



## **TAYLOR DERRICK CAPITAL, L.L.C.**

404 NORTH 300 WEST  
SALT LAKE CITY, UTAH 84103

TELEPHONE: 855-702-5600

[WWW.TAYLORDERRICK.COM](http://WWW.TAYLORDERRICK.COM)

---

### **FIRM BROCHURE**

March 30, 2024

This Firm Brochure (the “Brochure”) provides information about the qualifications and business practices of Taylor Derrick Capital, L.L.C. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Rocky Derrick, Managing Partner, at 855-702-5600 or rocky@taylorderrick.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.

Taylor Derrick Capital, L.L.C. is registered as an investment adviser with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Taylor Derrick Capital, L.L.C. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

The material changes in this Brochure since the last annual updating amendment of our Firm Brochure, dated March 30, 2023, are as follows:

- The Adviser’s principal office address has changed to the new address set forth on the Cover Page. This address change was also reported in our Firm Brochure, dated June 16, 2023, filed in connection with an interim other-than-annual amendment of our Form ADV.
- The Adviser has added one new private fund that it manages: TDEF POWER RANCH, LP, a Delaware limited partnership (“TDEF Power Ranch” or the “New Fund”). TDEF Power Ranch was organized on July 6, 2023 and commenced business on July 18, 2023. TDEF Power Ranch was formed for the purpose of participating in a real estate joint venture with third parties through the acquisition of an indirect ownership interest in Power Ranch LandCo, LLC, a Delaware limited liability company (“LandCo”). LandCo is a non-affiliated entity that was organized to acquire and develop existing real property and farm lands located in Maricopa County, Arizona (collectively, the “Property”). The Property is primarily being developed into industrial, retail and apartment buildings.
- Item 4 has been revised to disclose that the Adviser is the investment manager of the New Fund and to include the investment objective of the New Fund.
- Item 5, Item 6, and Item 7 have been revised to include the New Fund with respect to the disclosures required by such items.
- Item 8 has been revised to include the investment strategy of the New Fund.
- Item 10 has been revised to disclose the general partner of the New Fund.
- Item 12 has been revised to include the New Fund (as one of the investment funds managed by the Adviser).
- Item 13 has been revised to include the New Fund.
- Item 15, Item 16, and Item 17 have been revised to include the New Fund (as one of the investment funds managed by the Adviser).

### **Item 3 – Table of Contents**

Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	3
Item 6 – Performance-Based Fees and Side-By-Side Management .....	12
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	14
Item 9 – Disciplinary Information .....	22
Item 10 – Other Financial Industry Activities and Affiliations .....	22
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	24
Item 12 – Brokerage Practices .....	25
Item 13 – Review of Accounts.....	25
Item 14 – Client Referrals and Other Compensation.....	26
Item 15 – Custody .....	27
Item 16 – Investment Discretion.....	27
Item 17 – Voting Client Securities.....	27
Item 18 – Financial Information .....	28

## Item 4 – Advisory Business

### A. The Adviser

Taylor Derrick Capital, L.L.C. (the “Adviser”) is a limited liability company organized in March, 2011 under the laws of the State of Utah. The Adviser has adopted a holding company structure pursuant to which the principal owner of the Adviser is TDC Holding, LLC, a Delaware limited liability company. The holding company is owned primarily by Derrick Development, Inc., a Utah corporation, which is owned solely by Rocky Derrick, the Managing Partner of the Adviser. Minority owners of the holding company consist of key management of the Adviser, including Andrew Menlove, Partner | Operations, Carie McNeil, Partner | Investor Relations, Nick Etherington, Partner | Underwriting & Originations and Tally Ringwood, Partner | Finance.

The Adviser provides investment advisory services to the following fund clients in its capacity as noted below:

- i. the Adviser is the investment manager of the Mountain West Debt Fund, LP, a Delaware limited partnership (the “Debt Fund”), and its subsidiary, Mountain West REIT, LLC, a Delaware limited liability company (the “REIT Sub”). The REIT Sub was formed as a real estate investment trust and subsidiary of the Debt Fund. The Debt Fund, organized for the purpose of investing in real estate secured debt instruments, conducts its business primarily through the REIT Sub.
- ii. the Adviser is the general partner and investment manager of MW Equity Fund I, LP, a Delaware limited partnership (“MWEF 1”), organized for the purpose of investing in real estate investments.
- iii. the Adviser is the investment manager of MWEF 3 NWQ, LP, a Delaware limited partnership (“MWEF 3”), organized for the purpose of investing in real estate investments in northern Utah.
- iv. the Adviser is the investment manager of TDEF 5 MHOZ, LP, a Delaware limited partnership (“TDEF 5”), organized as a qualified opportunity fund for the purpose of investing in a qualified opportunity zone business (the “QOZB”) that acquires, develops and manages manufactured housing properties located throughout the United States.
- v. the Adviser is the investment manager of TDEF 6 MAYFLOWER, LP, a Delaware limited partnership (“TDEF 6”), organized for the purpose of investing in real estate investments in northern Utah.
- vi. the Adviser is the investment manager of TD Equity Fund 7, LP, a Delaware limited partnership (“TDEF 7”), organized for the purpose of investing in real estate investments in Utah and possibly in other states located in the Western and Intermountain regions of the United States.

- vii. the Adviser is the investment manager of TDEF 8 MH, LP, a Delaware limited partnership (“TDEF 8 MH”), organized for the purpose of investing in the acquisition, development and management of manufactured housing communities throughout the United States.
- viii. the Adviser is the investment manager of TDEF 9 AZ, LP, a Delaware limited partnership (“TDEF 9”), organized for the purpose of investing in real estate investments in Arizona.
- ix. the Adviser is the investment manager of TDEF POWER RANCH, LP, a Delaware limited partnership (“TDEF Power Ranch”), organized for the purpose of investing in real estate investments in Arizona.
- x. the Adviser is the investment manager and sole member of Mountain West Notes, LLC, a Utah limited liability company (“MWN”), organized for the purpose of making secured loans to the Debt Fund.
- xi. the Adviser is the investment manager and sole member of Mountain West Notes QP, LLC, a Utah limited liability company (“MWN QP”), organized for the purpose of making secured loans to the Debt Fund.

The foregoing fund clients are collectively referred to in this Brochure as the “Investment Funds” and individually as an “Investment Fund.”

The Adviser also provides limited, non-discretionary advisory services to two clients, each of which is a non-affiliated, non-sponsored private fund (collectively, the “Non-Affiliated Clients” and, individually, a “Non-Affiliated Client”). The Non-Affiliated Clients are managed by a family office which is also unrelated and not affiliated with the Adviser.

#### B. Investment Advisory Services

The Adviser provides discretionary investment advisory services and performs administration services for the Investment Funds, including research, underwriting and investment direction. The Adviser may form additional entities and partnerships in the future and may manage the investments of those entities and partnerships. The offering materials for certain of the Investment Funds contemplate that there may be parallel funds, which would be expected to invest in assets side-by-side on a pro-rata basis (based upon capital commitments) with the respective Investment Funds. Generally, parallel funds would be established to accommodate specific tax or legal compliance issues impacting certain types of investors. To date, the Adviser has not created a parallel fund as such term is used in the applicable offering materials, other than (i) the formation of MWN QP which operates as a parallel fund to MWN in raising debt capital from investors (“qualified purchasers”) and then lending that capital to the Debt Fund; and (ii) the formation of TDEF 8 MHQP which operated as a parallel fund to TDEF 8 MH before being combined with TDEF 8 MH in December, 2022.

The advisory services provided by the Adviser to the Investment Funds are tailored to the investment objectives, strategies and limitations described in each Investment Fund’s respective

offering materials and operating agreement or limited partnership agreement, as applicable. Below is a summary of the general objective for each Investment Fund:

- It is the objective of the Debt Fund and the REIT Sub to invest in a diversified portfolio of real estate secured debt.
- It is the objective of MWN to raise capital through issuances of debt securities for the purpose of making secured loans to the Debt Fund to invest in real estate secured debt instruments.
- It is the objective of MWN QP to raise capital through issuances of debt securities for the purpose of making secured loans to the Debt Fund to invest in real estate secured debt instruments.
- It is the objective of MWEF 1 to invest in a diversified portfolio of real estate equity investments.
- It is the objective of MWEF 3 to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF 5 to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF 6 to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF 7 to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF 8 MH to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF 9 to invest in a targeted portfolio of real estate equity investments.
- It is the objective of TDEF Power Ranch to invest in a targeted portfolio of real estate equity investments.

The Adviser does not provide investment advisory services to the respective members, limited partners, or investors of the Investment Funds.

The Adviser does not participate in “wrap fee programs.”

With respect to the Non-Affiliated Clients, the Adviser provides limited, non-discretionary advisory services. These services include oversight and consultation regarding existing investments of the Non-Affiliated Clients in the QOZB.

As of December 31, 2023, the amount of client assets managed by the Adviser on a discretionary basis was \$770,436,690. Because the Adviser does not provide continuous and regular supervisory or management services to the Non-Affiliated Clients, the assets of these clients are not included in the Adviser’s assets under management.

## **Item 5 – Fees and Compensation**

Fees are determined and assessed in a manner specific to each client. The fees paid by the Investment Funds are typically not negotiable; however, the Adviser may agree to reduce or rebate some portion of a certain fee to certain investors or investor classes at the discretion of the Adviser.

Certain fees payable by the Investment Funds may be deferred or waived from time to time at the discretion of the Adviser. The fees paid by the Non-Affiliated Clients are generally negotiable based upon the level and frequency of the advisory services requested by the Non-Affiliated Clients.

#### A. Management Fees and Certain Other Fees

##### *Debt Fund*

*The Debt Fund operates its real estate lending business primarily through the REIT Sub. Accordingly, as used in this Brochure, the term “Debt Fund” refers in each instance to Mountain West Debt Fund, LP and its subsidiary, the REIT Sub (unless the context requires otherwise). For example, any references to the fees, assets, investments or operations of the Debt Fund include the fees, assets, investments or operations of Mountain West Debt Fund, LP and the REIT Sub on a consolidated basis (unless the context requires otherwise).*

In consideration for its services to the Debt Fund, the Adviser is entitled to a management fee (the “Debt Fund Management Fee”) in an amount equal to 2% per annum of the limited partner capital of the Debt Fund.

The Adviser is entitled to a debt fee in the amount of 1% of all debt capital secured by the Adviser in behalf of the Debt Fund (the “Debt Fee”), including the debt provided by MWN and MWN QP. The Debt Fee is applied only to the debt capital secured and is not applied to any capital covered by the Debt Fund Management Fee.

The Adviser is entitled to a syndication fee in the amount of 1% of all syndication amounts invested into Debt Fund assets (the “Syndication Fee”). The Syndication Fee is applied only to the syndicated amounts and is not applied to any capital covered by the Debt Fund Management Fee.

The Syndication Fee may reduce the return to limited partners of the Debt Fund generated through the syndications (co-investments with, or participation interests by, certain limited partners or third parties) and creates an incentive for the general partner to enter into syndication agreements which may not be beneficial to the Debt Fund; however, the Adviser uses its best efforts to structure each syndication arrangement in a manner to provide a spread to the Debt Fund above the rate offered to the syndication parties. The Syndication Fee is also lower than the Debt Fund Management Fee to provide disincentive for the Adviser to enter into syndication arrangements that would not otherwise be beneficial to the Debt Fund.

The Debt Fund Management Fee, Debt Fee and Syndication Fee (collectively, the “Debt Fund Fees”), are paid monthly in arrears on the first day of the month based upon the limited partner capital, debt capital and syndication amounts, respectively, of the Debt Fund on the last day of the preceding month and such fees are deducted from invested capital or Debt Fund income. Debt Fund income is received in the form of (i) interest income earned on secured debt instruments originated by the Debt Fund, (ii) fees related to the loans extended by the Debt Fund, (iii) proceeds resulting from the disposition of an asset, including dispositions of real property resulting from foreclosure, or (iv) proceeds resulting from the sale of interests in an equity position received as an enhancement in connection with loans extended by the Debt Fund. In the event that income is

not received by the Debt Fund in any given month and invested capital is not available, the Debt Fund Fees for such month will accrue and be paid in a month where there is sufficient income or invested capital to pay such fees. Since the Debt Fund only accepts capital contributions on the first day of the month, Debt Fund limited partners are not required to pay a pro-rated management fee in any given month.

Investments into the Debt Fund may be redeemed by the Debt Fund at the request of a limited partner, subject to a two-year lock-up period and other restrictions set forth in the Debt Fund limited partnership agreement. Redemptions allowed prior to the end of the lock-up period are subject to a withdrawal penalty equal to up to three percent (3%) of the redeemed amount, unless waived in the discretion of the general partner of the Debt Fund.

### *MWEF 1*

In consideration for its services, the Adviser is entitled to a management fee (the “MWEF 1 Management Fee”) in an amount equal to 1% per annum of the aggregate capital commitments during MWEF 1’s commitment period (the “MWEF 1 Commitment Period”); and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the MWEF 1 Management Fee quarterly in advance on the first day of each calendar quarter. The practice of the Adviser, however, is to receive the MWEF 1 Management Fee quarterly in arrears on the first day of each calendar quarter based upon the aggregate capital commitments of MWEF 1 during the MWEF 1 Commitment Period and aggregate capital contributions thereafter. The MWEF 1 Management Fee is deducted from invested capital or MWEF 1 income. MWEF 1 income is received either in the form of disposition proceeds of MWEF 1’s investments or operating income earned on MWEF 1’s investments. In the event that income is not received by MWEF 1 in any given quarter and invested capital is not available, the MWEF 1 Management Fee for such quarter will accrue and be paid in a quarter where there is sufficient income or invested capital to pay such fee. Since the MWEF 1 Management Fee may occur at some time during a calendar quarter, MWEF 1 limited partners may be required to pay a pro-rated MWEF 1 Management Fee.

Investments into MWEF 1 may not be terminated or withdrawn by a MWEF 1 limited partner. Distributions from MWEF 1 are generally made when distributable cash of MWEF 1 income is received from operating income earned on MWEF 1’s investments or from the disposition of MWEF 1’s investments.

### *MWEF 3*

In consideration for its services, the Adviser is entitled to a management fee (the “MWEF 3 Management Fee”) in an amount equal to 1% per annum of the aggregate capital commitments during MWEF 3’s commitment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the MWEF 3 Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The MWEF 3 Management Fee is deducted from invested capital or MWEF 3 income. MWEF 3 income is received either in the form of disposition proceeds of the MWEF 3 investments or operating income earned on the MWEF 3 investments. In the event that income is not received by MWEF 3 in any given quarter and invested capital is not available, the MWEF 3 Management Fee for such



quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the MWEF 3 Management Fee may occur at some time during a calendar quarter, the MWEF 3 limited partners may be required to pay a pro-rated MWEF 3 Management Fee.

Investments into MWEF 3 may not be terminated or withdrawn by a MWEF 3 limited partner. Distributions from MWEF 3 are generally made when distributable cash of MWEF 3 income is received from operating income earned on MWEF 3's investments or from the disposition of MWEF 3's investments.

#### *TDEF 5*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF 5 Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments during TDEF 5's commitment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF 5 Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF 5 Management Fee is deducted from invested capital or TDEF 5 income. TDEF 5 income is received either in the form of disposition proceeds of the TDEF 5 investments or operating income earned on the TDEF 5 investments. In the event that income is not received by TDEF 5 in any given quarter and invested capital is not available, the TDEF 5 Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF 5 Management Fee may occur at some time during a calendar quarter, the TDEF 5 limited partners may be required to pay a pro-rated TDEF 5 Management Fee.

Investments into TDEF 5 may not be terminated or withdrawn by a TDEF 5 limited partner. Distributions from TDEF 5 are generally made when distributable cash of TDEF 5 income is received from operating income earned on TDEF 5's investments or from the disposition of TDEF 5's investments.

#### *TDEF 6*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF 6 Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments during TDEF 6's commitment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF 6 Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF 6 Management Fee is deducted from invested capital or TDEF 6 income. TDEF 6 income is received either in the form of disposition proceeds of the TDEF 6 investments or operating income earned on the TDEF 6 investments. In the event that income is not received by TDEF 6 in any given quarter and invested capital is not available, the TDEF 6 Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF 6 Management Fee may occur at some time during a calendar quarter, the TDEF 6 limited partners may be required to pay a pro-rated TDEF 6 Management Fee.

Investments into TDEF 6 may not be terminated or withdrawn by a TDEF 6 limited partner. Distributions from TDEF 6 are expected to be made when distributable cash of TDEF 6 income is

received from operating income earned on TDEF 6's investments or from the disposition of TDEF 6's investments.

#### *TDEF 7*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF 7 Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments during TDEF 7's investment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF 7 Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF 7 Management Fee is deducted from invested capital or TDEF 7 income. TDEF 7 income is received either in the form of disposition proceeds of the TDEF 7 investments or operating income earned on the TDEF 7 investments. In the event that income is not received by TDEF 7 in any given quarter and invested capital is not available, the TDEF 7 Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF 7 Management Fee may occur at some time during a calendar quarter, the TDEF 7 limited partners may be required to pay a pro-rated TDEF 7 Management Fee.

Investments into TDEF 7 may not be terminated or withdrawn by a TDEF 7 limited partner. Distributions from TDEF 7 are generally made when distributable cash of TDEF 7 income is received from operating income earned on TDEF 7's investments or from the disposition of TDEF 7's investments.

#### *TDEF 8 MH*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF 8 MH Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments during TDEF 8 MH's investment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF 8 MH Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF 8 MH Management Fee is deducted from invested capital or TDEF 8 MH income. TDEF 8 MH income is received either in the form of disposition proceeds of the TDEF 8 MH investments or operating income earned on the TDEF 8 MH investments. In the event that income is not received by TDEF 8 MH in any given quarter and invested capital is not available, the TDEF 8 MH Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF 8 MH Management Fee may occur at some time during a calendar quarter, the TDEF 8 MH limited partners may be required to pay a pro-rated TDEF 8 MH Management Fee.

Investments into TDEF 8 MH may not be terminated or withdrawn by a TDEF 8 MH limited partner. Distributions from TDEF 8 are expected to be made when distributable cash of TDEF 8 income is received from operating income earned on TDEF 8's investments or from the disposition of TDEF 8's investments.

#### *TDEF 9*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF 9 Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments

during TDEF 9's investment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF 9 Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF 9 Management Fee is deducted from invested capital or TDEF 9 income. TDEF 9 income is received either in the form of disposition proceeds of the TDEF 9 investments or operating income earned on the TDEF 9 investments. In the event that income is not received by TDEF 9 in any given quarter and invested capital is not available, the TDEF 9 Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF 9 Management Fee may occur at some time during a calendar quarter, the TDEF 9 limited partners may be required to pay a pro-rated TDEF 9 Management Fee.

Investments into TDEF 9 may not be terminated or withdrawn by a TDEF 9 limited partner. Distributions from TDEF 9 are expected to be made when distributable cash of TDEF 9 income is received from operating income earned on TDEF 9's investments or from the disposition of TDEF 9's investments.

#### *TDEF Power Ranch*

In consideration for its services, the Adviser is entitled to a management fee (the "TDEF Power Ranch Management Fee") in an amount equal to 1% per annum of the aggregate capital commitments during TDEF Power Ranch's investment period; and, thereafter in an amount equal to 1% per annum of the aggregate capital contributions. The Adviser is entitled to receive the TDEF Power Ranch Management Fee quarterly in arrears on the first day of each calendar quarter for the prior quarter. The TDEF Power Ranch Management Fee is deducted from invested capital or TDEF Power Ranch income. TDEF Power Ranch income is received either in the form of disposition proceeds of the TDEF Power Ranch investments or operating income earned on the TDEF Power Ranch investments. In the event that income is not received by TDEF Power Ranch in any given quarter and invested capital is not available, the TDEF Power Ranch Management Fee for such quarter will continue to accrue and be paid in a quarter when there is sufficient income or invested capital to pay such fee. Since the TDEF Power Ranch Management Fee may occur at some time during a calendar quarter, the TDEF Power Ranch limited partners may be required to pay a pro-rated TDEF Power Ranch Management Fee.

Investments into TDEF Power Ranch may not be terminated or withdrawn by a TDEF Power Ranch limited partner. Distributions from TDEF Power Ranch are expected to be made when distributable cash of TDEF Power Ranch income is received from operating income earned on TDEF Power Ranch's investments or from the disposition of TDEF Power Ranch's investments.

#### *MWN*

In consideration for its services, the Adviser is entitled to receive 1% per annum of the principal amount loaned from MWN to the Debt Fund, paid on a monthly basis.

#### *MWN QP*

In consideration for its services, the Adviser is entitled to receive 1% per annum of the principal amount loaned from MWN QP to the Debt Fund, paid on a monthly basis.

### *Non-Affiliated Clients*

In consideration for its services, the Adviser is entitled to a management fee with respect to each Non-Affiliated Client in an amount equal to 0.5% per annum of such client's capital contributions to the QOZB. As set forth in the advisory agreement with each Non-Affiliated Client, the management fee accrues quarterly in arrears, adjusted for any intra-quarter activity at the end of such quarter on a pro-rata basis. Accrued fees are generally paid to the Adviser within five business days after the receipt by the client of cash distributions from the QOZB to the extent of available cash distributions. If there are insufficient cash distributions from the QOZB to pay the management fee, the management fee will continue to accrue and be payable only when sufficient cash distributions from the QOZB are received by the client.

#### **B. Performance-Based Compensation**

With respect to certain Investment Funds, as set forth below, the Adviser or its affiliates may receive a portion of the net income of such Investment Fund as an incentive fee, which such fee is deducted from such Investment Fund's distributable proceeds. The incentive compensation is generally, dependent on the Investment Fund's performance, a percentage of the amount of profits otherwise distributable to investors.

In accordance with the terms of the limited partnership agreement of the Debt Fund, MWDF GP, LLC, the general partner of the Debt Fund and wholly-owned subsidiary of the Adviser, is entitled to receive a "performance-based" fee equal to 15% of the net income of the Debt Fund. Net income is equal to all income earned with respect to partnership investments less any partnership expenses, management fees and recognized losses.

In accordance with the terms of the limited partnership agreement of MWEF 1, the Adviser is entitled to receive a "carried interest" equal to 20% of the net income of MWEF 1. Net income is equal to all income earned with respect to MWEF 1 investments less any MWEF 1 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of MWEF 1, the investors are entitled to an 8% preferred return on their investment prior to the distribution of any carried interest to the Adviser.

In accordance with the terms of the limited partnership agreement of MWEF 3, TDEF 3, LLC, the general partner of MWEF 3 and wholly-owned subsidiary of the Adviser, is entitled to receive a "carried interest" equal to 20% of the net income of MWEF 3. Net income is equal to all income earned with respect to MWEF 3 investments less any MWEF 3 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of MWEF 3, the investors are entitled to an 8% preferred return on their investment prior to the distribution of any carried interest to TDEF 3, LLC.

In accordance with the terms of the limited partnership agreement of TDEF 5, TDEF 5, LLC, the general partner of TDEF 5 and wholly-owned subsidiary of the Adviser, is entitled to receive a "carried interest" ranging from 10% to 20% (depending on the amount of the investor capital contribution) of the net income of TDEF 5. Net income is equal to all income earned with respect to TDEF 5 investments less any TDEF 5 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF 5, the investors are

entitled to a preferred return on their investment prior to the distribution of any carried interest to TDEF 5, LLC. The preferred return applicable to operating cash flow is 6%, and the preferred return applicable to capital proceeds is 9%.

In accordance with the terms of the limited partnership agreement of TDEF 6, TDEF 6, LLC, the general partner of TDEF 6 and wholly-owned subsidiary of the Adviser, is entitled to receive a “carried interest” equal to 20% of the net income of TDEF 6. Net income is equal to all income earned with respect to TDEF 6 investments less any TDEF 6 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF 6, the investors are entitled to an 8% preferred return on their investment prior to the distribution of any carried interest to TDEF 6, LLC.

In accordance with the terms of the limited partnership agreement of TDEF 7, TDEF 7, LLC, the general partner of TDEF 7 and wholly-owned subsidiary of the Adviser, is entitled to receive a “carried interest” equal to 20% of the net income of TDEF 7. Net income is equal to all income earned with respect to TDEF 7 investments less any TDEF 7 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF 7, the investors are entitled to a 7% preferred return on their investment prior to the distribution of any carried interest to TDEF 6, LLC.

In accordance with the terms of the limited partnership agreement of TDEF 8 MH, TDEF 8, LLC, the general partner of TDEF 8 MH and wholly-owned subsidiary of the Adviser, is entitled to receive a “carried interest” equal to 15% of the net income of TDEF 8 MH. Net income is equal to all income earned with respect to TDEF 8 MH investments less any TDEF 8 MH expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF 8 MH, the investors are entitled to a 7% preferred return on their investment prior to the distribution of any carried interest to TDEF 8, LLC.

In accordance with the terms of the limited partnership agreement of TDEF 9, TDEF 9, LLC, the general partner of TDEF 9 and wholly-owned subsidiary of the Adviser, is entitled to receive a “carried interest” equal to 20% of the net income of TDEF 9. Net income is equal to all income earned with respect to TDEF 9 investments less any TDEF 9 expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF 9, the investors are entitled to an 8% preferred return on their investment prior to the distribution of any carried interest to TDEF 9, LLC. The 8% preferred return, however, does not begin to accrue until twenty four (24) months after the final closing and is based on the amount of unreturned capital contributions existing as of such date.

In accordance with the terms of the limited partnership agreement of TDEF Power Ranch, TDEF 10, LLC, the general partner of TDEF Power Ranch and wholly-owned subsidiary of the Adviser, is entitled to receive a “carried interest” equal to 20% of the net income of TDEF Power Ranch. Net income is equal to all income earned with respect to TDEF Power Ranch investments less any TDEF Power Ranch expenses, management fees and recognized losses. In accordance with the terms of the limited partnership agreement of TDEF Power Ranch, the investors are entitled to a 7% preferred return on their investment prior to the distribution of any carried interest to TDEF 10, LLC.

With respect to the Non-Affiliated Clients, the Adviser is entitled to receive, in accordance with the terms of the advisory agreement with each Non-Affiliated Client, an “incentive fee” equal to 10% of the “excess distributions” received by the client from the QOZB. The term “excess distributions” means distributions in excess of the sum of (i) the client’s preferred return of 10% applicable to the QOZB, (ii) the return of the client’s capital contributions to the QOZB, and (iii) any write-downs or losses associated with the QOZB.

#### C. Operational Fees and Expenses

Each Investment Fund must pay or reimburse the Adviser for all expenses connected to the ongoing management and operation of the applicable Investment Fund. Such expenses may include applicable management fees; third-party fees and expenses; legal fees and expenses; marketing expenses; appraisal and valuation fees and expenses; accounting fees (including audit expenses and expenses incurred in connection with the preparation of tax returns); any taxes imposed on the fund; all costs and expenses related to the sourcing, evaluation, development, negotiation, acquisition, implementation, ownership, disposition, hedging or financing of any potential or actual investment, including related travel expenses (whether or not the potential investment is acquired by the fund); administrator and administrative fees and expenses; software, online platform and other expenses; meeting costs; travel costs; property management fees (which may be paid to the fund general partner/manager or its affiliates for services rendered); insurance (including liability insurance and other coverage for the benefit of the fund, the general partner/manager and its personnel); the costs and expenses of any litigation involving the fund and the amount of any judgments or settlements paid in connection therewith; and any other expenses attributable to the fund’s business or expenses for which the fund is liable under the applicable governance document (including indemnification expenses).

In addition to the expenses related to the ongoing management and operation of the Debt Fund, the Debt Fund has agreed, pursuant to the terms of the secured loans made by MWN and MWN QP to the Debt Fund, to cover or reimburse MWN and MWN QP for all costs and expenses incurred by MWN and MWN QP in their businesses. These costs and expenses include annual audit fees, third-party fund administration fees, legal fees, expenses related to the administration of the secured loans made to the Debt Fund and the investment notes issued by MWN and MWN QP to their investors, and other costs and expenses. The Debt Fund is also obligated to indemnify MWN and MWN QP for any liabilities of MWN or MWN QP incurred in their businesses. As noted above, the Adviser is the investment manager and sole member of MWN and MWN QP.

The Adviser is responsible for its own general operating and overhead expenses associated with providing investment management services to the Investment Funds, including, but not limited to, salaries and other compensation payable to the Adviser’s employees, offices expenses, travel expenses and all expenses related to the marketing of the Investment Funds.

Generally, the Investment Funds are responsible for the payment of any broker’s fees, transaction costs, or commissions incurred in relation to their investments. To the extent the Adviser chooses to select or recommend securities broker-dealers for the Investment Funds, it will be disclosed in Item 12 of this Brochure.

#### D. Perquisites, Gifts and Entertainment

The Adviser and its employees receive certain perquisites, gifts and entertainment benefits related to their activities on behalf of the Investment Funds that are not subject to any management fee offset or otherwise shared with the Investment Funds or their investors. Such perquisites arise from airline travel, hotel stays, car rentals and credit card usage incurred as reimbursable Investment Fund expenses that typically result in “miles,” “points” or credit in loyalty or similar programs. Such gifts and entertainment benefits arise in connection with the Adviser and its employees receiving holiday and other gifts, meals and tickets to sporting and other events from third parties that transact business with the Investment Funds and the Adviser, including investors, joint venture partners, borrowers of the Debt Fund, and service providers. These perquisites, gifts and entertainment benefits, whether or not *de minimis* or difficult to value, inure exclusively to the Adviser and its personnel even though the costs of the underlying activities and transactions are borne, directly or indirectly, by the Investment Funds and its investors.

#### E. Side Letters

The Adviser, at its sole discretion, enters into side letters or other similar arrangements with certain Investment Fund investors that waive or modify the application of any provision in the respective governance agreement with respect to such investor. Such side letters have the effect of establishing or otherwise benefiting such investor in a manner more favorable than the rights and benefits described in the applicable offering documents and governance agreement. The same favorable rights and benefits may be extended, or not, to other investors in accordance with each respective Investment Fund’s offering materials. These rights and benefits most frequently relate to different management fees, redemption rights and carried interest allocations, but may also include differing terms with respect to other fee rebates, tax considerations, capacity allowances, subscription privileges, placement fees, minimum and maximum subscription amounts, and other terms and conditions.

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

Please see the section above entitled “Performance-Based Compensation” under Item 5 above for a description of the performance-based fees payable to the Adviser.

Performance-based fee arrangements create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying clients and investors over other clients and investors in the allocation of opportunities.

Certain investors in the Debt Fund may also be borrowers of the real estate backed loans made by the Debt Fund. Additionally, certain investors in the Investment Funds may provide services to the Adviser or the Investment Funds. The Adviser does not provide preferential treatment or terms to any such investors based on those relationships. The Adviser has procedures designed and implemented to ensure that all limited partners or members in each fund are treated fairly and equally, in accordance with the terms of the applicable offering materials and governance documents. The period which will be used to measure the investment performance in the Investment Funds will be on an annual basis.

Investors in all of the Investment Funds, other than MWN, and investors in the Non-Affiliated

Clients will consist solely of investors which meet the definition of (i) an “accredited investor” in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and (ii) a “qualified client” in Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”). Investors in MWN will consist solely of investors which meet the definition of an “accredited investor” in Rule 501(a) of Regulation D under the Securities Act. Additionally, all Investors in MWN QP will meet the definition of a “qualified purchaser” as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

The Adviser recognizes its fiduciary duty to act in the best interest of each of the Investment Funds. The Adviser uses its best efforts to structure each of the Investment Funds in a way to avoid conflicts with respect to allocation of investment opportunities. In infrequent instances when the Adviser may be in the position to allocate investment opportunities to more than one Investment Fund at a time, it will use its best efforts to structure such opportunities in a way that is fair and equitable to each Investment Fund over time.

The Adviser further recognizes that transactions between the Debt Fund and MWN, and between the Debt Fund and MWN QP, create potential conflicts of interest, particularly in a default scenario. The Adviser will act in a manner consistent with the policies disclosed in the applicable offering materials and governance agreements and, to the extent possible, in the best interests of the Debt Fund, on the one hand, and MWN and MWN QP, on the other hand.

Potential conflicts of interest also arise in transactions between the Debt Fund and certain real property joint venture and investment entities in which an Investment Fund holds, directly or indirectly, an ownership interest. The Debt Fund has made loans secured by real estate held by entities included in the portfolio of direct and indirect investments of MWEF 1, TDEF 5, TDEF 6, TDEF 7, TDEF 8 MH, TDEF 9 and TDEF Power Ranch. The Adviser will act in a manner consistent with the policies disclosed in the applicable offering materials and governance agreements and, to the extent possible, in the best interests of both the Debt Fund and an Investment Fund owning an interest in entities obtaining loans from the Debt Fund.

Other potential and actual conflicts of interest include those disclosed in the applicable offering materials of the Investment Funds. The Adviser will act in a manner to reduce the impact of such conflicts in a way that is fair and equitable to each Investment Fund and its investors.

## **Item 7 – Types of Clients**

The Adviser currently provides discretionary investment advisory services exclusively to the Investment Funds and limited, non-discretionary advisory services exclusively to the Non-Affiliated Clients. As mentioned above, the Adviser may form additional entities and partnerships in the future and may manage the investments of those entities and partnerships. The Adviser may also provide limited, non-discretionary advisory services to private fund clients other than the two existing Non-Affiliated Clients.

All investors in the Investment Funds are subject to applicable suitability requirements. Each investor in the Investment Funds must be an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act. Moreover, each investor in the Investment Funds, other



than MWN, must be a “qualified client” as defined in Rule 205-3(d)(1) of the Investment Advisers Act. Investors in MWN QP must also be a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act.

The Investment Funds listed below require minimum investment amounts as follows:

- Debt Fund – \$250,000
- MWN – \$100,000
- MWN QP – \$500,000

The applicable general partner/manager of the respective Investment Fund has the authority to accept investments in lesser amounts in its sole discretion.

Since MWEF 1, MWEF 3, TDEF 5, TDEF 6, TDEF 7, TDEF 8, TDEF 9 and TDEF Power Ranch are closed to new investors, aspects of this disclosure item requesting information regarding requirements for investment, such as a minimum investment amount, are not applicable.

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

*The descriptions contained in Item 8 and elsewhere in this Brochure regarding each Investment Fund, including the investment strategy and objective, portfolio investments, management fees and compensation, risk factors and conflicts of interests, are qualified in their entirety by reference to each of the Investment Fund’s formal offering materials (e.g., private placement or offering memorandum, subscription documents, and limited partnership agreement or operating agreement, as applicable) provided to investors in each Investment Fund.*

### **A. Debt Fund**

The Debt Fund’s investment strategy is to create and actively manage a portfolio of real estate debt investments, diversified by asset type, size, market and geographic location. The Adviser anticipates these will be located primarily in the West and Intermountain West regions of the United States. While the Adviser will retain discretion over the size of a particular investment and the aggregate number of real estate investments over the life of the Debt Fund, the Adviser currently expects that the majority of transactions are expected to be secured loans and debt instruments of between \$1 million and \$30 million. The Debt Fund seeks to achieve favorable returns primarily through interest and fees earned on short-term real estate secured notes.

The Adviser’s analysis methods for the investments made at its direction consist of advanced research into subject asset markets; determination of debt to value based upon appraisals and third party and in-house verifications; determination of financial strength and creditworthiness and experience of borrowers; subject market conditions; analysis of product; analysis and verification of take-out strategies; analysis of value upon foreclosure and other analysis based upon subject specific criteria.

### **B. MWEF 1**

MWEF 1's investment strategy is to create and actively manage a portfolio of real estate investments in the western United States. MWEF 1's investment portfolio consists primarily of western U.S. residential and commercial real estate assets. The real properties currently held in the portfolio are fully developed and operating residential and commercial properties. Real estate portfolio investments are held in separate entities that are owned in joint venture relationships with developers and/or operators. The Adviser has retained discretion over the size of a particular investment and the aggregate number of real estate investments made over the life of MWEF 1. MWEF 1 seeks to achieve favorable returns primarily through appreciation and development of the real estate purchased. The Debt Fund has provided debt financing on the properties held by entities included in MWEF 1's investment portfolio.

The Adviser's analysis methods for the investments made at its direction consisted of advanced research into subject asset markets. MWEF 1 provided equity capital for the acquisition, development, improvement and liquidation of real properties. The Adviser formed a joint venture agreement with operating partners that included various agreed upon provisions. MWEF 1 is a closed-end fund that will allow no additional investment nor any new investor.

#### C. MWEF 3

MWEF 3's investment strategy is to create and actively manage a portfolio of real estate investments in northern Utah. MWEF 3's investment portfolio consists primarily of developable raw ground and commercial real estate assets located in northern Utah. Real estate portfolio investments will each be held indirectly in separate entities that will be owned in joint venture relationships with developers and/or operators. The Adviser has retained discretion over the size of a particular investment and the aggregate number of real estate investments made over the life of MWEF 3. MWEF 3 seeks to achieve favorable returns primarily through appreciation and development of the real estate purchased.

The Adviser's analysis methods for the investments made at its direction consisted of advanced research into subject asset markets. MWEF 3 provided equity capital for the acquisition, improvement and liquidation of real properties. The Adviser typically formed a joint venture agreement with operating partners that included various agreed upon provisions. MWEF 3 is a closed-end fund that will allow no additional investment nor any new investor.

#### D. TDEF 5

TDEF 5's investment strategy, as a qualified opportunity fund, is to invest in the acquisition, development and management of manufactured housing communities located throughout the United States. The predominant majority of these communities will be in qualified opportunity zones. TDEF 5's strategy will be accomplished through co-investing with OZ Impact Mobile Fund I, L.P. ("OZ Impact Fund") in manufactured housing community properties. OZ Impact Fund is a non-affiliated private investment fund, the principals of which have established a strong track record of investing in commercial real estate assets. TDEF 5's investment portfolio consists primarily of manufacturing housing properties. Real estate portfolio investments are held indirectly in separate entities controlled by OZ Impact Fund and its affiliates. TDEF 5 seeks to achieve favorable returns primarily through appreciation and development of the manufactured housing properties purchased. The Debt Fund has provided debt financing on some of the

properties held by entities included in TDEF 5's investment portfolio, and may provide debt financing on future investment properties.

The Adviser's analysis methods for the investments made at its direction consisted of advanced research into subject asset markets, together with reliance on the expertise and experience of the OZ Impact Fund and its principals. TDEF 5 is a closed-end fund that will allow no additional investment nor any new investor.

#### E. TDEF 6

TDEF 6's investment strategy is to actively manage high-end residential property located in northern Utah. TDEF 6's investment portfolio consists of raw ground that is anticipated to be developed into lots upon which townhomes and condominiums will be constructed and sold off or leased depending on the residential real estate market. The Debt Fund has provided debt financing on the property for the initial development and some of the vertical construction, and may provide additional financing on the property.

TDEF 6's investment strategy involves tapping into an existing relationship with an established real estate developer and providing equity capital for the development, improvement and liquidation of the asset. The property will be held indirectly in a separate joint venture entity with the developer of the property. The developer has been a repeat borrower of the Debt Fund since 2012. TDEF 6 seeks to achieve favorable returns primarily through appreciation of the developed real estate.

The Adviser's analysis methods for the investments made at its direction consisted of advanced research into subject asset markets, together with reliance on the expertise and experience of the developer. As indicated above, the Adviser has formed a joint venture agreement with the developer that includes various agreed upon provisions. TDEF 6 is a closed-end fund that will allow no additional investment nor any new investor.

#### F. TDEF 7

TDEF 7's investment strategy is to create and actively manage a portfolio of real estate investments consisting primarily of housing developments in Utah, including single family residences, townhomes, lots and apartments. TDEF 7 may expand its investments in other states located in the Western and Intermountain regions of the United States and in other sectors, including commercial and industrial real estate projects. TDEF 7's investment portfolio is expected to consist principally of membership interests in limited liability companies formed as joint ventures to acquire and develop real property. The Debt Fund has provided debt financing on some of the properties held by entities included in TDEF 7's investment portfolio, and may provide debt financing on future investment properties.

TDEF 7's investment strategy involves leveraging existing relationships the Adviser has with established real estate developers with whom the Adviser has worked successfully in the past. TDEF 7 has provided and will provide equity capital for the acquisition and development of projects that rely on these developers and their experienced real estate development teams. Real estate portfolio investments will each be held indirectly in separate entities and will be owned in joint venture relationships with developers. The Adviser has retained discretion over the size of a

particular investment and the aggregate number of real estate investments made over the life of TDEF 7. TDEF 7 seeks to achieve favorable returns primarily through appreciation and development of the real estate purchased.

The Adviser's analysis methods for the investments made at its direction consisted of advanced research into subject asset markets. TDEF 7 will provide equity capital for the acquisition, improvement and liquidation of real properties. As indicated above, the Adviser will typically form a joint venture agreement with developers that will include various agreed upon provisions. TDEF 7 is a closed-end fund that will allow no additional investment nor any new investor.

#### G. TDEF 8 MH

TDEF 8 MH's investment strategy is to invest in manufactured housing communities through its acquisition of a limited partnership interest in Roots Fund IV, LP, a Delaware limited partnership ("Roots"). The stated investment objective of Roots is to provide investors with attractive risk-adjusted returns on a long-term basis through the acquisition, development and management of a portfolio of manufactured housing communities across the United States. Roots is a non-affiliated private investment fund, the principals of which have established a solid track record of investing in manufactured housing communities. Investments in specific properties by Roots have been and will be held in separate entities controlled by Roots and its affiliates. TDEF 8 MH seeks to achieve favorable returns primarily through appreciation of its limited partnership interest in Roots and indirectly through appreciation of the manufactured housing properties purchased. The Debt Fund has provided debt financing on some of the properties held by entities included in Root's investment portfolio, and may provide debt financing on future investment properties.

The Adviser's analysis methods for the investment made at its direction consisted of advanced research into subject asset markets, together with reliance on the expertise and experience of Roots and its principals. TDEF 8 MH is a closed-end fund that will allow no additional investment nor any new investor.

#### H. TDEF 9

TDEF 9's investment strategy is to participate in a real estate joint venture through the acquisition of an indirect membership interest in Langley Colmena Holdings, LLC, an Arizona limited liability company (the "JV LLC"). The JV LLC's investment portfolio consists of farm and ranch lands located in Pinal County, Arizona. The farm and ranch lands are anticipated to be developed primarily into residential lots, with additional development for commercial pads and commercial or industrial buildings. The Debt Fund has provided debt financing for acquisition of the JV LLC's properties, and may provide additional financing for the development of such properties.

TDEF 9's investment strategy involves tapping into an existing relationship with an established real estate developer and providing a portion of the equity capital for the acquisition, development and improvement of the lands acquired by the JV LLC. TDEF 9 is pursuing a long-term land bank and land development strategy that is anticipated to take 20+ years. TDEF 9 seeks to achieve favorable returns primarily through appreciation of the developed real estate.

The Adviser's analysis methods for the investment made at its direction consisted of advanced research into subject asset markets, together with reliance on the expertise and experience of the

developer. TDEF 9 is a closed-end fund that will allow no additional investment nor any new investor.

#### I. TDEF Power Ranch

TDEF Power Ranch's investment strategy consists of co-investing in undeveloped real estate with established real estate developers by purchasing an indirect ownership interest in Power Ranch LandCo, LLC, a Delaware limited liability company ("LandCo"). TDEF Power Ranch acquired its indirect interest in LandCo through an intermediary entity, IndiCol, LLC, a Delaware limited liability company ("IndiCol"). IndiCol and LandCo were formed by Colmena Capital, Inc., a Utah corporation, and IndiCap, LLC, a Nevada limited liability company.

LandCo's investment portfolio consists of real property and farm lands located in Maricopa County, Arizona. The real property and farm lands are being developed primarily into industrial, retail and apartment buildings. The Debt Fund has provided debt financing for acquisition of LandCo's properties, and may provide additional financing for the development of such properties.

TDEF Power Ranch's investment strategy involves tapping into an existing relationship with Colmena Capital, Inc., an established real estate developer, and providing a portion of the equity capital for the acquisition, development and improvement of the lands acquired by LandCo. TDEF Power Ranch seeks to achieve favorable returns primarily through appreciation of the developed real estate.

The Adviser's analysis methods for the investment made at its direction consisted of advanced research into subject asset markets, together with reliance on the expertise and experience of the developer. TDEF Power Ranch is a closed-end fund that will allow no additional investment nor any new investor.

#### J. MWN

MWN's investment strategy is to make secured loans to the Debt Fund. These secured loans will be subordinated to any senior, first priority loans (including revolving lines of credit) obtained by the Debt Fund. The Debt Fund will invest such loaned funds pursuant to its investment strategy discussed above. Because MWN and MWN QP are both secured lenders with respect to the same Debt Fund collateral, the parties have entered into an intercreditor agreement with the Debt Fund. The intercreditor agreement provides, among other things, that MWN and MWN QP will be treated on an equal basis with respect to their positions regarding the payments and collateral of the Debt Fund.

#### K. MWN QP

MWN QP's investment strategy is to make secured loans to the Debt Fund. These secured loans will be subordinated to any senior, first priority loans (including revolving lines of credit) obtained by the Debt Fund. The Debt Fund will invest such loaned funds pursuant to its investment strategy discussed above. As noted above, MWN QP and MWN have entered into an intercreditor agreement with the Debt Fund that provides, among other things, that MWN QP and MWN will be treated on an equal basis with respect to their positions regarding the payments and collateral of the Debt Fund.

## L. Risk of Loss

With respect to each Investment Fund's investment strategy and method of analysis discussed above, there are inherent risks of loss. Accordingly, an Investment Fund may not be able to achieve its investment objectives or obtain a return on its investments.

Prior to making an investment in any Investment Fund, prospective investors should discuss with their own, independent investment, legal and tax advisors the risks associated with such an investment, including the risk factors contained in the applicable Investment Fund private placement or offering memorandum. In addition, prospective investors should carefully consider the following risks:

*Lack of Liquidity and Marketability.* The Investment Funds invest in securities or debt instruments of private companies or joint venture entities (collectively, the "Portfolio Companies") holding real property or other real estate based assets. These Portfolio Company investments lack liquidity and marketability as there are strict transfer restrictions and no public market with respect to the resale of such investments. In many cases, underlying real property investments require a significant period of time to sell or otherwise liquidate. Therefore, there are substantial risks that an Investment Fund will be unable to realize its investment objectives by sale or other disposition of its direct and indirect portfolio securities, properties and assets at favorable prices.

*Real Estate Industry Risk.* The investment performance of the Investment Funds and the values of their investments are subject to numerous risks associated with investments in the real estate industry. These risks include adverse changes in the national, regional and local economic climate, rising or sustained high interest rates, limited availability of bank and other financing, local conditions such as the oversupply of similar properties and depressed market demand, environmental contamination, declines in property values, increases in property taxes, uninsured losses or inadequate insurance, competition from other properties, decreases in operating income from underlying real estate assets, government regulation, risks related to the skill and performance of the property manager, and other factors. Furthermore, real property assets are generally subject to the risks of loan default and foreclosure due to the prevalent use of debt financing and leverage in the real estate industry.

*Lack of Diversification.* The investments of each Investment Fund are generally concentrated in just one or a limited number of real estate sectors within specific regions and markets. Consequently, the returns of an Investment Fund will be adversely affected by the unfavorable performance of a particular investment sector, region or market. In addition, the investments of the Investment Funds will be at a greater risk to overall economic and market fluctuations than if such investments were less concentrated and more broadly diversified.

*Reliance on the Adviser and Portfolio Company Management.* The Investment Funds rely on the experience and expertise of the Adviser, who actively manages the investment activities of each Investment Fund. With respect to the Portfolio Companies, neither the Investment Funds nor the Adviser usually have an active role in the day-to-day management of such companies. Therefore, the returns of each Investment Fund are dependent not only on the Adviser, but also on the performance of the management of the Portfolio Companies.

*Past Performance and Future Results.* The Adviser's performance with respect to past investments and prior funds is not indicative of the future results to be obtained by any Investment Fund. Likewise, the prior performance of the management of the Portfolio Companies is not necessarily indicative of the future results for such companies. There can be no assurance that past investment returns by the Adviser with respect to any Investment Fund or other prior funds will be achieved by investors in the Investment Funds.

*Financial and Business Risk.* The investments of the Investment Funds generally involve a significant degree of financial and business risk. The Portfolio Companies are usually highly leveraged and, therefore, may be more sensitive to adverse financial and business developments. These companies frequently face cash flow challenges and other financial pressures, intense competition, and changing business and economic conditions that may adversely affect their performance. These financial and business risks could materially reduce the value of the Investment Funds' portfolio investments, which could, in turn, have a material adverse impact on the returns of the Investment Funds.

*Volatile Market and Economic Conditions.* Direct and indirect investments in the real estate industry are subject to significant volatility. The returns on real estate based investments depend, in large part, on market and economic conditions associated with the various sectors of real property, including housing (single family and multi-family), commercial, industrial, retail and hospitality. Volatility in market or economic conditions, including interest rate fluctuations, decreases in real property values, an economic downturn or recession, increasing or heightened inflation, reduced demand for real estate properties and investments, the spread of infectious viruses or other public health issues, an outbreak or escalation of major hostilities, and other conditions could have a material adverse effect on an Investment Fund, either directly or as a result of causing a material adverse effect on an underlying investment.

*Competitive Marketplace.* The real estate industry is highly competitive. The Investment Funds and Portfolio Companies compete with other real estate investments and properties in each particular market. Many competitors have substantially greater marketing, financial and other resources than the Investment Funds and the Portfolio Companies. Competition by new alternative investment participants in the real estate market has increased, and substantial amounts of capital have been dedicated to acquiring real property assets in various real estate sectors and markets. Competition could adversely impact the performance and operations of the Portfolio Companies and the Investment Funds.

*Uncertain Investment Plans and Projections.* The plans and projections associated with the proposed and existing investments by the Investment Funds are generally prepared based on preliminary data and various assumptions, many or all of which may prove to be inaccurate or unreliable. Accordingly, such plans and projections are subject to various limitations; may require substantial revisions; and, may not be realized. All plans and projections involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such plans and projections.

*Cybersecurity Risks.* The information and technology systems utilized by the Investment Funds, the Adviser and the Portfolio Companies are subject to cybersecurity risks and vulnerabilities that can affect the Investment Funds and its investors, including damage, misappropriation or

disruption associated with computer viruses, network failures, attacks by domestic and foreign hackers, computer and telecommunication failures, data breaches, identity theft, usage errors by employees and contractors, infiltration by unauthorized persons, power outages, other business interruptions, and catastrophic events such as fires, floods, social unrest, pandemics and earthquakes. Similar adverse consequences could result from cybersecurity incidents affecting counterparties with which the Investment Funds and the Adviser engage in transactions, including the fund administrator, custodians and other third-party service providers, governmental and other regulatory authorities, banks and other financial institutions.

*Software and Technology Risks.* The Investment Funds, the Adviser and the Portfolio Companies rely on software, technologies and services sourced or licensed from third parties, including Microsoft, to operate critical functions of the business and operations of the Investment Funds, the Adviser and the Portfolio Companies. If any of such third-party software, technologies or services, or functional equivalents thereof, were unavailable due to defects or extended outages or interruptions, the operations and performance of the Portfolio Companies and the Investment Funds could be adversely affected.

*Climate Change.* Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could have an adverse effect on temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Concerns over climate change may also result in new laws or regulations designed to reduce greenhouse gas emissions or mitigate the effects of climate change on the environment. These laws and regulations, together with natural disasters and extreme weather conditions, could adversely affect the business and financial condition of the real estate industry, thereby harming the performance of the Portfolio Companies and the Investment Funds.

*Lack of Operating and Investment History.* Any new Investment Fund will be organized as a newly-formed entity that has no prior operating or investment history for prospective investors to evaluate prior to making an investment. Similarly, the Portfolio Companies may also have no or a limited operating and investment history. The realization of the investment strategy and returns for each new and existing Investment Fund will necessarily depend on, among other things, the management and performance of such fund and the underlying Portfolio Companies within such fund.

*Conflicts of Interest.* Instances arise where the interests of the Adviser and/or its affiliates conflict with the interests of an Investment Fund and its investors. For example, the existence of a carried interest payable to the Adviser or its affiliate may create an incentive for the Adviser or such affiliate to make more speculative investments and aggressive investment decisions in behalf of an Investment Fund than the Adviser or such affiliate would otherwise make in the absence of such performance-based arrangement. Further, other actual and potential conflicts of interest are described in the offering materials applicable to each Investment Fund.

*Lack of Certainty regarding Distributions and Redemptions.* There can be no certainty or guarantee with respect to distributions and redemptions resulting from the investments made by the Investment Funds. Moreover, the lack of portfolio liquidity and other factors may necessitate the suspension of an Investment Fund's targeted distribution or planned redemption for an indefinite period of time.



*Inadequate Return.* There can be no assurance that the returns on any Investment Fund’s investments will be commensurate with the risk of investment in the Investment Fund. As a consequence, investors in the Investment Funds may experience inadequate returns with respect to such investments.

*Loss of Principal.* Each Investment Fund could incur a complete loss of its capital invested in portfolio securities. Accordingly, each investor in an Investment Fund should have the financial ability to sustain the loss of its entire investment in an Investment Fund.

*ESG Risk.* Investment managers in the real estate market are increasingly required to focus on the environmental, social and governance (“ESG”) considerations and sustainability attributes associated with the investment properties they manage. Concerns over ESG and sustainability factors may result in social pressures, laws, policies, regulations and practices that create situations in which potential social impacts outweigh financial considerations. As a result, the Portfolio Companies and the Investment Funds are subject to the risk they may achieve lower operating performance if they must satisfy ESG requirements that increase their costs of operation and compliance. Similarly, the Portfolio Companies and the Investments Funds may realize lower investment returns than if they were not required to include the environmental and/or social impact on their investments and investment-related decisions.

*Artificial Intelligence Risk.* The Investment Funds, the Adviser and the Portfolio Companies may utilize artificial intelligence (“AI”) in their business operations. Although the use of AI may have certain expected benefits, rapid changes in the developing field of AI and the challenges with properly managing its use could have an adverse effect and result in unforeseen and unintended harms to the Investment Funds, the Adviser and the Portfolio Companies. If and when utilized, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in management, investment and operational decision-making that could impair the operations and performance of the Investment Funds and the Portfolio Companies.

As noted above, prospective investors should consult with their own, independent professional advisors in connection with an evaluation of the specific risk factors described in the offering materials for each Investment Fund.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of the Adviser or the integrity of the Adviser’s management. The Adviser has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Neither the Adviser, nor any of its management persons is registered, or has an application pending to register as a broker-dealer, registered representative of a broker-dealer, commodity pool operator, commodity trading adviser, or associated person with the foregoing entities.

TDEF 3, LLC is the general partner of MWEF 3 and has engaged the Adviser for investment advisory services for MWEF 3. TDEF 3, LLC is 100% owned by the Adviser.

TDEF 5, LLC is the general partner of TDEF 5 and has engaged the Adviser for investment advisory services for TDEF 5. TDEF 5, LLC is 100% owned by the Adviser.

TDEF 6, LLC is the general partner of TDEF 6 and has engaged the Adviser for investment advisory services for TDEF 6. TDEF 6, LLC is 100% owned by the Adviser.

TDEF 7, LLC is the general partner of TDEF 7 and has engaged the Adviser for investment advisory services for TDEF 7. TDEF 7, LLC is 100% owned by the Adviser.

TDEF 8, LLC is the general partner of TDEF 8 MH and has engaged the Adviser for investment advisory services for TDEF 8 MH. TDEF 8, LLC is 100% owned by the Adviser.

TDEF 9, LLC is the general partner of TDEF 9 and has engaged the Adviser for investment advisory services for TDEF 9. TDEF 9, LLC is 100% owned by the Adviser.

TDEF 10, LLC is the general partner of TDEF Power Ranch and has engaged the Adviser for investment advisory services for TDEF Power Ranch. TDEF 10, LLC is 100% owned by the Adviser.

MWDF GP, LLC is the general partner of the Debt Fund and has engaged the Adviser for investment advisory services for the Debt Fund. MWDF GP, LLC is 100% owned by the Adviser.

MWDF GP, LLC is also the manager of the REIT Sub and has engaged the Adviser for investment advisory services for the REIT Sub. As noted above, MWDF GP, LLC is 100% owned by the Adviser.

MWN Management, LLC is the manager of MWN and has engaged the Adviser for investment advisory services for MWN. MWN Management, LLC is 100% owned by the Adviser.

MWN QP Management, LLC is the manager of MWN QP and has engaged the Adviser for investment advisory services for MWN QP. MWN QP Management, LLC is 100% owned by the Adviser.

Except as otherwise disclosed in this Brochure, neither the Adviser, nor any of its management persons, have a relationship with any of the following that is material to the advisory business or to the Investment Funds or the Non-Affiliated Clients:

- broker-dealer, municipal securities dealer, or government securities dealer or broker;
- other than the Investment Funds and the Non-Affiliated Clients, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund);
- other investment adviser or financial planner;
- futures commission merchant, commodity pool operator, or commodity trading adviser;

- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- insurance company or agency;
- pension consultant; or
- sponsor or syndicator of limited partnerships.

The Adviser does not recommend or select other investment advisers for any Investment Fund or Non-Affiliated Client and does not receive compensation directly or indirectly from any advisers that creates a material conflict of interest.

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

Pursuant to Rule 204A-1 of the Investment Advisers Act, the Adviser has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its private fund clients. The Code of Ethics includes provisions relating to the confidentiality of client and investor information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of the Adviser must acknowledge the terms of the Code of Ethics annually, or as amended.

Investors of the Investment Funds may request a copy of the Adviser’s Code of Ethics by contacting Rocky Derrick.

Certain management persons or other personnel (including their respective family members) of the Adviser have made personal investments in the Investment Funds alongside the other investors. As previously described, the Adviser is entitled to performance-based fees from certain of the Investment Funds. Personal investments in any of the Investment Funds made by management persons or other personnel of the Adviser are subject to the provisions and restrictions set forth in the Adviser’s Code of Ethics.

Neither the Adviser nor any of its management persons anticipates making investments alongside the Investment Funds. Such investment would be a conflict of interest as the Adviser or its management persons may have individual investment objectives which are different from or in conflict with those of the Investment Funds. To address potential conflicts, the Adviser and its management persons place the Investment Fund’s investment objectives ahead of those of the Adviser, its management persons and its representatives and the Adviser will provide any disclosure it deems appropriate, necessary or required to the Investment Funds (or their respective investors) with respect to such potential conflicts.

## **Item 12 – Brokerage Practices**

The Adviser does not select or recommend securities broker-dealers for the Investment Funds or the Non-Affiliated Clients. The Investment Funds do not presently intend to engage in investment transactions involving broker-dealers.

The Adviser does not receive compensation for research or other products or services or other soft dollar benefits.

## **Item 13 – Review of Accounts**

The Adviser reviews Investment Fund investments on a regular basis, no less than quarterly. The Investment Fund reviews generally include, as applicable, an evaluation of each fund's investment objectives, portfolio investments, development and operational issues, project management, prior performance, cash flow and liquidity concerns, projected returns, and such other information deemed relevant by the Adviser.

The investment reviews with respect to the Debt Fund are conducted by the Managing Partner of the Adviser, with input from the Adviser's Partner | Operations, Partner | Underwriting & Originations, Partner | Finance, and Director of Debt Asset Management. The investment reviews of MWN and MWN QP are conducted by the Managing Partner, with input from the Partner | Finance. The investment reviews regarding the equity Investment Funds, including MWEF 1, MWEF 3, TDEF 5, TDEF 6, TDEF 7, TDEF 8, TDEF 9 and TDEF Power Ranch, are conducted by the Managing Partner, with input from the Partner | Finance and Director of Equity Asset Management.

The Adviser provides monthly statements and quarterly reports to the limited partners of the Debt Fund. Monthly statements and quarterly reports provide information regarding returns, interest and principal payments and capital account balance, as applicable. The Debt Fund quarterly reports also include a review of fund performance and details on the fund investments. These statements and reports are provided in written form electronically through email notice and posting on a secure investor portal.

The REIT Sub has two classes of members: the common members, of which the Debt Fund is the sole common member, and the preferred members, consisting of 125 individuals (in accordance with federal tax law and regulations applicable to real estate investment trusts) who are not affiliates of the Adviser or limited partners of the Debt Fund. The preferred members receive in the aggregate a fixed return of approximately \$15,000 per annum and have no other rights to receive distributions from the REIT Sub. The Adviser utilizes REIT Funding, LLC ("Funding"), a third-party REIT service provider, in connection with all communications and administrative matters related to the preferred members of the REIT Sub. Preferred members receive annual account statements from Funding containing information regarding interest payments and capital account balances.

The Adviser provides monthly statements to the note holders of MWN and MWN QP.

The Adviser provides statements and reports to the limited partners of the following equity Investment Funds as noted in the table below:

<b>Investment Fund</b>	<b>Statements</b>	<b>Reports</b>
MWEF 1	Quarterly	Quarterly
MWEF 3	Quarterly	Semiannual
TDEF 5	Quarterly	Quarterly
TDEF 6	Annual	Semiannual
TDEF 7	Annual	Quarterly
TDEF 8	Quarterly	Quarterly
TDEF 9	Annual	Annual
TDEF Power Ranch	Annual	Annual

The timing of the limited partner statements and reports for the Investment Funds noted above generally depends on the stage of development and operational activity associated with the portfolio properties of each fund, and is subject to change. As properties are developed and begin to generate income, the frequency of the statements and reports provided to limited partners generally increases, as there is more consistent and material operating and investment data to report. Furthermore, the timing of statements and reports may depend on future legal and regulatory requirements applicable to the Adviser and the Investment Funds.

The limited partner statements provide information regarding returns, income received and capital account balances. The limited partner reports contain a review of the fund's operations, performance and details on the fund investments. These statements and reports are provided in written form electronically through email notice and posting on a secure investor portal. Additionally, the Adviser may provide email updates to the limited partners on a periodic basis, consistent with material developments regarding the fund.

The Adviser reviews the designated investments in the QOZB with Non-Affiliated Clients on a quarterly basis, in accordance with the provisions of the advisory agreement with each Non-Affiliated Client. These reviews are conducted by the Managing Partner, with input from the Partner | Operations.

#### **Item 14 – Client Referrals and Other Compensation**

The Adviser does not presently use broker-dealers or placement agents to raise capital for the Investment Funds. In the event a future fund may elect to contract with licensed broker-dealers and placement agents to raise capital, such individuals or entities may be compensated for referring potential investors to such fund. Payment of commissions to licensed broker-dealers or placement agents will, in most cases, be made by the investor being introduced by such broker-dealer or placement agent. However, any future fund reserves the right to pay such fees directly where it is in the best interest of such entity.

## **Item 15 – Custody**

The Adviser has custody or is deemed to have custody of certain assets of the Investment Funds. Cash assets of all the Investment Funds are held by unaffiliated banks acting in the capacity as a qualified custodian.

The Investment Funds are audited annually and the audited financial statements, which are prepared in accordance with generally accepted accounting principles, are distributed to the Investment Funds within 120 days of the Investment Fund's fiscal year end. Such audited financial statements are also distributed to the investors of the Investment Funds. Such investors are encouraged to review these audited financial statements carefully.

With respect to the Non-Affiliated Clients, the Adviser does not have any actual or deemed custody, directly or indirectly, of any assets of these clients.

## **Item 16 – Investment Discretion**

The Adviser has discretionary investment and decision-making authority for each of the Investment Funds in accordance with the respective governance agreement, offering materials, investment management agreement and investment guidelines for the Investment Fund, as applicable. Investment Fund investors may enter into side letter agreements with the Adviser as described in Item 5 above.

The Adviser's authority to invest on behalf of the Investment Funds may be limited by certain federal securities and tax laws.

The Adviser has no discretionary investment or decision-making authority for the Non-Affiliated Clients.

## **Item 17 – Voting Client Securities**

The Adviser has the authority to vote any portfolio securities and debt instruments held by the Investment Funds to the extent such securities and debt instruments have voting rights. Investing, directly and indirectly, in real property and real estate based assets held by private Portfolio Companies does not involve traditional proxy voting. Moreover, the Adviser does not provide any investment advisory services with respect to publicly-traded securities that are subject to proxy solicitations.

Investors in the Investment Funds do not have the authority to direct or influence how an Investment Fund or the Adviser will vote in any particular transaction involving the solicitation of votes from an Investment Fund. In such a situation, the Adviser will exercise reasonable care to exercise its voting authority in a manner the Adviser believes is in the best interests of the applicable Investment Fund, as determined in the Adviser's discretion.

The Adviser does not have any proxy voting authority for the Non-Affiliated Clients. If in the future such practices become applicable to the Adviser with respect to clients other than the Investment Funds, in accordance with its fiduciary duty to such clients and Rule 206(4)-6 of the Investment Advisers Act, the Adviser will adopt and implement written policies and procedures

governing proxy voting.

### **Item 18 – Financial Information**

The Adviser is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Adviser has not been the subject of a bankruptcy petition at any time.