregation. In the event the Firm determines to acquire publicly traded securities through the Funds in the future, the Firm expects to contract with broker-dealers for such purpose on customary market terms.

Allocation of Investment Opportunities

RCM acts as investment adviser with respect to private Funds (and may in the future act as investment adviser with respect to additional pooled investment vehicles) that have or may have overlapping investment objectives which may present potential for conflicts of interest with respect to various clients. As an adviser registered under the Advisers Act, the Firm is generally required to resolve conflicts of interest on a fair and equitable basis under the circumstances. In allocating investment opportunities, the Firm will take into account factors including (but not limited to) the terms of the applicable governing and offering documents, the size of the investment opportunity, the various investment objectives of the different Funds, the nature of the other potential acquirers, target rates of return, diversification considerations, risk profile, available capital and expected holding periods. The methodology for

determining whether to allocate an investment to any Fund, and the factors taken into account in determining such allocation, will likely vary over time and on a case-by-case basis. Any such allocation or joint participation involving a Fund will be in accordance with the applicable governing and/or offering documents and applicable law. The Firm's Co-Founders have established certain guidelines to minimize conflicts of interest in connection with presenting and considering potential investment opportunities.

Subject to the applicable governing documents, the Firm may cause a Fund to co-invest with other entities, including Fund investors, the Firm or its affiliates, so long as such arrangements do not materially adversely alter the economic or control rights of the investors set forth in the respective governing documents of the Fund. The Firm will seek to allocate co-investment opportunities in a manner that is fair and equitable to those investors who have expressed an interest in participating in co-investments; provided that the Firm will have ultimate discretion as to the allocation decision. With respect to any investment in which co-investors directly or indirectly co-invest with or alongside a Fund, any investment expenses and costs related to such investment generally will be borne by the Fund and such co-investors in proportion to the capital invested by each in such investment or on such other basis deemed by us to be fair and equitable under the circumstances. Notwithstanding the foregoing, the Firm may, subject to the terms of the applicable governing documents of a Fund, structure any co-investment opportunity such that the proposed co-investors do not or will not bear or pay any costs or expenses associated with proposed investments that are not consummated and, in such event, a Fund may be required to bear and pay all of such expenses.

ITEM 13. REVIEW OF ACCOUNTS

Generally, the Firm's Co-Founders are responsible for (i) the evaluation of whether an investment is suitable for a respective Fund, (ii) the continuous monitoring of the investments held by a Fund, and (iii) any material changes to the business plan applicable to the investments. The Co-Founders review investments on a regular basis.

Reports to Investors

As required by and described below in Item 15, Custody, investors will receive audited financial statements for the Fund (together with a statement of each investor's capital account and a valuation of the Fund's portfolio) on an annual basis in accordance with U.S. generally accepted accounting principles ("**GAAP**") within 120 days after its fiscal year end. In response to questions and requests, the Firm may provide additional information to certain investors that is not distributed to other investors. Such investors may make investment decisions with respect to their investments in the Funds based upon such information.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

RCM does not receive any economic benefit from any person who is not a client in exchange for the provision of investment advice or other advisory services to its clients.

Referrals

The Firm has and may in the future compensate a third party, a registered broker dealer, for referrals that result in a potential investor investing in a Fund. Such arrangements may be a flat fee or based on a percentage of commitments.

ITEM 15. CUSTODY

The Firm is deemed to have custody of the underlying assets of each of the Funds due to its role as manager. The Firm holds cash and any certificated securities of its clients at an unaffiliated qualified custodian, to the extent required by Rule 206(4)-2 under the Advisers Act.

In compliance with the audit approach exception to the custody rules for privately offered securities set forth in Rule 206(4)-2 under the Advisers Act, the Firm will provide investors with audited financial statements, prepared in accordance with GAAP, on an annual basis within 120 days after the Fund's fiscal year end. Financial statements are audited by a Public Company Accounting Oversight Board-registered and inspected firm. Investors should review these audited financial statements carefully.

ITEM 16. INVESTMENT DISCRETION

The Firm has discretion to make all investment decisions for its clients, subject to any applicable investment criteria or other restrictions and limitations set forth in the applicable governing documents. Individual investors do not have the ability to impose limitations on the Firm's discretionary authority.

Each investor in the Funds grants RCM a limited power of attorney to enable such party to take various ministerial actions with respect to the Fund on its behalf. The manager or General Partner of each Fund has the authority to act on behalf of the Funds in connection with the acquisition and disposition of investments.

ITEM 17. VOTING CLIENT SECURITIES

The Firm does not vote client securities, as the Firm does not currently invest in publicly traded securities on behalf of its clients.

ITEM 18. FINANCIAL INFORMATION

The Firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual obligations to its clients or investors. The Firm is not aware of any financial condition that impairs its ability to meet contractual obligations to its clients or investors. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.