

Item 1 - Cover Page

Form ADV Part 2A

Rockbridge Capital, LLC

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March 29, 2024

This brochure provides information about the qualifications and business practice of Rockbridge Capital, LLC ("RBC"). If you have any questions about the contents of this brochure, please contact us at (614) 246-2400 or by visiting our website at www.rockbridgecapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. RBC is a registered investment adviser. RBC's registration as an investment adviser does not imply any level of skill or training.

RBC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration does not imply a certain level of skill or training.

Additional information about RBC is available at the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

RBC filed its most recent brochure on March 30, 2023. This annual amendment updates the description of the business practices of RBC and its affiliates, including with respect to fees and expenses, risk factors and conflicts of interest.

You may obtain a copy of our brochure by contacting Eric B. Phipps, Chief Compliance Officer, by phone at 614-750-1138, or by email at ebhipps@rockbridgecapital.com.

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Item 4-Advisory Business

RBC was formed in July 2002 and is an Ohio limited liability company. RBC serves as the Registered Investment Adviser ("RIA") and provides management and investment advisory services to the following flagship pooled investment vehicles.

Pooled Vehicle/Fund	GP/Managing Member
Rockbridge Portfolio Fund I L.P. ("RBPFI")	RBC Partners IV LLC, a Delaware limited liability company
Rockbridge Portfolio Fund II L.P. ("RBPFI")	RBC Partners III LLC, an Ohio limited liability company
RB Partners I LLC (also sometimes referred to as Rockbridge Hospitality Fund V, "Fund V") This Fund is single investor fund of one	RBP Manager, LLC, an Ohio limited liability company
Rockbridge Hospitality Fund VI L.P. ("Fund VI")	RBC Partners VI LLC, a Delaware limited liability company
Rockbridge Hospitality Fund VII L.P. ("Fund VII")	RBC Partners VII LLC, a Delaware limited liability company
Rockbridge Hospitality Fund VIII L.P. ("Fund VIII")	RBC Partners VIII LLC, a Delaware limited liability company
BridgePoint Hospitality Holdings LLC ("BridgePoint")	BridgePoint Hospitality Management LLC, an Ohio limited liability company
Rockbridge Hospitality Fund IX L.P. ("Fund IX")	RBC Partners IX LLC, a Delaware limited liability company

Rockbridge also provides investment advisory services to certain other pooled investment vehicles, including, single-asset vehicles, co-investment ("Co-Investment") vehicles and similar investment vehicles.

The primary investment objective of most pooled investment vehicles managed by RBC is to make high yield debt, quasi-equity, and equity investments relating to U.S. real estate, principally hotels ("Rockbridge Hospitality Funds"). In the case of BridgePoint Hospitality Holdings LLC, ("BridgePoint") the primary objective is to make investments in hospitality management companies or related investments. An affiliate of RBC serves as the general partner, managing member or manager (as applicable) of each Fund (each, a "General Partner").

The controlling member of RBC is Rockbridge Capital Holdings, LLC. The controlling member of Rockbridge Capital Holdings LLC is Rockbridge Holdings, LLC. The controlling member of Rockbridge Holdings, LLC is RB Founders, LLC. RB Founders, LLC has three members, James T. Merkel (the controlling member), Kenneth J. Krebs, and the Stephen C. Denz Trust. Mr. Merkel

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and Mr. Krebs are current team members of RBC and Mr. Denz is retired from RBC. RBC (together with its affiliates, "Rockbridge") provides management services in connection with (i) the Rockbridge Hospitality Funds' debt and equity investments in the U.S. real estate market (principally hotels) and (ii) BridgePoint's investments in hospitality management companies or related investments. Collectively, the Rockbridge Hospitality Funds and BridgePoint are referred to as the "Rockbridge Funds" or the "Funds", individually, a "Fund". Current and prospective investments of the Funds are generally referred to as "portfolio investments" or "projects."

Description of Advisory Services

RBC serves as the investment adviser to each of the Funds (the "Manager") as set forth in various management, partnership, and limited liability company agreements (collectively, the "Advisory Agreements") and as further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Under the Advisory Agreements RBC principally:

1. Identifies and recommends investment opportunities for the Funds;
2. Monitors and evaluates the Funds' portfolio investments; and
3. Makes recommendations to the General Partner of each Fund regarding the acquisition or disposition of portfolio investments.

Each of the Rockbridge Hospitality Funds generally targets debt and/or equity investments in U.S. hotel properties. BridgePoint generally targets investments in hospitality management companies and related investments. RBC generally provides the Funds with advice regarding these types of investments.

RBC bases its advice to each of the Funds on the investment strategy of that Fund and not on the individual needs of the investors in that Fund. Investment advice is provided directly to the Funds and the General Partners and not individually to the Funds' investors (the "Limited Partners").

As a private offering, the offering of interests in the Funds have been, or are made in reliance upon an exemption from registration under the Securities Act of 1933 for sale of securities which does not involve a public offering. The Funds are not required to register as investment companies under the Investment Company Act of 1940 (the "Investment Company Act") under certain provisions which excludes from the definition of an "investment company," any issuer which has not made and does not presently propose to make a public offering of its securities and (i) has fewer than 100 beneficial owners (Section 3(c)(1)), or (ii) restricts investors to only "qualified purchasers" (Section 3(c)(7)).

For additional information contained in this brochure, investors in Rockbridge Funds should also refer to the applicable Private Placement Memorandum ("PPM"), operating agreement and other Advisory Agreements of the Fund for further information.

Additionally, as permitted by the Advisory Agreements, RBC expects to provide (or agree to provide) investment or Co-Investment opportunities (including the opportunity to participate in

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co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio investment management or personnel, RBC personnel and/or certain other persons associated with RBC and/or its affiliates. Such Co-Investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in RBC's sole discretion or as otherwise authorized in the Advisory Agreements and/or relevant Limited Partnership Agreements, RBC reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, RBC's discretionary regulatory assets under management total was **\$4,347,529,128**.

Item 5 - Fees and Compensation

Under the Advisory Agreements, each Fund pays RBC a management fee as compensation for RBC's services (each such fee, a "Management Fee"). For each Fund, a Management Fee is payable less than six months in advance and typically paid directly from the Fund to RBC. On each Management Fee payment date for a Fund, the Manager initiates a payment from that Fund's account to RBC. RBC generally only charges a Management Fee on a quarterly basis, however if the Management Fee is charged for any period other than a full quarterly period, the fee will be adjusted pro rata according to the actual number of days in such period.

For each Rockbridge Hospitality Fund, each Management Fee is initially based on a percentage (generally 1.5% or less) of committed or called capital for such Fund. After a Rockbridge Hospitality Fund's initial investment period, the applicable Management Fee is calculated as a percentage (generally 1.5% or less) of the invested capital of that Fund. For BridgePoint, the Management Fee is a flat fee or a fee based upon the revenue of the business. Each Management Fee is generally non-negotiable though RBC is authorized to waive or reduce the Management Fee for certain investors in its sole discretion, including with respect to certain investors that have made large or early commitments to a Fund.

In certain cases, a Management Fee is reduced or offset because RBC has received certain fees as described in the Funds' applicable Advisory Agreements or offering documents (e.g., "Advisory Fees"), or because a Fund has incurred organizational expenses above a predetermined cap. To the

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extent such reduction or offset exceeds the applicable Management Fee payable in any Management Fee payment period, such excess shall generally be carried forward to reduce the applicable Management Fee payable in succeeding Management Fee payment periods. As a matter of practice, RBC is typically authorized to be paid fees of the type referred to below in Item 5 – "Other Fees," from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of Co-Investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include Co-Investment vehicles managed by RBC, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio investments, including interests owned by current or former portfolio investment management, which have the potential to be significant.

As set forth in Item 6 below, each Manager is also eligible to receive a share of its Fund's profits in excess of its own capital interest in such Fund, if any. RBC and its affiliates, personnel, former personnel and retired partners of RBC, their family members and related persons (as that term is defined in the Form ADV Glossary of Terms) typically are not subject to a Management Fee (or carried interest). The PPM (if applicable), Advisory Agreements, and related governing or offering documents for each Fund include further details on fees, expenses, and other compensation related matters.

RBC or its affiliates, at their discretion, enter into side letters or similar arrangements ("Side Letters") with investors in the Funds, which allow for certain additional rights to such investors in the event of business, tax, regulatory, legal or other circumstances applicable to such investors. All arrangements as such, shall be in writing and agreed upon by all parties. RBC retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investors' capital account(s).

The Advisory Agreements typically provide that Management Fees will be calculated and charged on a basis that generally is not tied to the applicable Fund's then-current net asset value. As further specified in the Advisory Agreements, from the effective date of a Fund until the termination or expiration of the commitment period, Management Fees will be charged based on aggregate commitments. Further, after the termination or expiration of the commitment period (the "Stepdown Date"), Management Fees generally will be charged and calculated based on the capital contributions (including, where applicable, a Fund borrowing component) that a Fund has funded and amounts committed to fund in connection with the portfolio investments held as of the date of determination that have not been sold or completely written for U.S. federal income tax purposes in the manner described in the Advisory Agreements (such as completely written off investments, "Impaired Value Investments").

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Under the Advisory Agreements, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Advisory Agreements do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or divided distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Advisory Agreements.

As a result, and as is generally the case for private real estate funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant commitment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Advisory Agreements expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (e.g., those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Advisory Agreements in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

The Advisory Agreements set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Advisory Agreement until they are reduced in the circumstances and on the date(s) specified therein.

In general, in addition to the applicable Management Fee and performance-based fees (see Item 6 below), investors in a Fund will pay, or reimburse the applicable General Partner or Manager, as Fund expenses all fees, costs, expenses, liabilities and obligations relating to the applicable Fund and/or its activities, business, direct or indirect subsidiaries or actual or potential portfolio investments (to the extent not borne or reimbursed by a subsidiary or a portfolio investment or potential portfolio investment or a project or a potential project), whether incurred prior to or on or after the date hereof, including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating or attributable to: (i) activities with respect to the pursuing, developing (including costs and expenses of tenant and capital improvement) structuring, organizing, negotiating, consummating, financing, refinancing, diligencing, acquiring, bidding on, owning, advertising, franchising, managing, monitoring, operating, holding, hedging,

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restructuring, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, subsidiaries and such Fund's actual and potential investments (including follow on investments), or a real estate operating company or a "venture capital operating company" ("VCOC") (including costs attributable to structuring such Fund or alternative investment vehicle, as applicable, to qualify or preserve the ability to qualify, or structuring any acquisition financing or other transaction with respect to any such person to qualify or preserve the ability to qualify, as a real estate operating company or VCOC and maintain such qualification) or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, investment bankers, lenders, third-party diligence, software and service providers, consultants and similar professionals in connection therewith and any fees, expenses and/or compensation related to transactions that were or may have been offered to co-investors or pursued with joint venture partners), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, such Fund, its General Partner or the Manager, on behalf of such Fund (including any credit facility, letter of credit or similar credit support or any indebtedness entered into pending participation by a Co-Investment into a portfolio investment or prospective portfolio investment), and interest with respect thereto, or seeking to put in place or amend any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, technology, administration (including costs associated with such Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees, and other compensation and costs reimbursements paid to consultants performing investment initiatives and/or providing services related to environmental, social and governance investment considerations and policies and reporting thereof and other consultants), subject matter experts, tax and other professional services (including compensation and expenses of Senior Advisors (as defined in Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss" – "Activities and Compensation of Senior Advisors"), including amounts contemplated in Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss" – "Affiliated Services and Other Fees and Charges"; (vii) property management, leasing, construction management, development, environmental, brokerage, sales agents, and any other services, including amounts contemplated in Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss" – "Affiliated Services and Other Fees and Charges"; (viii) reverse breakup, termination and other similar fees; (ix) insurance, including directors and officers liability, fidelity bond, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums, cybersecurity; (x) filing, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of General Partner-related, Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, any other administrative, compliance or regulatory filings

or reports (including Form PF, any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, and costs and expenses for market surveys in seeking partner or Board of Advisor approval), or other information, including costs of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software, cybersecurity, or other administrative or reporting tools (including subscription-based services) for the benefit of such Fund or the Limited Partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xv) to the extent provided in the Advisory Agreements, or otherwise approved by the relevant General Partner in its sole discretion, activities or proceedings of the board of advisors ("Board of Advisors") (including any reasonable out-of-pocket costs and expenses incurred by representatives of the relevant General Partner, the Board of Advisors members, permitted observers and other persons in attending or otherwise participating in meetings of the Board of Advisors); (xvi) indemnification (including any costs incurred in connection with indemnifying any Partner or other person pursuant to the Advisory Agreements or otherwise and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Advisory Agreements); (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process including any judgment, other award or settlement entered into in connection therewith; (xviii) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference or meeting with any Limited Partner(s), in each case to the extent incurred by such Fund, the relevant General Partner or any other affiliate of the relevant General Partner; (xix) except as otherwise determined by the relevant General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, projects or actual or potential investments (to the extent not borne or reimburse by a project of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with such Fund; (xx) the termination, structuring, restructuring, liquidation, winding up or dissolution of the relevant General Partner, such Fund and its subsidiaries; (xxi) defaults by Partners in the payment of any capital contributions that remain unreimbursed after the relevant General Partner has used commercially reasonable efforts to recoup any such amounts; (xxii) the organization and formation of, and amendments to, and waivers, consents or approvals pursuant to, the constituent documents of such Fund or the relevant General Partner, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations) related to the activities of such Fund (including regulatory expenses of the relevant General Partner incurred in connection with the operation of such Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving such Fund and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification provided for in the Advisory Agreements; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Advisory Agreements; (xxv) any taxes, fees and other governmental charges levied against such Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the relevant General Partner, such Fund

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or any subsidiary (except to the extent that such Fund is reimbursed therefor by an indemnifying partner or such tax, fee or charge is treated as having been distributed to the Partners pursuant to the Advisory Agreements); (xxvi) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of such Fund's investments, including extraordinary expenses; (xxvii) membership dues for professional and trade associations, subscriptions to periodicals, market data providers or other trade publications, and registration and attendance of any person affiliated with the Manager or the relevant General Partner at any trade conference, including any applicable registration fees and exhibition, sponsorship or other presentation costs; (xxviii) compliance or regulatory matters related to such Fund, except as otherwise set forth in the Advisory Agreements; (xxix) any travel (including, where appropriate as determined by the relevant General Partner, the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxx) any intellectual property expenses; (xxxi) any Management Fees; (xxxii) any organizational expenses; (xxxiii) any placement fees; (xxxiv) any fees incurred in connection with any most favored nation provisions contained in any Side Letter; (xxxv) any fees or expenses directly, indirectly, or on an allocated basis incurred in connection with such Fund's business, a project or a portfolio investment in accordance with the Manager's expense reimbursement policies (as amended); (xxxvi) except as otherwise determined by the relevant General Partner in its sole discretion, pooled investor expenses; and (xxxvii) any other fees, costs, expenses, liabilities or obligations approved by the Board of Advisors.

Investors also bear expenses of a Fund that they (i) would not have borne had they been able to directly make investments of the type made by such Fund or (ii) would not be charged by other funds or investment vehicles. These expenses include legal expenses associated with organizing or closing a Fund, or its General Partner. The Funds bear some or all of the costs of investor diligence, reporting or transfer costs and expenses that may or may not benefit the other investors or a Fund equally or at all. It is possible that the amount of these expenses incurred by a Fund could exceed the amount of these expenses incurred by another investor or investment vehicle or fund. In addition, in circumstances where a Fund invests or is considering investing with a partner, certain costs and expenses incurred by such joint venture partner may be capitalized into the deal (or a Fund shares in its share of deal expenses). Such costs and expenses may: exceed the amount or be different than what RBC or the relevant General Partner would charge such Fund, be charged in accordance with such partner's policies or no policies at all, and the relevant General Partner or RBC may not have visibility to the methodology used to calculate such amounts or the type or the amount of certain specific expenses.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the

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facility as a whole. While RBC believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, RBC, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

RBC and/or its affiliates generally have discretion over whether to charge fees and to a portfolio investment and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio investment's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of fees and generally will give rise to potential conflicts of interest between the Funds, on the one hand, and RBC and/or its affiliates on the other hand.

A General Partner reserves the right to agree with Senior Advisors, joint venture or similar partners, service providers, portfolio investment management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Excluded from Fund expenses are routine administrative expenses of the Manager incurred in connection with maintaining and operating its offices, including overhead, salaries, employee benefits and other similar expenses specified in the Advisory Agreements. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance ("ESG") and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Advisory Agreements, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private real estate funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. The foregoing list is not intended to be exhaustive.

Other Fees

RBC or its affiliates are authorized to provide and be paid for services or other business arrangements to or on behalf of a Fund or its investments and receive fees (at rates described in the Advisory Agreements). Such services or arrangements include, among others: (1) hotel/real estate management, (2) financing, (3) development, (4) media and advertising, (5) additional services including: (a) legal services; and (b) accounting, audit, and tax related services; (6)

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complementary companies controlled directly or indirectly by RBC or its affiliates that (i) create, designs, develops, owns, provides and/or operates retail, food and/or beverage and other spaces/outlets, or (ii) otherwise provides services that complement, enhance or expand the products, offerings or amenities at hotels or other real estate assets of the Fund ("Complimentary Companies"); (7) use of RBC's or its affiliates' intellectual property, each of the foregoing items (1) through (7) as more fully described in Item 8 – "Methods of Analysis, Investment Strategies and Risk of Loss" – "Affiliated Services and Other Fees and Charges" and (8) additional services not identified in the Advisory Agreements provided such services are performed at rates approved by a Fund's investors or Board of Advisors; plus expense and certain personnel reimbursement in connection with all of the foregoing. *See also* Item 10 – "Other Financial Industry Activity and Affiliations" – "Conflicts of Interest" sections below. While the RBC believes that: (i) the responsiveness and synergies of doing business with such related parties provide a superior result for the Funds and (ii) it is intended that such service or transaction will be structured in a manner that aligns the interests of the Funds and the applicable affiliate, it is possible for conflicts to arise between the interests of the affiliate providing such service or activity and a Fund, its investments, and/or RBC or its affiliates and there can be no assurances that (i) the use of a related party will provide as good or better results for a Fund than an unaffiliated third-party would provide, (ii) such activities will realize the intended benefits, (iii) that a superior result will be achieved or (iv) that no other service provider could provide such services at a lesser cost. In certain circumstances where RBC commits or has committed to seek "market" or "arms-length" rates or terms, RBC will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, RBC undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate.

RBC or its affiliates may also provide and be paid for services or business arrangements to third parties in connection with investments (e.g., lenders, borrowers or advertisers), including but not limited to: (1) origination / exit services that enable a Fund to make an investment; (2) servicing, special servicing, and asset management services to first mortgage lenders in which a Fund makes an investment; (3) advertising revenues from third-party advertisers who purchase advertising for a display owned or managed by RBX (as defined in Item 10) or its affiliates; and (4) additional services not identified herein at rates approved by a Fund's investors or Board of Advisors, plus expenses and certain personnel reimbursement in connection with all of the foregoing.

In certain cases, a Management Fee paid by investors in a Fund may be reduced by RBC's receipt of such fees. In such cases, a Management Fee is reduced by reducing future payments of the Management Fee, each down to \$0 if necessary, until the Management Fee has been reduced, in total, by the amount of such fees received by RBC. Fees may be reduced by any financing, acquisition, closing or similar fee payable to RBC or an affiliate. In certain Funds, upon a Fund's termination, if applicable, if the applicable Management Fee has not been reduced by the full amount of such fees received by RBC, then upon the request of a Fund investor, RBC will contribute to such Fund, for distribution to that investor, that investor's share of the unreduced Management Fee.

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Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the Advisory Agreements, a Fund typically will bear certain unreimbursed expenses of portfolio investments and intermediate holding vehicles through which the Fund invests. As is typical for private real estate funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in Item 12 – "Brokerage Practices."

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

A General Partner of each Fund is entitled to performance-based compensation ("Carried Interest") as set forth in each Fund's applicable Advisory Agreements. Generally, if a Rockbridge Fund has returned to its investors both (i) depending on the Rockbridge Fund, (a) all capital contributions in respect of its realized investments and the amounts written down on its unrealized investments or (b) an amount equal to all capital contributions, and (ii) an additional amount equal to an annual, compounded return on all unreturned capital contributions (the "Preferred Return"); then that Rockbridge Hospitality Fund's General Partner may receive Carried Interest distributions of up to 20% of the cumulative amounts otherwise distributable to investors. If a Rockbridge Hospitality Fund's General Partner has received Carried Interest distributions in excess of what it is entitled to receive, then such General Partner is required to return the after-tax amount of any such Carried Interest distributions as further described in each Rockbridge Hospitality Fund's applicable Advisory Agreements. With respect to BridgePoint, the Manager may receive Carried Interest distributions of up to approximately 20-32% of the distributable (Class A) amounts.

The existence of Carried Interest distributions may create an incentive for the Manager to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such performance-based compensation. However, any such incentive is mitigated by the relevant General Partner's Carried Interest return obligations discussed in the previous paragraph, the significant investments by RBC principals and key personnel in certain of the Funds, and the fact that each Fund's Preferred Return is calculated across the Fund's total capital. Further, RBC manages each Fund in accordance with the investment strategy disclosed in such Fund's applicable Advisory Agreements to help communicate to investors the investment strategy and the risks associated with the strategy. Generally, the PPM and other governing or offering documents of each Fund contain further details regarding the performance-based compensation, risk and strategy.

Item 7 - Types of Clients

RBC provides investment advice solely to its Funds, also known as its "clients", and references throughout this brochure to clients and to RBC's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of RBC and its affiliates and members of their families or other service providers retained by RBC.

Fund interests are offered and sold solely to "accredited investors" that are generally also "qualified clients" or "qualified purchasers".

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

Investment Strategies

RBC generally advises (i) each Rockbridge Hospitality Fund on creating an investment portfolio of high yield debt, quasi-equity, and equity investments relating to U.S. real estate and other assets, principally hotels, in privately negotiated transactions and (ii) BridgePoint on investing in hospitality management companies and related investments in privately negotiated transactions. In constructing an investment portfolio for the Rockbridge Hospitality Funds, RBC looks at a number of factors, including the number of investments a Fund has made and plans to make, whether a proposed investment is in debt or equity, cash flow projections and targeted returns, and the location, market, hotel manager, brand, if any, and service-level of the target property, among other data. With respect to BridgePoint investments, RBC generally looks at a number of factors including cash-flow projections and targeted returns, multiples of cash flow, the characteristics of the underlying management contracts, and key personnel.

RBC employs a cash-flow-based, research-driven underwriting process focused on deal structures, market and sub-market dynamics, and analyses of the hotel manager. Each investment has a property-level strategy and execution with a focus on the physical asset, human capital, and commercial strategy. At the fund-level, RBC's execution focuses on cash flow, cash management, and portfolio management.

With respect to the Rockbridge Funds, RBC's investment group generally meets weekly to discuss potential and pending transactions. During such meeting, proposed transactions are discussed as needed. When the transaction team proposes to enter into a binding agreement to invest in a transaction, it prepares a detailed package for RBC's investment committee ("Investment

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Committee"), which meets as needed. The Investment Committee analyzes the merits of the transaction and determines whether to authorize the investment in the proposed transaction. The Investment Committee meetings usually include a detailed review of the proposed investment, the respective market analysis, the deal's capitalization, return expectations, and exit strategies. BridgePoint currently undertakes limited investment and disposition activity. Each acquisition and disposition is analyzed on a case-by-case basis. When considering a potential investment for BridgePoint, the Investment Committee will meet to analyze the merits of the transaction and determine whether to authorize the investment.

RBC may also seek to invest in qualified opportunity zones ("Qualified Opportunity Zones") through a Qualified Opportunity Fund. Qualified Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act and are designed to spur economic development and job creation in distressed communities throughout the country and US possessions by providing tax benefits to investors who invest in eligible capital into these communities. Taxpayers may defer tax on eligible capital gains by making an appropriate investment in a Qualified Opportunity Fund. A Qualified Opportunity Fund is an investment vehicle that files either a partnership or corporation federal income tax return and is organized for the purpose of investing in Qualified Opportunity Zone property.

RBC does not employ any ESG screens when analyzing assets for investment decisions by any of the Rockbridge Funds. However, RBC does apply ESG philosophies to certain functions of its business, including its operating partners, corporate leadership, and community involvement.

Risk of Loss

General. An investment in a Fund could result in the loss of capital. No guarantee or representation is made that any Fund will achieve its investment objectives or avoid substantial losses. An investment in a Fund is speculative and involves certain considerations and risk factors that prospective investors should consider before subscribing for interests. A prospective investor should consult its own legal, tax and/or financial advisors prior to investing in a Fund.

Suitability. The purchase of interests in private investment funds involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity in their investment, and who can bear the risk of potential loss of their entire investment. No guarantee or representation is made that the investment program of a Fund or any investment will be successful, that the various investments selected will produce positive returns or that a Fund will achieve its investment objectives.

Various risks involved in investing may include, but are not limited to, market risk, liquidity risk, limited transferability, investment fund risk, non-registered fund risk, valuation risk, derivative risk, venture financing risk, distressed securities risk, interest rate risk, real estate ownership risk, currency risk, and financial risk, among others. Investors in a Fund should refer to the Funds' Advisory Agreements for further information concerning risks.

Performance Risk. RBC cannot guarantee any level of performance or that investors in the Funds will not experience a loss of their investments. Performance of any investment is not guaranteed and

may be impacted by global or domestic economic events. Further, real estate markets are volatile and fluctuate substantially over time. As a result, there is a risk of loss of the assets which RBC manages that may be out of RBC's control. There is no assurance that the Funds will be able to generate returns or that the returns will be commensurate with the risks inherent with their investment strategy. The marketability and value of any such investment will depend upon many factors beyond the control of RBC or the Funds. The expenses of the Funds may exceed their income, and an investor in a Fund could lose the entire amount of its contributed capital. Therefore, an investor should invest in a Fund only if the investor can withstand a total loss of its investment. The past investment performance of the Funds cannot be taken to guarantee future results of the Funds or any investment in the Funds or future funds.

Real Estate Risks Generally. Investments will be subject to the risks incident to the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the quality and philosophy of management, general economic and local conditions, negative developments in the economy that depress business and travel activity, national or international conditions (such as an oversupply of space or a reduction in demand for space), competition based on rental or room rates, attractiveness and location of the properties and changes in the relative popularity of property types and locations, changes in the financial condition of tenants and customers or consumers (if applicable), buyers and sellers of property, changes in operating costs and expenses, uninsured losses or delays from casualties or condemnation, changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies, the availability of financing, real property tax rates, interest rate levels and the availability of mortgage funds which could render the sale or refinancing of properties difficult or impractical, environmental liabilities, contingent liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, disease outbreaks, epidemics, pandemics, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors and other factors beyond the control of the relevant General Partner, the Manager, a Fund and their respective affiliates.

Highly Competitive Market for Investment Opportunities. The business of identifying, structuring, completing, and realizing attractive real estate and real estate-related transactions is highly competitive, involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. A Fund competes for investments with many other real estate investment vehicles, as well as individuals, financial institutions (such as mortgage banks, pension funds, and real estate investment trusts), and other institutional investors, including hedge funds, investing directly or through affiliates. Furthermore, over the past several years, an ever-increasing number of real estate funds have been or are being formed for the purpose of investing in real estate assets (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors could have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the relevant General Partner, the Manager, a Fund and their respective affiliates. The General Partners and the Manager expect that competition for appropriate investment opportunities could increase, which increases the likelihood

that a Fund will need to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to such Fund and/or adversely affect the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on a Fund with respect to pricing of a transaction. Furthermore, given the increasingly competitive environment, the relevant General Partner and the Manager could find it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, competitors for investment opportunities could be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund-level guarantees. In the event a financing-related closing condition is not available to a Fund or if a Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, a Fund could be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that a Fund will be able to locate, complete and exit investments which satisfy a risk profile and rate of return objectives or in the opinion of the relevant General Partner realize upon their values, or that it will be able to fully invest its committed capital. To the extent that a Fund encounters competition for investments, returns to Limited Partners could decrease, including as a result of higher pricing, foregoing opportunities or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund is expected to incur bid, due diligence, negotiating, consulting or other costs of investments, which could potentially not be successful. As a result, a Fund could potentially not recover all of its costs, which would adversely affect returns. However, investors will be required to pay Management Fees during the commitment period based on the entire amount of the Limited Partners' commitments and other expenses as set forth in Advisory Agreements.

Illiquidity of Real Estate Investments. Real estate investments, including the properties expected to be in a Fund's portfolio, are relatively illiquid and have no readily available public market, and this lack of liquidity could limit a Fund's ability to react promptly to changes in the economy or other conditions. While an investment could be sold at any time, as a result of the illiquidity of real estate investments as well as legal, contractual or other restrictions on their resale by a Fund, such Fund could potentially not be able to sell a property or properties quickly, for the price or on the terms set by such Fund or whether any price or other terms offered by a prospective purchaser would be acceptable to such Fund and could result in distributions in kind to the Limited Partners. A Fund could be required to expend significant funds to correct defects or to make improvements before a property can be sold, and a Fund cannot provide any assurances that it will have funds available to correct such defects or to make such improvements. A Fund's inability to dispose of assets at opportune times or on favorable terms could materially and adversely affect a Fund's business, financial condition, operations and/or cash flows.

While current income is expected, losses on unsuccessful investments could be realized before gains on successful investments are realized. Except for the amortization of principal on senior debt investments, a Fund's ability to dispose of investments could be limited for several reasons. Dispositions of investments could be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the

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terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment.

Need for Follow-On Investments. Following its initial investment in any investment, a Fund is permitted to invest additional funds in such investment or consider the opportunity to increase its investment in such investment by investing in additional real estate assets related thereto (whether for opportunistic reasons, to fund the needs of the investment, as an equity cure under applicable debt documents or for other reasons). The General Partner is permitted to establish reserves for follow-on investments in projects, operating expenses (including Management Fees payable to the relevant General Partner), Fund liabilities, and other matters. Estimating the amount necessary for such reserves is difficult, particularly because follow-on investment opportunities are directly tied to the success and capital needs of projects. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the Limited Partners. If reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay to play" or similar provisions. If reserves are excessive, a Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts. Any decision by a Fund not to make follow-on investments, or its inability to make such investments, could have a substantial adverse effect on a particular real estate asset in need of such an investment.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio investment, in certain circumstances it may not have unilateral control of the portfolio investment. To the extent a Fund invests alongside third parties, such as institutional co-investors or private real estate funds of other sponsors, is subject to terms and conditions imposed by portfolio investment lenders, or makes a minority investment, the relevant portfolio investment may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the relevant Fund or its Limited Partners. Such third parties may be in a position to take action contrary to a Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio investments in a manner that maximizes or protects value.

Ongoing Need for Capital Expenditures. A Fund's properties are expected to have an ongoing need for renovations and other capital improvements. In addition, certain of a Fund's properties could be older properties that could potentially require extensive renovations and other capital improvements. In the event that renovations and other capital expenditures are not made, a Fund's properties could become unattractive to customers, including guests, resulting in lower revenues generated at such properties. In addition, a Fund's lenders could require that a Fund set aside annual amounts for capital improvements to its properties. Furthermore, refinancings and acquisitions or redevelopment of additional properties will require significant capital expenditures. If a Fund is unable to obtain the capital necessary to make required periodic capital expenditures and renovate its properties on

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favorable terms, or at all, a Fund's business, financial condition, operations, cash flows and ability to make distributions to the Limited Partners could be materially and adversely affected.

Dynamic Investment Strategy. While the Manager generally intends to seek attractive returns for a Fund primarily through making high-yield debt, quasi-equity and equity investments in U.S. focused real estate and real estate-related assets as described herein, the Manager is permitted to pursue additional investment strategies and to modify or depart from its initial investment strategy, investment process, and investment techniques as it determines appropriate. The Manager is permitted to pursue investments outside of the sectors or regions in which a Fund has previously made investments.

Risks of Increased Costs and Reduced Rates. Hospitality properties are subject to certain operating risks. For example, if a property's occupancy or room rates drop to the point where its revenues are insufficient to cover its operating expenses, then additional funds, including reserves, will need to be expended to cover such property's operating expenses. Hospitality properties are continually subject to increases in real estate and other tax rates, wages and benefits, utility costs, insurance costs, repairs and maintenance and administrative expenses, all of which could adversely affect such property's cash flows. More so than other property types, hospitality properties are saddled with an on-going obligation to make renovations and other capital improvements in order to stay competitive, including replacements, of furniture, fixtures and equipment, particularly if the hotel is a branded hotel. This obligation is subject to the risks that cash flow from operations and reserves could be inadequate to fund capital improvements, financing for these capital improvements could not be available to a Fund's portfolio investment on affordable terms and market demand for hotel properties following the undertaking or completion of capital improvements will not exist or will continue to be diminished until the economy recovers. Consequently, the costs of these capital improvements could negatively impact the financial condition of a Fund's portfolio investments and in turn the amount of cash available for distribution to such Fund's investors.

Risk of Limited Number of Investments. While a Fund's Advisory Agreement sets forth limitations on the percentage of the aggregate amount of commitments that could be invested in any one project as of the end of the commitment period, a Fund could participate in a limited number of investments in certain regions or sectors within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of one or a few holdings or of a particular sector could substantially affect its aggregate return. Other than as set forth above, investors have no assurance as to the degree of diversification in a Fund's investments, either by geographic region, asset type, or otherwise. To the extent that the capital raised is less than the target amount, a Fund will likely invest in fewer real estate and real estate-related assets and thus be less diversified. If a Fund makes a Co-Investment with regards to any portfolio investment, a Limited Partner participating outside such Fund in such Co-Investment could have increased exposure to such single portfolio investment, potentially multiplying such Limited Partner's losses. Furthermore, in those transactions for which the relevant General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be able to be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested, thus further reducing diversification.

Investments in Partnerships and Other Entities. A Fund is permitted to invest with one or more third parties as a co-venturer or partner, including with the seller (or an affiliate thereof) of the

property, a person involved in the selling, acquisition or development of the property, an investor in a Fund (or other vehicle, Fund or account managed or otherwise controlled by Rockbridge) or other parties through private partnerships and joint ventures, public real estate companies, or other entities, and thereby in some cases acquire non-controlling interests in certain investments. As further described in "Leveraged Investments," a Fund is authorized to guarantee indebtedness, or provide financing in connection with such making investments, including with respect to any portion of an investment allocable to a third-party co-investor or joint venture partner. Although a Fund could potentially not have complete control over investments made alongside third parties, and therefore could have a limited ability to protect its position therein, the relevant General Partner and Manager do not expect such investments to be passive and do expect that appropriate rights will be negotiated to protect a Fund's interests. In circumstances where a Fund invests with third parties, such third parties could seek and receive compensation arrangements relating to such investments, including incentive compensation arrangements. Nevertheless, such investments potentially involve risks not present in investments where a third party is not involved, including the possibility that: (i) a Fund and such co-venturer could reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of a Fund could at any time have economic or business interests or goals that are inconsistent with those of such Fund, (iii) a co-venturer or partner could negotiate governance rights that result in an impasse because neither party has full control over the partnership or joint venture, (iv) a co-venturer or partner could default on its obligations, have financial difficulties, such as liquidity or insolvency issues or become bankrupt, resulting in a negative impact on such investment, (v) a co-venturer or partner could seek to cause or block the sale of a Fund's interest in any such partnership or joint venture or otherwise take actions that are contrary to a Fund's interests or investment objectives, (vi) a co-venturer or partner could take actions that subject the property to liabilities in excess of, or other than, those contemplated, (vii) a co-venturer or partner could have rights with respect to the disposition of certain investments or the liquidation of their interest therein or (viii) a co-venturer or partner could take actions which could cause a Fund to be liable in certain circumstances. In addition, disputes between a Fund and partners or co-venturers could result in litigation or arbitration that would increase a Fund's expenses and prevent the relevant General Partner and its representatives from focusing their time and effort on the Fund's business and investments. In certain circumstances, a Fund could be liable for the actions of its third parties or co-venturers.

Any such co-venturer or partner could potentially be a joint venture partner or interest holder in another joint venture or other vehicle in which the Manager or its affiliates has an interest or otherwise controls. Any such co-venturer or partner could also be entitled to receive payments from, or allocations or performance-based compensation (e.g., Carried Interest) in respect of, a Fund as well as such investments, and in such circumstances, any such amounts could be treated as a Fund expense and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Manager, be deemed paid to or received by the Manager or reduce the Management Fee. Moreover, the Manager could receive fees associated with capital invested by a co-venturer or partner relating to investments in which a Fund participates. This could be in connection with a joint venture in which a Fund participates or other similar arrangements with respect to assets or other interests retained by a seller or other commercial counterparty with respect to which the Manager performs services. In addition, a Fund is permitted to co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the projects in which a

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Fund invests could be significant and even greater than that of such Fund, and as such, the Fund could be required to rely upon the abilities and management expertise of such co-venturer or partner. It could also potentially be more difficult for a Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment could be subject to a buy-sell right, right of first refusal, right of first offer or other similar right). A Fund is permitted to grant co-venturers or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment, require a Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale or other liquidation of such investment or require alternative dispute resolution in order to resolve such deadlock. Additionally, in certain scenarios, a Fund is permitted to grant co-venturers or development partners the right to put (i.e., sell) their interests in an investment to a Fund, or call (i.e., buy) a Fund's interests in an investment. As a result of these risks, such Fund could be unable to fully realize its expected return on any such investment. Further, to the extent that a Fund offers any Co-Investment opportunity to any Limited Partners or third parties, some or all of the risks described above will likely also apply to such Co-Investments.

For strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund such as joint venture partners) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility (e.g., a subscription line). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. In the foregoing scenario, where appropriate and applicable to a Fund, and in a General Partner's sole discretion, a General Partner reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Fund.

Further, a Fund is permitted to rely to a significant extent on third parties (some of which could also become co-venturers with such Fund) to act as developers or joint venture partners in connection with the acquisition, development, construction, renovation, management or operation of its properties. This reliance on third-party developers or joint venture partners will increase the costs to the Fund through the payment of development fees, incentive fees, management fees and other amounts and would likely increase the risks to such Fund if, and to the extent, such a developer or operator fails or is unable to comply with agreed-upon plans, budgets or timetables.

Limited or No Control over Projects. Although the relevant General Partner intends to monitor the performance of each investment, it will not seek control over the day-to-day management of some of the projects in which a Fund invests, and the success of each investment generally will depend in large part on the ability and success of the management of the project. With respect to its debt investments, a Fund will generally have the rights that are typical of mezzanine or subordinate lenders in the hospitality industry but will not have control over the day-to-day operations of the

project or the ability to dictate owner controlled-decisions. In making equity investments, a Fund, in certain instances is permitted to invest in projects in which other private firms have made equity investments with the result that other investors could have more influence in decisions made by and affecting such projects. The mere fact that the relevant General Partner disagrees with decisions made by other investors or management in a project may not trigger any particular ability of a Fund to effectuate a decision or course of action, dispose of its investment in such project or otherwise produce its desired outcome, with the result that the value of a Fund's investment in a project could be materially impacted by the decisions of other investors or management in a project.

Non-controlling Investments. A Fund may hold debt obligations and other noncontrolling interests in real estate investments and, therefore, will have a limited ability to protect its position in such investment. However, the relevant General Partner will seek appropriate creditor and/or shareholder rights to help protect a Fund's interest.

Distressed Investments. A Fund is permitted to invest in the debt, including debt obligations that are in covenant or payment default, of properties experiencing significant financial difficulties and material operating issues, including properties that could have been, are, or will become involved in bankruptcy proceedings or other restructuring, recapitalization, or liquidation processes. Investments in such properties involve a substantial degree of risk that is generally higher than the risk involved in investing in properties that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed properties, there can be no assurance that the relevant General Partner will correctly evaluate the value of the assets of a distressed property securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization, or liquidation of such property. Therefore, in the event that a portfolio property does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment.

Leveraged Investments. A Fund is permitted to make use of leverage by incurring (or having a portfolio investment or intermediate entity incur) debt to finance all or a portion of its investment in a given portfolio investment, whether on a temporary or long-term basis, including in respect of portfolio investments not rated by credit agencies. As security for such borrowing or guarantees, a Fund is authorized to guarantee a portfolio investment's debt and/or grant liens on any of a Fund's assets to the lender or other counterparty, which assets could potentially not be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a Limited Partner to such assets in an insolvency event or proceeding. It is not expected that a Fund would be compensated for providing such guaranty or exposure to such liability. Co-investors are expected to receive the benefit of such guaranty, although as co-investors typically do not agree to participate in guarantee arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, a Fund and its investments are permitted to incur indebtedness on a cross-collateralized basis with each other, in which case the negative performance of once such investment could have a material adverse effect on any other investment whose indebtedness is cross-collateralized with such investment. A Fund expects to borrow through a subscription-based credit facility (e.g., a "subscription line"), which poses additional risks and potential conflicts of interest, as further described below. A Fund also reserves the right to have a portfolio investment incur leverage through the use of a Fund's subscription line or otherwise to finance operations and/or add-

on investments. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets could be impacted by regulatory restrictions and guidelines), the state of which is difficult to accurately forecast, and at times it could be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to a Fund that could potentially not be covered by distributions made to such Fund or appreciation of its investments. The use of leverage also often imposes restrictive financial and operating covenants on a portfolio investment, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio investments will increase the exposure of a Fund's investments to any deterioration in a portfolio investment's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio investments in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to a Fund. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, a Fund could suffer a partial or total loss of capital invested in the portfolio investment as well as any guaranteed amounts, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio investment, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Except where otherwise required by the relevant Advisory Agreement, a Fund will not be obligated to borrow on behalf of a portfolio investment, even in circumstances where a Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio investment. If a portfolio investment is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund could hold a larger than expected equity investment in such portfolio investment and could realize lower than expected returns from the portfolio investment that would adversely affect such Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of assets which the Fund could have been contracted to purchase. A Fund is also permitted to borrow money, guarantee indebtedness (such as a guarantee of an investment's debt) or otherwise enter into lending arrangements to finance investments (including investments made alongside third-party co-investors or joint venture partners). This could include drawing down on any credit facility (including those recourse to a Fund) and making a corresponding loan on comparable terms to such investment or joint venture; because there is no assurance such debt will be repaid, such arrangements would be subject to the same risks as if such Fund had instead entered into a guarantee in respect of the applicable portfolio investment and could potentially bear a co-investor or joint venture partner's share of losses (similar to a guaranty). In such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. In addition, a Fund expects to periodically incur leverage on a joint and several basis with one or more other Funds and will potentially have a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right could otherwise be unenforceable. It is also possible that certain co-investors

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(including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that a Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guarantees), such amounts are expected to be secured by capital commitments made by a Fund's investors and such investors' contributions could be required to be made directly to the lenders instead of such Fund, as further described in "Subscription Line, Asset-Backed Facilities and Fund-Level Borrowing" below.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors since, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither a Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

Subscription Line, Asset-Backed Facilities and Fund-Level Borrowing. As indicated above, a Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of a Fund's investments, as well as to consolidate or make less frequent capital calls to Limited Partners. Such Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Limited Partners, Limited Partners could be obligated to contribute capital directly to a Fund's lenders and/or contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

With respect to any asset-backed facility entered into by a Fund (or an affiliate thereof), a decrease in the market value of a Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which a Fund must either repay the borrowed funds to the lender, which would, subject to any limitations set forth in the relevant Advisory Agreement, require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of a Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of such Fund and could, if the value of its investments had declined significantly, cause the Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and potentially adversely affect the diversification of a Fund's portfolio. In the event of a sudden, precipitous drop in the value of a Fund's assets, such Fund might not be able to dispose of assets quickly enough to pay off its debt, resulting in a foreclosure or total loss of some or all of the pledged assets.

In addition, Fund-level borrowing will result in additional expenses that will be borne by Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a

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subscription line, and other one-time and recurring fees and/or expenses, including amendment fees as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility (and any amendments or renegotiation thereof), as well as expenses relating to maintaining, renegotiating, amending or terminating the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the relevant Advisory Agreement, it may be higher than the interest rate a Limited Partner could obtain individually.

To the extent a particular Limited Partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns. Calculations of performance in respect of a Fund as used in marketing and reported to Limited Partner are generally based on the payment date of capital contributions received from Limited Partners and not the date of an investment by a Fund. This treatment also applies in instances where a Fund utilizes borrowings under the Fund's subscription line in advance of receiving capital contributions from Limited Partners to repay any such borrowings and related interest expense. Conflicts of interest have the potential to arise in that the use of a subscription line or similar borrowing or guarantees generally will result in a higher reported performance than if the facility had not been utilized and instead such Limited Partners' capital had been contributed at or prior to the inception of an investment, thereby resulting in benefits to the relevant General Partner, the Manager, and their affiliates such as marketing and increasing the likelihood that the preferred return component of such Fund's Carried Interest arrangement will be met. A portfolio investment financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. The use of Fund-level borrowing arrangements, and the repayment or non-payment thereof, can also influence the determination of the end of a Fund's commitment period. Because Management Fees are generally incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls.

To the extent a Fund makes use of a credit facility to invest in a portfolio investment or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors (including joint-venture partners) are not required to act as guarantors under the relevant facility or pay related costs or expenses. Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither a Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. It is also possible that one of the co-investors (including joint venture partners) could default on its obligation to reimburse the paying Fund.

A credit agreement or borrowing facility typically contains other terms that restrict the activities of a Fund and Limited Partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on a General Partner's ability to consent to the direct or indirect transfer of a Limited Partner's interest in a Fund (and/or financial or other covenants that could affect the implementation of a Fund's investment strategy). A credit agreement might restrict

the ability of a Fund to: acquire or dispose of assets or businesses; incur additional indebtedness; make expenditures, distributions or capital calls; create liens on assets; enter into leases, investments or acquisitions; make amendments to the Advisory Agreements of such Fund; or engage in certain transaction with affiliates and otherwise restrict activities of such Fund without the consent of the lenders. In addition, such a credit facility would likely require the Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. In order to secure a credit facility, the relevant General Partner is permitted to request certain financial information and other documentation from Limited Partners to share with lenders. In addition, in order to secure a subscription line, the relevant General Partner is often required to request certain financial information and other documentation from Limited Partners to share with lenders. Each General Partner will have significant discretion in negotiating the terms of any subscription line and is permitted to agree to terms that are not the most favorable to one or more Limited Partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the relevant Fund, resulting in a potential net benefit to such Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a Fund to make investments and pay Fund expenses without calling capital, potentially for extended periods of time. To the extent provided in the relevant Advisory Agreement, any such borrowing could remain outstanding for such time as the relevant General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that could decrease net returns of the relevant Fund. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by the relevant Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse RBC for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

For purposes of distributions by a Fund, subject to Advisory Agreements, Limited Partners would not receive a preferred return accrual on the amount invested by such Fund until such time as capital may be called from Limited Partners in respect of the investment.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds is authorized to be applied to repay the borrowing (and related interest and

expenses), and the net proceeds would be distributed without a preferred return accrual on the amount invested by a Fund (due to the absence of invested capital funded by Limited Partners prior to the determination of Carried Interest distributions). Accordingly, borrowings by a Fund could support the distribution of proceeds to Limited Partners and increase the potential Carried Interest for the relevant General Partner; however, the interest incurred by a Fund due to such borrowing would reduce such distributions and the Carried Interest received by the relevant General Partner. If an investment acquired with proceeds of such borrowing loses value, Limited Partners may be subject to capital calls to fund that loss as a Fund expense by repaying the credit facility, including related interest and expenses. Subject to the limitations in the relevant Advisory Agreement, if any, this conflict of interest could incentivize the relevant General Partner to permanently fund the acquisition and ongoing capital needs of investments of a Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings could be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under certain Advisory Agreements, a Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., facilities and subscription-backed facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing Limited Partners; fund distributions to the partners; letters of credit or similar credit support; and to create reserves for any of the foregoing, in each case in accordance with the Advisory Agreements. Additionally, a Fund is expected to enter into letters of credit or similar credit support or incur indebtedness in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio investment, by way of a pending participation by a co-investment into a portfolio investment or prospective portfolio investment (regardless of who the beneficiary to such letter of credit may be), at a certain time or upon the occurrence of a certain event. Although in many cases the Advisory Agreement impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Mezzanine Investments. The properties in which a Fund will invest could be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on a company or property, in addition to the burden of debt service, and could impair its ability to finance future operations and capital needs or to pay principal and interest on a Fund's investments when due. The leveraged capital structure of Fund

properties will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. A Fund's investments in such properties could be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bear floating interest rates. In the event any property cannot generate adequate cash flow to meet debt service, a Fund could suffer a partial or total loss of capital invested in the property, which could adversely affect the returns of a Fund. Furthermore, the entities and investments in which a Fund will invest generally will not be rated by a credit rating agency.

The mezzanine and junior debt investments of a Fund typically will be subordinated to the senior obligations of an issuer, either contractually (in the case of debt securities) or because of the nature of the security (in the case of preferred stock or common stock). In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments could be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) could impair the ability of this issuer to make payments on the subordinated securities and result in defaults on and declines in the value of these securities more quickly than in the case of the senior obligations of such issuer.

These risks inherent in mezzanine investments could be mitigated to some extent by inter-creditor agreements between a Fund and the senior lenders for any project. In the context of a borrower default under a mezzanine investment or participation interest of a first mortgage comprising a subordinate note or interest in a loan evidenced by senior notes or tranches and a subordinate note or tranche, the applicable inter-creditor agreement, if any, would normally provide a Fund with the right to cure borrower defaults. A Fund should be able to (a) realize the value of any remaining equity in the collateral after the senior lender or participant, or (b) provided sufficient funds are then available, cure the borrower default with respect to the senior notes or tranches and/or buy the senior notes or tranches. In either case a Fund's remedies will be subject to the rights of the senior lenders or participants. Additionally, in order to purchase senior notes or tranches, a Fund could need to obtain financing, either through calls of commitments (if made during the commitment period) or through third-party financing, which could potentially not be available.

In the context of a borrower default under an investment comprising "true" mezzanine financing consisting of a loan subordinate to a senior loan to such borrower or its parent, a Fund's exercise of remedies could be accomplished independently of a senior lender's exercise of remedies. The applicable inter-creditor agreement, if any, could provide a Fund with the right to cure borrower defaults under the senior loan with the senior lender. However, if a Fund seeks recovery against available collateral, such Fund will then own the collateral, which may have outstanding lien obligations to the senior lender and could have other financial obligations to third parties. In the context of a borrower default, a Fund could be subject additionally to equitable defenses to actions in respect of its loan collateral, to which defense it would not otherwise be subject. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' right laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that could arise with respect to real estate or other collateral securing the obligations. A Fund's investments could be subject to early redemption features, refinancing options, pre-payment options, or similar

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provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. In addition, depending on fluctuations of the value of projects and other factors, participation rights, warrants, and other equity securities could become worthless.

Mortgage Investments. A Fund is permitted to originate, participate in, and/or acquire real estate loans that are non-recourse to the borrower. Mortgage investments have special inherent risks relative to collateral value. To the extent a Fund makes or acquires subordinated or "mezzanine" debt investments, a Fund does not anticipate having absolute control over the underlying collateral as a Fund will be dependent upon third party borrowers and agents and will have rights that are subordinate to those of senior lenders. In certain circumstances, a Fund's loans could potentially not be secured by a mortgage, but instead by such other collateral that could provide weaker rights than a mortgage. In an event of default, a Fund's source of repayment will be limited to the value of the collateral and could be subordinate to other lienholders. The collateral value of the property could be less than the outstanding amount of a Fund's investment.

Lower Credit Quality Investments. A Fund is permitted to invest in investments that could have substantial vulnerability to default in payment of interest and/or principal. Investments purchased by a Fund generally will not be rated by rating agencies, and, if rated, could have the lowest quality ratings provided by such rating agencies. Lower rated and unrated investments have large uncertainties or major risk exposures to adverse conditions. Generally, such investments offer a higher return potential than higher rated investments but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these investments (such as subordinated investments) also tend to be more sensitive to changes in economic conditions than higher rated investments. Declining real estate values in particular will increase the risk of loss upon default, and could lead to a downgrading of the investments by the rating agencies, if rated. The value of such investments could also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in U.S. Federal, state and local or foreign tax law, interpretations of existing tax law or adverse determinations by tax authorities.

Reliance on the General Partner and the Manager. Control over the operation of a Fund will be vested with the relevant General Partner and Manager, as applicable, and a Fund's future profitability will depend largely upon the business and investment acumen of the key persons. The loss or reduction of services of one or more of the key persons could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the key persons are permitted to manage other investment funds besides the Funds and the key persons could need to devote substantial amounts of their time to the investment activities of such other funds, which could pose conflicts of interest in the allocation of the time of the key persons. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the relevant General Partner and Manager. In addition, certain changes in the relevant General Partner or Manager or circumstances relating to the relevant General Partner or Manager could have an adverse effect on the Funds or one or more of its assets, including potential acceleration of debt facilities.

Inability to Execute Business Plan. There can be no assurance that the relevant General Partner will be able to execute the business plan for a Fund or any or all of a Fund's investments. Unforeseen factors could arise that the relevant General Partner is not in a position to control, which could interrupt the relevant General Partner's investment program and/or adversely impact returns on a

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Fund's investments. For example, opportunities to renegotiate or restructure existing, unfavorable debt with respect to a Fund investment could be limited due to the existence of conflicting priorities of lenders or other third parties. Alternatively, in the case of an investment by a Fund in a real estate-related loan or debt security, a Fund could (subject to contractual protection limiting such exposure) be subject to borrowers re-paying such mortgage debts earlier than anticipated, and as such, be exposed to downside prepayment risk, which could impact the returns with respect to such an investment. Furthermore, an applicable tax regime or regulation, such as planning or zoning regulations with respect to development projects, that could have contributed to a particular Fund investment seeming desirable upon acquisition could be subsequently varied or amended and, as a consequence, such investment could potentially no longer achieve the same returns as originally anticipated.

Role of Professionals. The success of a Fund depends largely upon the business skill and management expertise of the Manager's professionals. These professionals could serve as officers, directors, or Board of Advisor members of other entities, including investments where appropriate. In their capacity as officers, directors, or Board of Advisor members, these professionals could become subject to confidentiality, fiduciary or other duties which adversely affect a Fund. For example, if a professional devotes significant time and attention to another entity's business or operations, this could reduce the time and attention that they are able to devote to a Fund's investments. Moreover, if any such professional obtains trade secrets or material non-public information regarding one of a Fund's investments or any of their affiliates, agents, competitors, or suppliers, a Fund could not be able to execute certain transactions if such transactions would result in violations of any confidentiality obligations, fiduciary duties, or applicable securities laws.

The interests of these professionals in the relevant General Partner should tend to discourage them from withdrawing from participation in the Fund's investment activities. There is no assurance, however, that any of the professionals will continue to participate in a Fund's investment activities throughout a Fund's entire term.

Activities and Compensation of Senior Advisors. We maintain business relationships with certain advisors and consultants who generally have established asset-class, industry, and/or regional expertise and who we expect to assist or advise us with respect to transaction sourcing, diligence, valuation, structuring, consulting or similar matters with respect to, one or more of a Fund's projects; in some cases, these individuals could be former Rockbridge personnel, affiliates or otherwise have close business and personal relationships with Rockbridge and other indicia of employment (e.g., business cards, e-mail, addresses, and inclusion in the Manager's marketing materials on its website). We generally refer to these individuals as "Senior Advisors." In addition, we could also utilize other similar consultants with, for example, more narrow expertise (such consultants are also referred to as Senior Advisors for purposes of this Section).

Senior Advisors generally are independent contractors. They generally are not our personnel,¹ even if most or all of their work is performed on our behalf or at our direction, they perform the same or

¹ Whether an individual is an employee generally turns on whether certain indicia of employment are present. This determination is highly fact dependent and involves complex judgments within varying legal and regulatory frameworks. As a general matter, we do not expect to treat our Senior Advisors as employees or otherwise consider them our affiliates.

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similar activities as our personnel or they have more access to and involvement in our business activities than other third-party consultants. However, there can be no assurance that any Senior Advisor will be exclusive to Rockbridge. Senior Advisors are generally not our affiliates for purposes of an Advisory Agreement and therefore are not subject to certain restrictions and conditions of an Advisory Agreement that relate specifically to our personnel and affiliates. A Fund and/or projects are expected to make payments to Senior Advisors, and any such payments and/or any fees the Fund and/or projects pay to Senior Advisors (such as sourcing fees) will not reduce the Management Fees payable by Limited Partners, even if such amounts would reduce the Management Fee if they were paid to our affiliates. In some instances, Senior Advisors could make personal investments in the relevant General Partner or its affiliates, a Fund or other Rockbridge-managed investment vehicles (including on a reduced or no Management Fee and Carried Interest basis) and in projects alongside a Fund or in other Rockbridge Hospitality Funds, and a Fund is permitted to invest in projects in which Senior Advisors hold existing material investments. Similarly, a Fund is permitted to co-invest in projects alongside funds that are managed by Senior Advisors or invest in projects in which such funds have an existing material investment.

We believe that the experience of Senior Advisors will benefit a Fund. Relying on Senior Advisors, however, creates conflicts of interest. For example, we typically determine the amount of compensation that will be paid to Senior Advisors. Senior Advisors have tailored compensation arrangements specific to their engagement and can receive compensation in multiple forms, depending on their individual arrangement and the services they provide, including cash payments (including fees and retainers) from a Fund or a project, Carried Interest in a Fund or our other funds, profits interests in a project, equity or stock option grants from a project, and fees and promote relating to a particular transaction, which could be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Senior Advisor, a percentage of the value of the project, the invested capital exposed to such project, amounts charged by other providers for comparable services and/or a percentage of cash flows from such project. A Fund and/or projects also reimburse costs and expenses incurred by Senior Advisors, including travel, meals, lodging and entertainment. To the extent a Fund or its projects incur these compensation amounts, they would ultimately be borne by a Fund's Limited Partners, but generally would not offset the Management Fees payable by Limited Partners, even if such amounts would reduce the Management Fee if they were paid to our affiliates. Any equity, promote, profits interest or similar compensation generally will have a dilutive impact on a Fund's investment as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. A General Partner generally will not be allocated compensation costs that relate to services performed by Senior Advisors for a Fund and/or projects. However, these services also have the potential to provide a direct or indirect benefit to the relevant General Partner and/or its affiliate or other Rockbridge investment vehicles. The close business or personal relationships that some Senior Advisors have with Rockbridge give us less incentive to negotiate with a prospective Senior Advisor for a lower level of compensation. The appropriate level of compensation for a Senior Advisor could be difficult to determine, especially if the expertise and services he or she provides are unique and/or tailored to the specific engagement. These and other factors could result in limited or no cost savings from retaining Senior Advisors, and there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost. Further, services provided by Senior Advisors paid for by a Fund and/or its

projects could result in direct or indirect benefits to the relevant General Partner, its affiliates and/or portfolio investments of other Funds. Consequently, the relevant General Partner, its affiliates and/or portfolio investments of a Fund could receive benefits without bearing any of the associated costs. In addition, given that the Manager (and not a Fund) otherwise pays the salaries of our personnel, we have incentives to retain individuals as Senior Advisors instead of hiring them as personnel, or to convert existing personnel to Senior Advisors. In certain cases, including where a Fund does not own a controlling interest in a project, the project, its management, joint venture party or other equity holders potentially will not agree to engage and/or bear the costs of Senior Advisors. In such cases, where the relevant General Partner believes the services of Senior Advisors will benefit a project, it is authorized to cause a Fund to bear related costs directly, resulting in a Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a project, notwithstanding that other equity holders in that project will receive the benefit of any returns that result from such services.

Complexing. Portfolio investments and projects are permitted to participate in joint marketing, purchasing, vendor or similar arrangements with Rockbridge and its affiliates (including in cases where Rockbridge and/or its affiliates are providing such services). Products or services could be priced and provided on a group-wide basis, and, as such, the amount paid by any portfolio investment or project could be different than if such products or services were obtained by the portfolio investment or project on an individual basis. A General Partner believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to investment vehicles (which is expected to be of benefit to a Fund) that will result. A General Partner reserves the right to allocate fees and expenses in connection with any such arrangements among the relevant Rockbridge affiliates receiving products or services in connection therewith in a manner that the relevant General Partner believes to be fair and equitable.

Risks of Acquiring Real Estate Loans and Participations. Real estate loans issued or acquired by a Fund could be at the time of their acquisition, or could become after issuance or acquisition, non-performing for a wide variety of reasons, many of which are outside of the control of the relevant General Partner, a Fund or their affiliates. Such non-performing real estate loans are likely to require a substantial amount of workout negotiations and/or restructuring, which could entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loans. To the extent that a Fund purchases partial interests in non-performing loans, a Fund could potentially not have control over the workout process or the management of the real estate assets after such a workout. Even if a restructuring were successfully accomplished, a risk exists that upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the relevant General Partner could find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by a Fund. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims, and defenses against the holder of a real estate loan, including, without limitation, lender liability claims, and defenses, even when such assertions could have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take several years or more to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the

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foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and could result in disrupting ongoing operations of the property. Upon acquiring ownership of a property by foreclosure, a Fund will assume the burdens of ownership, including obtaining casualty insurance, paying taxes and making repairs necessary to render the property suitable for sale.

Environmental, Social and Governance Matters. Rockbridge has not established an ESG policy that will apply to a Fund's investment portfolio. While Rockbridge could consider ESG factors to the extent consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements, doing so will be in Rockbridge's sole discretion. Rockbridge's application of ESG factors, or lack thereof, could potentially not reflect the beliefs or values, internal policies or preferred practices of any particular Limited Partner or other asset managers or reflect market trends, ESG frameworks or regulatory requirements. Rockbridge could in the future change its approach to ESG, including by the adoption of, adherence to or utilization of an ESG policy or certain ESG principles, frameworks, methodologies or tools.

Weather and Climate Risk. Global climate change is widely considered to be a significant threat to the global economy. Real estate assets in particular may face risks associated with climate change, including risks related to the impact of climate-related legislation and regulation (both domestically and internationally), risks related to climate-related business trends, and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other regulatory and voluntary initiatives launched by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce GHG emissions may expose real estate assets to so-called "transition risks" in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to GHG emissions, that could result in increased costs or changes in business operations), (ii) regulatory and litigation risks (e.g., changing legal requirements that could result in increased permitting, tax and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to impacts related to climate change), (iii) technology and market risks (e.g., declining market for assets, products and services seen as GHG intensive or less effective than alternatives in reducing GHG emissions) and (iv) reputational risks (e.g., risks tied to changing investor, customer or community perceptions of an asset's relative contribution to GHG emissions). A General Partner cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities or the effective management of real estate assets once undertaken, any of which could have a material adverse effect on an investment, or a Fund.

ESG-related regulatory developments. There is growing regulatory interest, particularly in the U.S., UK, and European Union (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. A General Partner could become subject to additional regulation, penalties and/or risk of regulatory scrutiny and enforcement in the future, and a General Partner cannot guarantee that its current approach or a Fund's investments will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of

related enforcement. Compliance with new requirements may lead to increased management burdens and costs, including to the Funds.

Potential Environmental Liabilities. A Fund may be exposed to substantial risk of loss from environmental claims arising from or related to investments made with undisclosed or unknown environmental problems or as to which inadequate reserves had been established. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of a Fund to such liabilities. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's liability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Fund's return from such investment. Some federal, state and local laws, ordinances and regulations impose liability, often regardless of fault or knowledge, on various parties (jointly and severally), including owners and operators, associated with real estate affected by a release of a regulated environmental contaminant, such as a hazardous or toxic substance.

Under various federal, state and local laws, ordinances and regulations, as a current or former owner or operator of real property, a Fund is potentially liable for costs and damages resulting from the presence or discharge of hazardous or toxic substances on, in, under or migrating from such property, including costs to investigate and clean up such contamination and liability for harm to natural resources. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability could be joint and several. These liabilities could be substantial and the cost of any required remediation, removal, fines or other costs could exceed the value of the property and a Fund's aggregate assets. In addition, the presence of contamination or the failure to remediate contamination at a Fund's properties could expose such Fund to third-party liability for costs of remediation and personal or property damage, materially and adversely affect the relevant General Partner's ability to operate, sell, lease or develop the properties or to borrow using such property as collateral, which could have an adverse effect on a Fund's return from such investment. Even in cases where a Fund is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of the Fund to achieve enforcement of such indemnities.

In addition, environmental laws could create liens on contaminated sites in favor of the government for damages and costs it incurs to address such contamination. Moreover, if contamination is discovered on a Fund's property, environmental laws could impose restrictions on the manner in which such property is permitted to be used or businesses are permitted to be operated on such property, and these restrictions could require substantial expenditures. A Fund is permitted to acquire interests in property, with known adverse environmental conditions where it believes that the acquisition will yield acceptable risk-adjusted returns. In these cases, a Fund is permitted to underwrite the costs of environmental investigation, clean-up and monitoring and obtain appropriate environmental insurance, if appropriate. The ongoing presence of environmental contamination, pollutants or other hazardous materials on a property (whether known at the time of acquisition or not) could also result in personal injury (and associated liability) to persons on the property and persons removing such materials, future or continuing property damage (which could adversely

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affect property value) or claims by third parties, including as a result of exposure to such materials through the spread of contaminants.

In addition, a Fund's operating costs and performance could be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to investments of a Fund, including additional compliance obligations arising from any change to such statutes, rules and regulations. Statutes, rules and regulations could also restrict development and use of property.

Sanctioned Investors. If after subscribing to a Fund a Limited Partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "Sanctions List"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant Limited Partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

B-Notes Investments. A Fund is permitted to invest in one or more B-Notes. A "B-Note" is a commercial mortgage loan typically (i) secured by a first mortgage on a single large property or group of related properties and (ii) subordinated to an "A-Note" secured by the same first mortgage on the same collateral. As a result, if a borrower defaults, there could potentially not be sufficient funds remaining for the holder of the B-Note. B-Notes do not have any secondary market, raising additional liquidity risks. However, since each B-Note is privately negotiated, B-Notes can vary in their structural characteristics and risks, including, for example, the rights of the holder of the B-Note to control the process following a borrower default. Furthermore, since they are typically secured by a single property, B-Notes reflect the risks associated with significant concentration. The interest of the A-Note holder and the Fund's B-Note could diverge or be in conflict and the A-Note holder may seek to protect its rights or interests to the detriment of the B-Note holder's interest.

Insurance Could Potentially Not Cover All Losses. Uninsured and underinsured losses at a Fund level or investment-level could harm a Fund's overall financial condition, operations and ability to make distributions to its Limited Partners. Certain types of losses generally are either uninsurable (or not economically insurable) or subject to insurance coverage limitations. Should an uninsured loss or a loss in excess of insured limits occur, the Fund could lose all or a portion of the capital it has invested in an investment, as well as the anticipated future revenue from the investment. These same risks apply to any capital deployed by an investment of a Fund. In that event, a Fund and/or its investment might nevertheless remain obligated for any notes payable or other financial obligations related to the investment, in addition to obligations to a Fund's and/or its investment's ground lessors, franchisors and managers. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the investments pledged as collateral for loans, and other factors might also keep a Fund and/or its investment from using insurance proceeds to replace or renovate an investment after it has been damaged or destroyed. Under those circumstances, the insurance proceeds the Fund and/or its investment receives might be inadequate to restore a Fund's and/or its investment's economic position on the damaged or destroyed investment.

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A Fund is Permitted to Make Investments with Maturity Dates Later than the Term of the Fund. A Fund is permitted to make investments with maturity dates later than the date on which the Fund is expected to terminate. Although a Fund expects that either it will have disposed of those investments prior to termination or that those investments will be suitable for in-kind distribution at dissolution, a Fund could have to sell, distribute, or otherwise dispose of those investments at a disadvantageous time as a result of termination. In addition, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the investors will occur.

Potential Investments at the End of the Commitment Period. As a Fund nears the end of its commitment period, the Manager could have identified more opportunities than a Fund can close. Given that deal-making is uncertain, it is possible that a prospective investment originally pursued by a Fund could potentially not be able to be made by the Fund (e.g., if a Fund has invested all of the commitments the Manager determines it will put in portfolio investments during its commitment period), but a Fund has incurred costs or expenses related to it. If such prospective investment is ultimately capitalized by a new fund or other investment vehicle managed by the Manager or its affiliates, such vehicle will generally reimburse a Fund for such costs and expenses at cost. In situations where a Fund consummates a portfolio investment in a project in which a prior Fund incurred diligence costs and expenses pursuing, a Fund is permitted to reimburse such prior fund or vehicle for such costs and expenses at cost.

Distribution-in-Kind. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Although, prior to the termination of a Fund, a Fund generally intends to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding up of a Fund), distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer will be made in kind. It may be difficult for Limited Partners to liquidate an investment received via an in-kind distribution at an attractive price or within a desired time period, and significant administrative burden and cost may be involved. Following an in-kind distribution by a Fund, in certain cases, some or all of the Limited Partners in receipt of a distributed investment could determine to dispose of such investment within a short period of time, which could negatively impact the price of such investment. Limited Partners in receipt of a distributed investment will receive no guidance from the relevant Fund or the relevant General Partner with respect to when or how to dispose of such investment (including the timing of such disposition). The price at which distributed investments may be sold by Limited Partners may be lower than the value of such investments determined pursuant to the relevant Advisory Agreement, including the value used to determine the amount of Carried Interest accrued to the relevant General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to lawsuits or taxes in jurisdictions in which such investments are located.

Prepayments. Each Fund is authorized to originate loans that allow for voluntary prepayments, and the timing of any such prepayments cannot be predicted with any accuracy. Early payments of loans originated by a Fund could cause such Fund not to achieve its expected returns on such investments, and such prepayments may be made during a period of declining interest rates or otherwise unfavorable market conditions for the Fund.

The yield on any Fund asset, and accordingly the overall return generated by a Fund, will be affected by the rate and timing of principal payments of such assets. The rate and timing of these principal payments, or in the case of principal losses, principal or notional write-downs, will be affected by, among other factors, (i) unscheduled principal payments or collections in the form of voluntary prepayments of principal or unscheduled recoveries of principal due to defaults, and (ii) the order of priority in which such principal and collections are distributed in reduction of the actual or notional principal balance of the assets. A General Partner could elect to waive, reduce, or modify prepayment fees, yield maintenance fees or other amounts due to a Fund.

Risks Related to Due Diligence of and Conduct at Portfolio Investments; Expedited Transactions.

Before making an investment, a General Partner will generally conduct such due diligence as it deems reasonable and appropriate based on the known facts and circumstances applicable to such investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto, and a General Partner may rely on the advice received from such third parties. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the relevant General Partner's reduced control of the functions that are outsourced. In addition, if a General Partner is unable to timely engaged third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. Investment analyses and decisions by a General Partner will often be undertaken on an expedited bases in order for a Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the relevant General Partner at the time of an investment decision may be limited, and such General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practice during the due diligence phase or during its efforts to monitor the portfolio investments on an ongoing basis. Conduct occurring at portfolio investments, including activities that occurred prior to a Fund's investment therein, could have an adverse impact on such Fund. In the event of fraud or other criminal behavior by any portfolio investment or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio investment. In addition, investments are subject to the possibility of material misrepresentation or omission on the part of the portfolio investment or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or other instruments issued by such portfolio investment. Where applicable, a Fund will rely upon the accuracy and completeness of representations and warranties made by portfolio investments and/or such portfolio investments' former owners to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Moreover, a Fund may have limited or no recourse in the event of a material breach of such representations and warranties, particularly if a portfolio investment was a public company.

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Terrorism or Armed Conflict. The impact on economic conditions of terrorist attacks or the outbreak or escalation of armed conflict involving the United States may reduce the value of hotels and hospitality properties, and have an adverse impact on interest rates, the availability of financing, raw materials, oil, gas, electricity, water, energy, or other factors. These events could reduce the value of a Fund's assets.

Natural Disaster Risk. Certain investments will be located in states that have a history of seismic activity, fires, floods, hurricanes, and other natural disasters. The location of investments in these areas leaves a Fund vulnerable to such adverse events or conditions and a Fund could be more adversely affected than it would have been if such investments were located in different areas. There can be no assurance that the Fund's investments will be sufficiently insured against any such risks.

Public Disruptions. Investments by a Fund and underlying investments may involve the risk of substantial delays, a diminution in revenues or increases in costs due to a number of unforeseen factors including: public protests; labor disputes; work stoppages; strikes; riots; mass violence; political opposition; regulatory and permitting delays; delays in procuring sites; supply disruptions; force majeure; or failure by one or more counter-parties to perform in a timely manner their contractual, financial or other commitments. While a Fund, depending on the circumstances, will generally seek investments in which creditworthy and/or appropriately insured parties bear a portion of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations. Any material delays or increases in costs could significantly impair the financial viability of a project and result in a material adverse effect on a Fund and/or the applicable portfolio investment.

Privacy Law Compliance Risk. The adoption, interpretation and application of consumer, data protection and/or privacy laws and regulations ("Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Manager, the relevant General Partner, a Fund and its portfolio investments, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for a Fund and/or its portfolio investments are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities.

Cybersecurity Risk. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio investment, Fund, General Partner, RBC or one or more of their respective service providers is subject to cyber-

attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, RBC, the General Partners, the Funds and/or portfolio investments may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in RBC's, the General Partners', the Funds', portfolio investments' and/or service providers' operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio investment, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio investments or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at RBC or one of its service providers holding its financial or investor data, RBC, its affiliates or the Funds may also be at risk of loss.

Risks Associated with Interest Rate Fluctuations and Unmatched Terms. A Fund is permitted to enter into borrowing arrangements with lenders to leverage a Fund's investment activities either at a Fund level, the asset level, or both. Some of these borrowings are expected to be at floating rates of interest. In contrast, loans made by a Fund to projects could be at fixed interest rates and therefore a Fund could be subjected to interest rate risk. To the extent that the Fund does not borrow at fixed rates for periods and amounts that match the periods and amounts of the fixed-rate loans to projects or does not hedge its floating rate borrowings to protect itself against rising interest rates, rising interest rates could result in diminished investment returns or losses to a Fund. More generally, a Fund could be exposed to interest rate risk depending on the structures and terms of the various investments and borrowings the Fund undertakes.

Financings. A Fund's investments could involve the additional risks attendant to investments consisting of subordinate loan positions. The Fund's loans could potentially not be secured by a mortgage but are permitted to instead be secured by partnership interests or other collateral that provides weaker rights than a mortgage. In the event of a default, a Fund's source of repayment will be limited to the value of the collateral and could be subordinate to other lienholders (and the collateral value of the property could be less than the outstanding amount of the investment). In cases in which a Fund's collateral consists of partnership or similar interests, a Fund's rights and level of security could be less than if it held a mortgage loan.

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These risks inherent in mezzanine investments could be mitigated to some extent by inter-creditor agreements between a Fund and the senior lenders for any project. In the context of a borrower default under a mezzanine investment or participation interest of a first mortgage comprising a subordinate note or interest in a loan evidenced by senior notes or tranches and a subordinate note or tranche, the applicable inter-creditor agreement, if any, would normally provide the Fund with the right to cure borrower defaults. A Fund should be able to (a) realize the value of any remaining equity in the collateral after the senior lender or participant, or (b) provided sufficient funds are then available, cure the borrower default with respect to the senior notes or tranches and/or buy the senior notes or tranches. In either case a Fund's remedies will be subject to the rights of the senior lenders or participants. Additionally, in order to purchase senior notes or tranches, a Fund could need to obtain financing, either through calls of commitments (if made during the commitment period) or through third-party financing, which could potentially not be available.

In the context of a borrower default under an investment comprising "true" mezzanine financing consisting of a loan subordinate to a senior loan to such borrower or its parent, a Fund's exercise of remedies could be accomplished independently of a senior lender's exercise of remedies. The applicable inter-creditor agreement, if any, could provide a Fund with the right to cure borrower defaults under the senior loan with the senior lender. However, if a Fund seeks recovery against available collateral, the Fund will then own the collateral, which could have outstanding lien obligations to the senior lender and could have other financial obligations to third parties. In the context of a borrower default, a Fund could be subject additionally to equitable defenses to actions in respect of its loan collateral, to which defense it would not otherwise be subject. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' right laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that could arise with respect to real estate or other collateral securing the obligations. A Fund's investments could be subject to early redemption features, refinancing options, pre-payment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. In addition, depending on fluctuations of the value of projects and other factors, participation rights, warrants, and other equity securities could become worthless.

Risks Associated with Debt and Equity Investments. A Fund is permitted to invest substantially all of its available capital in debt and equity investments in private real estate assets, principally hotels. Such investments involve a high degree of business and financial risk and can result in substantial or complete losses.

Identifying projects with sufficient liquidity to repay debt is a difficult task. Many of a Fund's projects could need substantial additional capital to cover debt service or maintain competitive market positions. As a result, the relevant General Partner cannot assure investors that a Fund will succeed in investing their capital in projects that are able to satisfy their obligations to a Fund or yield profits.

The ability of a Fund to influence a project's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by the Fund of its rights as a creditor.

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Accordingly, a Fund could potentially not be able to take the steps necessary to protect its investments in a timely manner or at all. In addition, the debt instruments in which a Fund is permitted to invest could potentially not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and are unlikely to be rated by a credit rating agency. Generally, to the extent a Fund's debt investments are secured, the collateral provided to protect the Fund's debt investments will be illiquid and difficult to value, and a Fund's rights to such collateral could be subordinate to the rights of a project's other, potentially more senior, creditors. If a project defaults on its loan obligations to a Fund, a Fund could also experience significant delays and costs in exercising its rights to protect its investment. A Fund's ability to obtain payment from a project could be limited by bankruptcy or similar laws affecting creditors' rights. As a result, there can be no assurance that the collateral associated with a Fund's debt investments will be available or adequate, or that a Fund will ultimately collect the full amount owed on a defaulted obligation.

A Fund is permitted to own equity positions in one or more entities that own real property. These equity interests could be subordinate to general and secured creditors of the entity. This subordination could increase a Fund's risk of loss. There is no fixed period of return for equity investments. Acquisition of equity interests involves risks not present in real property loans or direct property ownership. For example, there is the possibility that other equity owners could at any time have economic or business interests or goals that are inconsistent with those of a Fund. The value of securities or other equity instruments could fluctuate in a manner dependent on criteria not directly related to the risks associated with real property, such as the terms and conditions of the equity, the relative seniority of the equity and the general prospects and conditions of the issuer.

Bridge Financings. A Fund is permitted to lend or make other contributions to one or more of its properties or investments on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt instruments. Such bridge loans would typically be convertible into a more permanent, long-term equity or debt securities. However, for reasons not always in a Fund's control, such long-term securities could potentially not be issued, and such bridge loans could remain outstanding. In such event, the interest rate, coupon or other return on such loans or other contributions generally would not adequately reflect the risk associated with the unsecured position taken by a Fund.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio investment's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, RBC, any General Partner, the Funds and/or any of the portfolio investments may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that

are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of RBC to manage the Funds and their investments, and on the ability of RBC, any Fund or any portfolio investment to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of RBC or portfolio investments to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that RBC will experience operational burdens and expenses, and a Fund or a portfolio investment will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that RBC will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio investments are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio investment become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio investments, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that RBC and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although RBC seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, RBC is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

LIBOR and other Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays

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in or reductions to financing options for the Funds and their portfolio investments; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Litigation Risks. In the ordinary course of its business, a Fund and/or General Partner could be subject to a variety of litigation risks, particularly in consequence of the potential that one or more projects will face financial or other difficulties during the term of a Fund's investment. In the event of a dispute arising from such activities (or other activities relating to the operation of a Fund or the relevant General Partner), it is possible that a Fund, its General Partner, or the members of the relevant General Partner could be named as defendants. Under most circumstances, a Fund will indemnify its General Partner, the Manager, and, unless otherwise determined by the General Partner in its sole discretion, each of their respective affiliates, the key persons, Senior Advisors, and the respective owners, partners, members, managers, officers, directors, personnel, agents, representatives and affiliates of any of them for any costs they could incur in connection with such disputes. Beyond direct costs, such disputes could adversely affect a Fund in a variety of ways, including by distracting the relevant General Partner and harming relationships between a Fund and its projects or other investors in such projects.

ADA Compliance. Projects will be required to comply with Title III of the Americans With Disabilities Act of 1990 (the "ADA") to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the ADA and such equivalents. In connection with any project, compliance with the ADA requirements could require removal of structural barriers to handicapped access in certain public or common areas of properties to bring the property into compliance, which potentially were not foreseen at the time of acquisition. Future changes to federal, state, and local laws also could require modifications to a Fund's properties, or restrict a Fund's ability to renovate its properties. Non-compliance could result in imposition of fines or an award of damages to private litigants. A Fund cannot predict the ultimate cost of compliance with the ADA or other legislation. If a Fund incurs substantial costs to comply with the ADA and any other similar legislation, a Fund's financial condition, operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations could be adversely affected.

Exculpation and Indemnification. The Advisory Agreements set forth the circumstances under which a General Partner, the Manager, the key persons, Senior Advisors, their respective affiliates and the respective partners, members, managers, officers, directors, personnel, agents and affiliates of any of them are to be excused from liability to a Fund and its investors for claims, losses or damages that a Fund or such investors may incur by virtue of any such person's performance or services for a Fund, subject to applicable law. As a result, a Fund and its investors could have a more limited right of action in certain cases against these persons than they would have in the absence of such provision. If a claim is made against a General Partner, Manager, and, any of their respective affiliates, the key persons, Senior Advisors, and the respective owners, partners, members, managers, officers, directors, personnel, agents, representatives or affiliates of any of them, such person(s) may be entitled to be indemnified by the Fund, in which case the assets of a Fund could be used to indemnify such persons for amounts incurred in connection with such claim, subject to applicable law. Such indemnification obligations could materially impact the returns to

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Limited Partners. In certain cases, previous distributions to the Fund's investors may be recalled to cover such indemnification obligations of a Fund. Although the Advisory Agreements generally contain broad exculpation and indemnification provisions, RBC will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act.

Investor Liability. A Fund may have potential liability for its actions under the general doctrines of lender liability and equity investor liability. Lender and equity investor liability claims may arise in a variety of circumstances and at any time throughout the investment process. Claims may arise even before a transaction is complete if a Fund provides false or misleading information to potential project sponsors through advertisements or other communications. A Fund could also incur liability for failing to honor the terms of any contractual commitment. The servicing of loan investments may also subject a Fund to lender liability claims. In certain instances, loan documents or other agreements (and/or any provision contained therein) may be determined by a court to be unenforceable. Any guarantee delivered to a Fund in connection with the making of an investment may present additional exposure to liability when the Fund attempts to enforce such a guarantee. A Fund, whether making a loan or an equity investment, may have remedies available to it limited by state statutes, such as strict statutory foreclosure requirements with respect to loans or limited remedies in connection with limited partnerships, limited liability companies or other investment vehicles in connection with an equity investment, which could result in the Fund losing its right to enforce certain remedies, in whole or in part. In addition, in California and other states, the rights of a lender to obtain a deficiency judgment against a borrower may be limited by statute under certain circumstances. As discussed below, a Fund may also be subject to usury claims in connection with its loan investments. Even if a Fund properly exercises its remedies, a bankruptcy filing by the borrower could result in certain restrictions on the ability of a Fund to exercise its remedies. There are numerous other ways in which a Fund may be exposed to lender or equity investor liability claims in addition to those discussed above. No assurance can be given that a Fund will be able to successfully avoid lender or equity investor liability claims and lawsuits. Even if it is successful in defending any such claims, the costs of defending the claims could be substantial. If any such liability or claims are incurred, the cash flow distributable to the Limited Partners could be significantly reduced.

Usury. Any loans made by a Fund to any borrower entity may be subject to state usury laws. A General Partner intends to use reasonable best efforts to cause a Fund to comply with any applicable usury laws. However, in some instances, a General Partner could potentially not be aware that the usury laws of a state are applicable and/or a General Partner could potentially not be successful in causing a Fund to comply with such laws. Failure of a Fund to comply with any applicable usury laws could result in a Fund incurring a significant loss with respect to any such loan.

Failure to Make Capital Contributions. If Limited Partners fail to fund their subscription obligations or make required capital contributions when due, a Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a number of Limited Partners could leave a Fund with less than the minimum capital commitment and would limit opportunities for investment diversification and likely reduce returns to a Fund. If a Limited Partner defaults, it could be subject to various remedies as provided in a Fund's Advisory Agreements. Defaults by Limited Partners may also result in events of default under fund-level

credit facilities, which may lead to such facilities accelerating and being required to be paid ahead of maturity by way of additional significant capital calls or the forced sale of pledged investments.

Liability for Return of Distributions. If a Fund is otherwise unable to meet its obligations (including indemnification obligations) or liabilities, including those arising from the operation, sale or disposition of any investment, the Limited Partners (including any former Limited Partners) could, under the terms of the relevant Advisory Agreement or applicable law, be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be a return of their capital contributions or a wrongful payment to them. In addition, a Limited Partner may be liable under applicable federal or state bankruptcy laws, such as the Delaware Revised Uniform Limited Partnership Act, to return a distribution made during a Fund's insolvency.

Performance Allocation. The existence of Carried Interest distributions to a Fund's General Partner, which is based on a percentage of net profits, may create an incentive for a General Partner to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case on behalf of a Fund than it would otherwise make in the absence of such performance-based compensation, although the significant commitment by the key persons to invest in a Fund's investments and a General Partner's giveback provision should tend to reduce this incentive, as should the fact that the preferred return is calculated on a cumulative basis.

Transfer by General Partner. To the extent a General Partner, the Manager and/or their respective affiliates commit to make a direct or indirect investment in or alongside a Fund, a participation in or a portion of such investment is permitted thereafter be transferred to others, subject to any express limitations thereon in its Advisory Agreement.

Carried Interest Legislation. Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any Carried Interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which could be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of a Fund, could adversely affect the ability of the principals, personnel or other individuals associated with a Fund or a General Partner who were or could in the future be granted direct or indirect interests in the General Partner, to benefit from Carried Interest taxed at lower rates. This could reduce such persons' after-tax returns from a Fund and the relevant General Partner, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund.

Controlling Person Liability. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership could be ignored. If these liabilities were to arise, a Fund could suffer a significant loss.

Limitation of Recourse and Indemnification. A Advisory Agreement could potentially limit the circumstances under which the relevant General Partner and its affiliates will be held liable to a Fund. As a result, Limited Partners are expected to have a more limited right of action in certain cases than they would have in the absence of such provision(s). In addition, the relevant Advisory

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Agreement is permitted to provide that a Fund will indemnify the relevant General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of such Fund. Such indemnification obligations could materially impact the returns to Limited Partners. The obligations of a Limited Partner to fund any indemnification will generally survive the dissolution of such Fund.

Subordination. A Fund is permitted to invest in debt and equity positions that are junior to other securities within the capital structure of a real estate investment. Further, a Fund intends to use debt at the fund-level to enhance yields to its investors. The use of leverage increases the risk of loss to a Fund.

Affiliated Services and Other Fees and Charges. The Manager or its affiliates or related parties (including entities owned by key persons, personnel or other affiliates of the Manager and/or Senior Advisors) are expected to provide and be paid for services or other business arrangements to or on behalf of a Fund, portfolio investments projects or affiliates thereof on an individual or on a portfolio-wide basis in accordance with the terms of a Advisory Agreement. Such services or arrangements will be paid for by a Fund and/or a project at approved rates and are permitted to include, among others: (1) management: (a) management and/or oversight of any aspect of operations of the real estate and related assets (e.g., the hotels and their outlets) and the maintenance of brands and their requirements (e.g., maintenance and enforcement of brand standards, market positioning and advertising, customer loyalty programs, employee training and development, and standard operating procedures for bars, restaurants, retail outlets, and hotel and related brands), asset management, use of hospitality specialists, technology, regional operations, legal, reservations, human resources, sales, and marketing; (b) accounting services for the real estate or any related assets' operations or structure; (c) centralized services that, principally due to economies of scale, the management firm can provide on a more economical basis than through dedicated on-site personnel at each asset (including for example: technology, revenue management, and e-commerce); (d) consulting for technical services prior to project completion, regarding, for example: food and beverage development and pricing, complementary outlet design and positioning, staffing and service levels, operational integration and efficiency, and similar functions required to achieve desired hotel positioning and guest experience; (e) consulting for pre-opening services to prepare an asset for opening by, for example: developing service standards, hiring and training personnel, engaging vendors and third-party service providers, and procuring operational supplies and equipment; and (f) branding and outlet consulting services related to, for example, concept development, marketing, and overall narrative of the guest experience (such as brand positioning, interior and media design and development, and training and standard operating procedures); (2) financing services: (a) fees for servicing, administration, special servicing, and asset management services for the senior note(s) held by a third-party lender(s) (e.g., an A Note) or other capital providers at rates approved by or paid by such third-party lenders or other capital providers, including for any portion of such loan held by third-party lenders, or for a synthetic participation or note on note financing by a third-party lender or holders of preferred equity, in each case, directly or indirectly, which such services could include some or all of the following: monitoring covenant compliance, processing construction loan draws, managing delinquencies and defaults, pursuing work-outs and restructurings in an effort to resolve any default including extensions, interest rate adjustments or other loan modifications in accordance with the terms of any loan participation and

servicing agreement and other services (these services are provided to the Fund on the portion of the Fund's portfolio investments in a mezzanine loan or B Note at no cost); (b) financing arrangement fees on what the Manager refers to as "quasi-equity" and "equity" investments for engaging with third-party lenders and other capital providers, working with such third parties and structuring, negotiating, arranging and providing certain administrative services related to such financings (including refinancings); and (c) origination fees on what the Manager refers to as "high-yield debt" investments for the arrangement of the origination and/or exit of mortgage debt that one or more third-party lenders invests in or finances the senior portion of a loan (e.g., the A Note) and the Fund also invests in or finances a portion of such loan (e.g., the B Note); (3) development: (a) management and supervision of the development process including oversight and coordination of architect, general contractor, design, and other components; (b) procurement of furniture, fixtures, and equipment; and (c) representation of the owner's interest with respect to the coordination, review, and approval of various decisions in the development process when a Rockbridge affiliate is not providing development/renovation management services; (4) media and advertising services, such as interior and exterior advertising, digital out-of-home media, signage and other creative content solutions and branded advertisements, including: (a) lease arrangements whereby a project receives rent payments from a sign owner (which could be RBX Media, LLC, an affiliate of RBC); (b) project management for the design, development, and installation of the sign / ad board; (c) display management for the management of day-to-day activities of the sign / ad board; and (d) advertising sales fees for the sale of advertising on the sign / ad board; (5) additional services including: (a) legal services to the relevant General Partner, Fund or portfolio investments, including services related to the formation, operation, termination, structuring, restructuring, liquidation, winding up or dissolution or termination of a General Partner, a Fund and its related entities, and subsidiaries, legal due diligence, compliance with applicable laws, regulations, policies, directive, or special measures (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations and the preparation and submission of necessary regulatory filings of a Fund, its General Partner, or the Manager and the response to inquiries from regulatory bodies), negotiation and completion of transactions related to the acquisition, holding and disposition of projects, and services related to litigation, settlement or defense of claims or potential claims; legal services includes those performed by attorneys, paralegals, transaction specialists, and other similar functions; and (b) accounting, audit, and tax related services, including technology, administration, investor reporting, and treasury costs such as preparation and distribution of financial statements, tax filings and Schedule K-1s, and representation of a Fund or the partners by a "partnership representative" and/or the "designated individual" for purposes of Section 6223(a) of the Code and similar statutes; (6) services provided by complementary companies that (i) create, design, develop, own, provide and/or operate retail, service, food and/or beverage and other spaces/outlets that complement, enhance or expand the products, offerings or amenities at the project and design and concept development services and related consulting services or (ii) provide any other services that drive demand, directly or indirectly, to the project including making or facilitating investments into the community and/or market in which the project is located;; (7) use of the Manager's or its affiliates' intellectual property; and (8) additional services not identified in a Advisory Agreement provided such services are performed at approved rates. All services or arrangements could be performed by the Manager or its affiliate in its entirety or through a co-service or sub-service arrangement. All approved rates are indexed to Consumer Price Index ("CPI"), and are therefore subject to increases based on the CPI without the

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approval of the Limited Partners. For administrative ease, a CPI adjustment is applied to all Funds at the same time. For purposes of clarity, approved rates shall include certain agreed upon amounts plus reimbursement of expenses to include the cost of project-specific personnel and other customarily reimbursed expenses, as determined by the Manager. For example, such project-specific personnel include: all property-level or dedicated project personnel, including shared resources, such as project managers or coordinators, FF&E or design managers, area directors and managers of revenue or marketing. Customarily reimbursed expenses include: travel and out-of-pocket expenses, (including meals, lodging and entertainment) shared services, shared costs, recruiting, training, market data and research costs. For the avoidance of doubt, no payment by a Fund for any of the services or other business arrangements described in (1)-(8) in the preceding shall offset the Management Fee. The rates payable for professional services described above will be paid to the Manager or its affiliates by a Fund or a project (as the case may be) regardless of the level of experience, expertise or the actual fair value of services rendered by any particular professional who provides such services to a Fund or a project. Although approved rates for these professional services are intended to reflect an average or blended rate (i.e., one that takes into account variable hourly rates, and attempts to anticipate time allocated to a Fund and/or projects by professionals of various experience and expertise), these approved rates are based on assumptions and thus have inherent limitations. Therefore, while in some instances a Fund or a project could benefit from approved rates, in other instances, a Fund or a project could pay more for these services than if a rate tied to experience level had been used. For certain Funds, Advisory Agreements permit the Manager to adjust the rates and services provided to the rates and services authorized in the most recently formed Flagship Fund.

Although the Manager and its affiliates are active participants in the markets in which a Fund will invest, they do not necessarily have access to, and are not undertaking, any minimum level of benchmarking of the actual prevailing market rates charged for services or business arrangements in each geographic area where they provide such services or arrangements and it is possible that the approved rates charged by the Manager or its affiliates for such services or arrangements could be lower or higher than the actual prevailing market rates charged in any such geographic area. A Fund is permitted to bear certain costs and expenses directly or indirectly incurred in connection with a Fund's business or a portfolio investment in accordance with the Manager's expense reimbursement policies, as amended by the Manager. Such policies and any amendments thereto are available to any Limited Partner upon request. The Manager has no affirmative duty to deliver copies of amendments to such policies.

In addition, a General Partner expects certain affiliated entities or owners/personnel of the Manager's affiliates (including affiliates of the Manager and/or in which the conflict parties have an ownership interest) to receive compensation from projects. Such compensation is permitted to take multiple forms, including fees, retainers, profits interests, promote, equity, options or similar incentive equity with respect to a project that such affiliated entities or owners/personnel source or otherwise provide services to, which could be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the employee, a percentage of the value of the project, the invested capital exposed to such project, amounts charged by other providers for comparable services and/or a percentage of cash flows from such project. To the extent a Fund or its projects incur these compensation amounts, they would ultimately be borne by

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the Fund's Partners, but would not offset the Management Fees payable by Limited Partners, even if such amounts would otherwise reduce the Management Fee if paid to an employee of the Manager. While such arrangements could be more favorable to a Fund if a project does not increase in value, in the event of appreciation in the relevant project any such profits interest generally would have a dilutive impact on such Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. The close business or personal relationships that such entities or owners/personnel have with the Manager creates a potential conflict of interest by, for example, providing an incentive to offer or direct such employee to have a lower base pay in exchange for incentive compensation. The appropriate level of compensation could be difficult to determine, especially if the expertise and services he or she provides are unique and/or tailored to the specific engagement. For the avoidance of doubt, the foregoing amounts do not form part of and are not subject to the approved rates.

In certain cases, including where a Fund does not own a controlling interest in a project, a project, its management, joint venture party or other equity holders potentially will not agree to engage and/or bear the costs of services providers affiliated with or related to the Manager. In such cases, where a General Partner believes the services of such service providers will benefit a project, it is authorized to cause such Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a project, notwithstanding that other equity holders in that project will receive the benefit of any returns that result from such services.

The Limited Partners will bear expenses of a Fund that they (i) could potentially not have borne had they been able to directly make investments of the type made by a Fund or (ii) could potentially not be charged by other funds or investment vehicles. These expenses could include expenses (including legal and accounting, which such fees shall be charged at the approved rate) associated with organizing, operating, dissolving and terminating a Fund, a General Partner, a pooled investor vehicle, and accounting expenses incurred in preparing the periodic financial statements of a Fund. A Fund is permitted to bear some or all of the costs of Limited Partner diligence, reporting or transfer costs and expenses that could or could potentially not benefit the other Limited Partners or a Fund equally or at all. It is possible that the amount of these expenses incurred by a Fund could exceed the amount of these expenses incurred by another investor or investment vehicle or fund. For example, in conducting a Fund's business such as due diligence on a potential investment or visiting a portfolio investment, personnel of the relevant General Partner and the Manager or any of their respective agents or affiliates, as well as a Fund's borrowers, lenders, joint venture partners, consultants, Senior Advisors, and other service providers or any of their respective agents and affiliates, are permitted to travel by the most expedient means available, including by private aircraft in accordance with the Manager's expense reimbursement policies, as may be amended and is available upon request. The Manager also has no affirmative duty to deliver copies of amendments to such policies. In conducting a Fund's business, personnel of the Manager or others retained by or on behalf of a Fund or a project, including any of the persons set forth above, may incur travel and entertainment costs and expenses directly or indirectly related to a Fund, a project or a portfolio investment, including last-minute flight fares, first class and private travel, cancellation fees, fine dining, high-end or luxury hotels, and other similar expenses. In addition, in circumstances where a Fund invests or is considering investing with a partner, certain fees and expenses incurred by such

joint venture partner could be capitalized into the deal (or a Fund will bear the joint venture partner's share of dead deal expenses). Such costs and expenses could: include fees and expenses (including promote or other similar fees paid to a joint venture partner) similar to those otherwise borne by a Fund, exceed the amount or be different than what the relevant General Partner or Manager would charge a Fund, be charged in accordance with such partner's policies or no policies at all, and the General Partner or Manager could potentially not have visibility to the methodology used to calculate such amounts or the type or the amount of certain specific expenses. To the extent that a Fund incurs expenses of a type or degree that would not be incurred by a direct investor or other funds or investment vehicles, the returns experienced by a Limited Partner will be lower than those experienced by an investor that directly invested in the same assets as those of a Fund or invested in other vehicles.

Limited Access to Information. The rights of Limited Partners to information regarding a Fund and its projects will be specified, and strictly limited, in the Advisory Agreement. In particular, a General Partner anticipates that it will obtain certain types of material, non-public information that could be relevant to an investment decision to be made by a Fund that will not be disclosed to Limited Partners. For example, a General Partner could obtain information regarding projects that is material to determining the value of a Fund's investments in such projects. Such information could be withheld from Limited Partners in order to comply with duties to such projects or otherwise to protect the interests of such projects or a Fund. Decisions by a General Partner to withhold information could have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to sell its interests could have difficulty in determining an appropriate price for such Interest. Decisions to withhold information could also make it difficult for Limited Partners to subject the relevant General Partner to rigorous oversight.

Side Letters. The Funds or RBC, without any further act, approval or vote of any Limited Partner, reserves the right to enter into Side Letters or other similar agreements with certain Limited Partners that have the effect of establishing rights (including economic terms) under, or altering or supplementing the terms of, the Advisory Agreements with respect to certain Limited Partners. As a result of such Side Letters, certain Limited Partners will receive additional benefits that other Limited Partners do not receive, and such benefits potentially will be significant. Further, the relevant General Partner is likely to have its own economic and/or other business incentives to provide certain terms to certain investors (e.g., based on commitment amount to the relevant Fund or the timing thereof, the ability of the investor to provide sourcing or other services to RBC, such Fund or other Funds or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to RBC, the relevant Fund or other Funds). Such rights, terms or confirmations in any such Side Letter or other similar agreement may potentially include (i) different economic terms, including reduced management fees, modified waterfall mechanics and/or reduced Carried Interest and/or receipt of a portion of the relevant General Partner's or its affiliates' management fees, other fees and/or Carried Interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from the relevant Fund or RBC or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to the Fund as a substitute Limited Partner; (v) the offering of,

and/or participation in, Co-Investment opportunities; (vi) the right to withdraw from the relevant Fund in the event of adverse tax or regulatory events or violations of laws or policies or in the event the investor's commitment in such Fund would exceed a certain percentage of the Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of the relevant Fund's Board of Advisors, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such Limited Partner or its affiliates, or (xv) certain other terms whether economic, procedural or otherwise. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Side Letters subject RBC to potential conflicts of interest, including in circumstances where an investor's right to serve on a Fund's Board of Advisors results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Limited Partner at the expense of a Fund or of Limited Partners as a whole, including in the event that a Side Letter confers additional reporting information rights and/or transfer rights, the costs and expenses of which are expected to be borne by a Fund. As a consequence of one or more Limited Partners being excused or excluded from, or from regulatory, tax or other factors altering or limiting their participation in, certain investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a Limited Partner defaults on a drawdown in respect of an investment. Although the General Partners believe it to be unlikely, excuse rights requested or received by one or more Limited Partners (or such regulatory, tax or other factors applicable to such Limited Partners) representing a substantial percentage of the relevant Fund have the potential to create significant variations in Limited Partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the relevant General Partner on behalf of such Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Advisory Agreements; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in a Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund. The other Limited Partners will generally have no recourse against the Fund, the relevant General Partner and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. The relevant General Partner will be required to notify the other Limited Partners of any such Side Letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other Limited Partners, only to the extent provided in the Advisory Agreements and/or required by applicable law.

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Funds Not a Registered Investment Company. The Funds are not registered under the Investment Company Act. The Investment Company Act provides certain protection to investors and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will apply to a Fund.

General Partners Not a Registered Investment Broker. While certain members of a Fund's Manager, and perhaps also a member of a Fund's General Partner, are registered representatives of a registered broker-dealer, no General Partner is registered as a third-party broker-dealer under the Exchange Act, or with the Financial Industry Regulatory Authority, Inc. ("FINRA"), and is consequently not subject to the record-keeping and specific business practice provisions of the Exchange Act or the rules of FINRA.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund's or any portfolio investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund is permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio investment to hedge its exposures becomes limited by such requirements.

Dilution. Following a Fund's initial closing, a General Partner will be authorized to admit additional Limited Partners (or accept increased commitments from existing Limited Partners) during a specified period. Although Limited Partners admitted after a Fund's initial closing may be subject to interest charges on certain items, for purposes of allocating Fund profit and loss, all commitments made during such period generally will be treated as if made at a Fund's initial closing. The charges of such interest may be conducted at the final close of a Fund. In consequence, additional Limited Partners (or existing Limited Partners that increase their commitments) may effectively "buy in" to a Fund at a price that does not necessarily reflect changes in the fair value of a Fund's existing assets at the time of such contributions subsequent to the initial closing.

Special Caution for Investors in Second or Later Closings. It is expected that, following the a Fund's initial closing, a Fund will engage in a variety of investment and investment-related activities. In connection with such activities, a Fund and its General Partner likely will obtain confidential or material non-public information regarding actual or potential projects. A General Partner and a Fund generally will not disclose such information to prospective Fund investors in connection with

their consideration of an investment in a Fund. As a more general matter, any person considering an investment in a Fund (including an existing Limited Partner that is considering an increase to its commitment) subsequent to a Fund's initial closing should assume that the relevant General Partner and the Fund will be in possession of information (such as information relating to actual or prospective projects, to actual or prospective Limited Partners, or to other matters arising subsequent to such initial closing) which information both: (x) would be material to such person's evaluation of an investment in a Fund; and (y) will not be disclosed to such person by the relevant General Partner or the Fund in connection with such evaluation. A General Partner and a Fund explicitly disclaim any obligation to inform prospective investors of any such information.

Under some circumstances, a person considering an investment in a Fund could be provided with copies of a Fund's financial statements for periods following the initial closing. Each such person is cautioned that it will be inherently difficult to determine the value of securities held by a Fund and that, accordingly, it would be inappropriate to interpret any information set forth in such statements as a representation or warranty regarding the true fair market value of any such securities.

Removal of General Partner. Investors will not have any ability to remove a General Partner from such role except in certain limited circumstances or with the requisite vote set out in that Fund's Advisory Agreement. Removal of a General Partner could cause defaults under Fund-level debt instruments, project-level debt instruments, mortgages, deeds of trusts, promissory notes, loan participation agreements, franchise agreements, ground leases, joint-venture agreements, and other agreements and obligations of a Fund, the projects and the portfolio investments. Any such default could reduce the value of a Fund's assets or otherwise result in substantial or complete loss of an investor's investment. As a result, investors could have less control over a General Partner's investment strategies than they may have with other investments.

Liquidity of Interests and Restrictions on Transfer. An investment in a Fund requires the financial ability and willingness to accept substantial risk and illiquidity. There will be no public market for the interests in a Fund, and none is expected to develop. The interests will not be redeemable and generally will not be transferable except with the prior written consent of a General Partner and subject to further restrictions (including the right of first refusal) set forth in the Advisory Agreement and by applicable United States federal and state securities laws. In the event the right of first refusal is exercised, a General Partner, in its sole discretion is permitted to determine the allocation of the participation in the investment of the underlying interest being transferred to the partners (which, without limiting the foregoing, could be limited, in the sole discretion of a General Partner, to partners having a certain minimum commitment). To the extent the interest is transferred to other Limited Partners, the costs of such transfer shall be a Fund expense. As the Advisory Agreement contains significant restrictions on the transfer of the interests, Limited Partners may not be able to liquidate their investments prior to the end of a Fund's term.

Lack of Management Control by Limited Partners. The Limited Partners generally will not have the right or power to participate in the management, control, or operation of a Fund. A Limited Partner will not have an opportunity to evaluate for itself the relevant economic, financial, and other information regarding the investments to be made by a Fund and, accordingly, will be dependent on the business judgment and investment ability of a General Partner in investing and managing the

capital of a Fund. No assurance can be given that a Fund will be successful in obtaining suitable investments or that, if such investments are made, the objectives of a Fund will be achieved.

Economic, Market and Industry Risk. As a Fund's investments will be concentrated in the hospitality sector, the value of a Fund's assets may be sensitive to swings in the overall economy which have an impact on hotel revenues, swings in the capital markets which impede the availability of equity and debt financing, recessions which reduce overall business travel and tourism, a shortage of available credit due to declining property valuations, deteriorating economic fundamentals, fluctuating interest rates, borrower defaults or bankruptcies, terrorism, acts of war, acts of God, changes in land use and zoning, environmental protection and safety, tax or regulatory requirements, fraud or other adverse developments that could have a detrimental impact on the value of a Fund's assets and an investor's interest in a Fund. A General Partner could rely upon projections made by others concerning the performance of an underlying asset and such projections could be uncertain and subject to factors beyond the control of the party making those representations.

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Limited or No Warranties for Property Purchases. A Fund is permitted to acquire properties in the future that are sold in "as is," "where is" and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In certain other acquisitions, the purchase agreements could contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Also, many sellers of real estate are single-purpose entities without any other significant assets. The purchase of properties with limited warranties or from undercapitalized sellers increases the risk that a Fund could lose some or all of its invested capital in the property (and in some cases, have liabilities greater than its investment) as well as the loss of rental revenue from such property.

Risks Related to the Lodging Industry. A number of factors common to the lodging industry could affect a project's business, including (1) increased competition from new or existing hotel properties in a project's market, which could adversely affect occupancy and revenues in respect of a project, (2) dependence on business, commercial and leisure travelers and tourism, (3) dependence on group

and meeting/conference business, (4) increases in energy costs, airline strikes or other factors that may affect travel patterns and reduce the number of business and commercial travelers and tourists, and (5) other risks generally associated with ownership of hotel properties and other real estate.

Risks Related to the Restaurant Industry. A number of factors common to the restaurant industry could affect a project's business, as applicable, including (1) changes in consumer preferences away from the type of cuisine served by the relevant restaurant in respect of such project, (2) competition in the restaurant industry, including from well-established food service companies, chains and independent restaurants, and companies with superior financial and other resources, on the basis of taste, quality, and price of products offered, guest service, atmosphere, location and overall guest experience, (3) changes in food and supply costs, particularly an increase in the price of seafood and other foods, including changes driven by factors such as weather conditions, food safety concerns, product recalls and government regulations, (4) potential litigation or negative publicity related to the consumption of food products and any potential health or safety risks related thereto, and (5) failure to obtain and maintain any licenses and permits necessary to continue to operate.

Risks Related to the Retail, Office Space, and Residential Real Estate Industries. A number of factors common to the retail, office space and/or residential real estate industries could affect a project's business, as applicable, including (1) general economic weakness, which could result in decreased demand for retail products, office space and/or residential rental space, (2) reliance on large tenants and high occupancy rates generally, the loss of which could materially adversely affect revenues, (3) fluctuating market rental rates, (4) the competitive nature of retail, office space and residential leasing businesses, including a potential increase market supply, and (5) structural changes such as an increase in telecommuting and online shopping.

Market Conditions. In the past, the capital markets and banking sectors have experienced high volatility, market disruption, and substantial losses. The real estate industry generally, and the success of the Funds' investment activities specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partners. This turmoil (whether regulatory or financial in nature) had an adverse effect on real estate valuations and resulted in a lack of available credit, declining real estate values and higher foreclosure rates for an extended period of time. Disruptions in the capital markets (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) can significantly limit the availability of debt and equity for investments in the hospitality sector, resulting in fewer buyers and lower property values. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the COVID 19 pandemic in 2020, the onset of the credit crisis in the summer of 2007 and the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value certain private holdings and investors' risk-free rate of return. Movements in foreign exchange rates could adversely affect the value of a Fund's investments and a Fund's performance. If such economic conditions occur, they could interfere with the successful implementation of a Fund's business strategy, negatively impact fundamentals in the hospitality sector and result in declining values of collateral securing loans made by a Fund. It is not possible to project the date when market conditions will change or the length or severity of such

conditions. Prospective investors should be aware that these types of conditions could present significant challenges to a Fund and its profitability.

Uncertain Economic, Social, and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, elections or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its projects to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's projects.

Risks Related to Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and COVID, have resulted in historic market disruptions, and any future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could result in significant losses to a Fund.

Among other things, these developments have resulted in reductions in demand across categories of consumers and businesses, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing and shipping activity and strain and uncertainty for businesses and households. Such developments have and could in the future adversely impact RBC, the Funds and/or their portfolio investments. Public health emergencies such as COVID typically have a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment. Furthermore, RBC's ability to operate effectively, including the ability of its personnel or its services providers and other contractors to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives and RBC's business and to satisfy its obligations to the Funds, their investors, and pursuant to applicable law, has been, and has the potential to be, impaired. The impact of a public health emergency among RBC's personnel and its service providers would also significantly affect RBC's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of the Funds' investment activities or operations.

Risks Associated with U.S. Regulatory Policy. As a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets. There has been an active debate both nationally and internationally over the appropriate extent of government scrutiny and/or regulation and oversight of private investment funds and their managers. Any changes in the regulatory framework applicable to a Fund is permitted to impose additional

expenses, require the attention of senior management, or result in limitations in the manner in which the Fund's business is conducted.

This enhanced oversight and regulation, and the need for additional rule-making by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which a Fund, its General Partner, the Manager or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against a Fund, its General Partner, the Manager or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm a Fund, its General Partner, the Manager or their respective affiliates' reputations which could adversely affect a Fund's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the United States and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations. Any such events or changes could occur during a Fund's term and may adversely affect a Fund and its ability to operate or pursue its investment strategies. Such risks are often difficult or impossible to predict, avoid, or mitigate in advance.

Regulation generally, as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, could increase the cost of acquiring, holding or divesting of investments, the profitability of enterprises and the cost of operating a Fund. Changes in U.S. federal, state and local or foreign tax law, interpretations of existing tax law or adverse determinations by tax authorities, could increase a Fund's tax burden or otherwise adversely affect a Fund's financial condition or operations. Changes to accounting rules or regulations could adversely affect a Fund's financial condition. There can be no assurance that any such enhanced scrutiny will not have an adverse impact on a Fund or not otherwise impede a Fund's activities.

Enhanced Scrutiny and Regulations of the Private Fund Industry. As private investment firms and other alternative asset managers have become more influential participants in the U.S. and global financial markets and economy generally, and as the private funds industry and the reach of transactions consummated by its participants has continued to grow, the private funds industry has become subject to enhanced political, governmental, and regulatory scrutiny around the globe. This increased scrutiny was particularly acute during the recent GFC, over the course of which the business practices and economic incentives of private fund industry participants were viewed by certain political, governmental, and regulatory commentators as contributing to the market and economic volatility that ultimately resulted in the crisis. This enhanced scrutiny has prompted governmental and public action with respect to the private funds industry and its practices. As a result, a Fund is permitted to invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

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The SEC has proposed and enacted significant rules that will impact the business of RBC and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact RBC and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

Disclosure of Information. A Fund, its General Partner, the Manager or their respective affiliates and investors could be subject to public records or similar laws that may compel public disclosure of confidential information regarding a Fund, its investments or one or more Limited Partners. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise, including to comply with regulations or policies to which these entities may be or become subject.

Liquidation During Down Cycle. Because of the fixed term of a Fund, liquidation of a Fund may commence at a time when the real estate market generally, or the value of given investments, have entered a down cycle. Such adverse effects may include the requirement of a Fund to pay breakup, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. Accordingly, a Fund may not be able to minimize losses or to realize gains to the same extent it might have been able to if a Fund were to wait indefinitely until the real estate market or the value of the given investments had rebounded from the down cycle. Even though a General Partner is permitted to take this factor into consideration when determining how quickly to liquidate a particular investment following commencement of the winding up process (which process may take up to a year or longer), there can be no assurance that the real estate market or the value of any given investment will improve prior to disposition.

Fraud by Borrowers. While a Fund will conduct extensive due diligence on potential borrowers and issuers and the underlying collateral, it may not always be possible to uncover fraud. If a Fund is defrauded with respect to any investment, a Fund could lose the full amount of such investment.

Possibility of Fraud or Other Misconduct of Personnel and Service Providers. Misconduct by personnel of a General Partner, the Manager, Senior Advisors, service providers to a Fund and/or their respective affiliates could cause significant losses to a Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, unauthorized misappropriation of funds, the improper use or disclosure of confidential information, and other matters which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities could result in reputational

damage, litigation, business disruption, and/or financial losses to a Fund. No assurances can be given that a General Partner or the Manager will be able to identify or prevent such misconduct.

Use of Projections. A General Partner will generally establish the capital structure of companies in which a Fund invests on the basis of financial projections for such companies. Projected operating results for a Fund's investments will normally be based primarily on management judgments. In all cases, projections are only estimates of future results which are based upon information relating to investments and third parties and assumptions made at the time that the projections are developed and are subject to risks and uncertainties. There can be no assurance that the projected results will be obtained and actual results could vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections. Transactions in which a Fund is permitted to invest will be evaluated, in part, on the basis of financial projections for such transactions. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed and are subject to risks and uncertainties. There can be no assurance that the projected results will be obtained and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

U.S. Federal Income Tax Liability Resulting from IRS Audits. U.S. federal income taxes arising from an IRS audit will be paid by the Fund absent an election to the contrary. Any such payments by a Fund generally will be treated for purposes of the relevant Advisory Agreement as if such amounts had been distributed to the applicable Limited Partners.

In addition, a partnership representative (as well as an individual person chosen by a Fund under applicable rules (the "designated individual")) will have the power to act on behalf of such Fund and the Limited Partners in all IRS audits and other proceedings involving such Fund's U.S. federal income, loss, deductions and credits.

Delayed Schedule K-1s. A Fund likely will not be able to provide final Schedule K-1s (or equivalent reports) to Limited Partners for any given fiscal year until after the initial tax filings deadlines for Limited Partners' tax returns. Accordingly, Limited Partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in a Fund.

Failure to Maintain REIT Qualification. A General Partner is permitted to organize one or more real estate investment trust ("REIT") subsidiaries that elect to be treated as a REIT for U.S. federal income tax purposes through which a Fund may make investments (each a "REIT Subsidiary"). Qualification as a REIT involves the application of highly technical and complex provisions of the Code, for which there are only limited judicial and administrative interpretations, and the determination of various factual matters and circumstances not entirely within the REIT's control. There can be no assurance that a potential REIT Subsidiary's expected election to be taxed as a REIT for U.S. federal income tax purposes can be made or, if made, can be continued. If any REIT Subsidiary fails to maintain its qualification as a REIT in any taxable year, and certain relief provisions do not apply, the REIT would be subject to tax on its taxable income at regular corporate rate and distributions to the relevant Fund and other shareholders in such REIT Subsidiary will not

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be deductible in computing such REIT Subsidiary's taxable income. In such an event, distributions by the REIT Subsidiary to a Fund or the Limited Partners would, to the extent of earnings and profits, be taxable to the Limited Partners as ordinary dividends. Although a Fund or a parallel investment vehicle is permitted to, but not obligated to, hold certain REIT qualifying assets through one or more REIT Subsidiaries, there can be no assurance that U.S. federal laws and regulations pertaining to REITs will not change before any REIT Subsidiary can be established and qualify or, once established and qualified, that such laws and regulations would not have a retroactive effect on any or all such REIT Subsidiaries. As a result of any such changes, it could be impracticable for a Fund and/or any such parallel investment vehicle to hold assets through a REIT Subsidiary.

Unfunded Pension Liabilities of Portfolio Investments. In at least one circuit, a court found that, in certain circumstances, an investment fund could be treated as a "trade or business" for purposes of determining pension liability under U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio investment, such fund (and any other 80%-owned portfolio investments of such fund) might be found liable for certain pension liabilities of such a portfolio investment to the extent the portfolio investment is unable to satisfy such liabilities. A Fund is permitted to invest in a portfolio investment that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund owns an 80% or greater interest in such a portfolio investment. If a Fund (or other 80%-owned portfolio investments of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a Fund and the companies in which a Fund invests. This discussion is based on current court decisions, statutes and regulations regarding control group liability under ERISA, as in effect as of the date of this brochure, which may change in the future as the case law and guidance develops.

Conflicting Investor Interests. Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by a General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, a General Partner generally will consider the investment and tax objectives of a Fund and its partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

Board of Advisors. When applicable, a General Partner is permitted to appoint one or more Limited Partner representatives to a Fund's Board of Advisors. The relevant Advisory Agreement will provide that, to the fullest extent permitted by applicable law, none of the Board of Advisors members owe any duties (fiduciary or otherwise) to the relevant Fund, General Partner, the Manager or any other Limited Partner, other than the duty to act in good faith. In addition, representatives of the Board of Advisors could have various business and other relationships with RBC and its respective partners, members, key persons and personnel. These relationships have the potential to influence their decisions as members of the Board of Advisors. To the extent members of the Board of Advisors vote regarding conflicts or otherwise participate in matters involving a vote or action, such members may not vote solely in accordance with their interests related to the relevant Fund and may vote in a manner that is beneficial to such members' other interests at the expense of such

Fund. Additionally, it is expected that Limited Partners who designate representatives to participate on a Board of Advisors may, by virtue of such participation, have more information about the relevant Fund and portfolio investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally. Although such Limited Partners are subject to confidentiality obligations, there is no guarantee that such Limited Partners will not use information received as a member of the Board of Advisors for purposes unrelated to, and potentially harmful to, the relevant Fund. Additionally, because the Board of Advisors is expected to be comprised of Limited Partners with large commitments, the Board of Advisors may not embody a representative sample of the relevant Fund's Limited Partners. Finally, Board of Advisors members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of Board of Advisors members.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any Carried Interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or RBC who were or may in the future be granted direct or indirect interests in Carried Interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for RBC to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and RBC reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by RBC following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing Limited Partners and maintaining exposure to an asset where RBC believes there is the potential for additional value generation. Where undertaken, existing Limited Partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by RBC and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a Limited Partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio investments; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even Limited Partners that elect to continue to

hold a direct or indirect interest in the relevant portfolio investment will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive Carried Interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or Limited Partner and those of RBC or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where RBC or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of Limited Partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, RBC, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent RBC requires existing Limited Partners and/or new buyers to commit capital to a continuation fund or another Fund managed by RBC in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its Limited Partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio investments with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Limited Partners in the relevant Fund, and in such circumstances RBC reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Limited Partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to Limited Partners and/or the relevant Board of Advisor(s) prior to the closing of the transaction, there can be no assurance that RBC will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual Limited Partner or group of Limited Partners. However, RBC reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Advisory Agreements. RBC is permitted to seek the consent of the relevant Fund Board of Advisor(s) to approve conflicts associated with such transactions and accordingly not all Limited Partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation

regarding RBC, the Funds or one or more portfolio investments could have a material and adverse effect on the value of the Funds.

Development and Construction or Renovation Risks. A Funds are permitted to acquire direct or indirect interests in undeveloped land or underdeveloped real property (which could be non-income producing), real estate developments, redevelopments or renovations and/or businesses that engage in real estate development, redevelopment or renovation. To the extent that a Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and development activities, including the possibility of development cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after acquisition. Any unanticipated delays or expenses could have an adverse effect on the operations and financial condition of a Fund. Properties under development or properties acquired for development are likely to receive little or no cash flow from the date of acquisition through the date of completion of development and would likely continue to experience operating deficits after the date of completion. In addition, market conditions could change during the course of development that make such development less attractive than at the time it was commenced.

Harmful Mold and Other Air Quality Issues. Some of the Funds' properties could contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation. When excessive moisture accumulates in buildings or on building materials, mold could grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses, and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of a Fund's properties could require a Fund to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a Fund to liability from its project and guests (including their invitees) and others if property damage or health concerns arise.

Management Contracts. RBC and its various property owner affiliates engage property management companies to manage each real estate asset. By virtue of their scale, certain property management companies are able to provide various forms of discounts and/or credits against certain expenses that are typically borne by the property management company and passed through to the applicable property owner entity as operating expenses. RBC and its affiliates may enter into such arrangements with property management companies that are designed to create scale and operational efficiencies.

Forward-looking Statements. A private placement memorandum may contain targeted or projected returns and forward-looking statements. These targeted or projected returns and forward-looking statements reflect a General Partner's views with respect to future events. Actual returns and results could differ materially from those in the targeted or projected returns and forward-looking

statements as a result of factors beyond a Fund's control. Investors are cautioned not to place undue reliance on such returns and statements.

Conflicts of Interest

RBC seeks to put the best interest of investors and clients first, consistent with its fiduciary duty as a registered investment adviser. As such, we take steps to address these situations, and make investors aware of the potential conflict inherent in each. More information or a description of applicable conflicts of interests is set forth in a Funds' Advisory Agreements.

Conflicts of Interest. Investors should be aware that various actual and potential conflicts will arise from the overall investment activities of the Funds, the General Partners, Rockbridge and their respective affiliates. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in the Funds. In addition, investors should be aware that the General Partners, Rockbridge and their respective personnel and affiliates likely will in the future engage in further activities that will result in additional conflicts of interest not addressed below. There can be no assurance that the General Partners or Rockbridge will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. Key persons and Rockbridge, through various affiliated entities, are currently engaged in the management of the Funds or other investment vehicles and intend to continue to act in the capacity of Manager for the Funds and other investment vehicles, including Co-Investment vehicles (as defined below). Subject to the terms of a Fund's Advisory Agreement, the key persons, the relevant General Partner, the Manager or any affiliate is likely to, under certain circumstances, to form a new Fund in the future for which the Manager or any affiliate is likely to serve as the relevant General Partner or Manager. Additionally, the key persons and Rockbridge or its affiliates have formed, and in the future, intend to form, one or more other funds or investment vehicles which are likely to invest in real estate transactions through investments which are likely to be similar to or distinct from the investment philosophy of the Fund. Certain affiliates of the key persons or personnel of affiliates are also likely to form one or more other funds or investment vehicles which are likely to invest in real estate transactions (e.g., a sliver equity investment by a hotel manager or certain personnel or affiliates thereof) in amounts greater than (and in addition to) those invested by the key persons or their affiliates as limited by a Advisory Agreement. It is anticipated that the key persons or affiliates thereof will make minority investments in certain investment vehicles, in which the key persons have limited or no control, such investment vehicles will not be considered affiliates of the key persons. Subject to agreed restrictions described in a Advisory Agreement, conflicts could arise among a General Partner, Manager and their affiliates in connection with investment decisions being made for or on behalf of the Fund(s). The key persons intend to devote all business time to the Manager or General Partner as is necessary to manage the affairs of the Fund but are not prohibited from engaging in other activities for or on behalf of the Rockbridge Hospitality Funds, any new Fund, or other investment vehicle which could own real estate (including hotels) and/or operate a management company or any other similar or related fund or business opportunity. Because the key persons will not devote their full professional time exclusively to the business and affairs of a Fund, conflicts could arise in allocating their services and those of the other personnel and affiliates

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among a Fund, other Rockbridge Hospitality Funds, any new Fund and other activities. The Manager attempts to resolve such conflicts of interest in light of its obligations to investors in its Fund and the obligations owed by the Manager's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds, and such investments vehicles in a fair and equitable manner; however, there can be no assurance that conflicts will be resolved in a manner that is beneficial to all parties, including a Fund.

Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for other Funds, including Co-Investment (as defined below) vehicles. In determining which Funds should participate in such investment opportunities, subject to the relevant Advisory Agreements, the relevant General Partner, key persons and their affiliates are subject to potential conflicts of interest among the investors in the relevant Fund and investors in the other Funds. To determine whether a Fund or its affiliates will participate in the relevant investment opportunity, the relevant General Partner generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's Advisory Agreement, as well as factors including but not limited to: the investment objectives, strategies, obligations, and restrictions, if any; facts specific to the Funds under consideration such as portfolio concentration, construction and mix, duration, type of investment opportunity under consideration, remaining term, and available commitments; allocation preferences granted to certain investors in the applicable Advisory Agreements, such as the applicable Fund's Advisory Agreement, limited liability company agreement, and any Side Letter agreements executed in connection therewith; structure financing, timing or other aspects of the investment process; size of the investment relative to the investment vehicle; potential conflicts of interest, reporting, reputation competition, or confidentiality considerations; tax, legal, or regulatory, policy, restrictions and other similar considerations; exclusion from prior investment opportunities; preferences previously communicated; past experience with the type of investment under consideration; and the judgment of Rockbridge's Investment Committee. After determining the allocation to a Fund, the relevant General Partner reserves the right to allocate a portion of any investment among other Funds or Limited Partners and/or other third-parties (e.g., Senior Advisors, vendors and service providers) as set forth below in accordance with the relevant Advisory Agreement, including Side Letters, and its allocation and Co-Investment policies and procedures. Allowing any Co-Investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by a Fund, and because co-invest opportunities generally appeal to Fund investors with third parties, a General Partner expects to be subject to potential conflicts of interest in determining the amount of the investment opportunity that should be allocated to a Fund. A Fund could invest together with other Funds in the manner set forth in the relevant Advisory Agreements and such General Partner's investment opportunity allocation policy. A General Partner will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the General Partner's obligations and could take into consideration factors such as those set forth above. Investments by more than one client of RBC in a portfolio investment also have the potential to raise the risk of using assets of one client of RBC to support positions taken by other clients.

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A General Partner's allocation of investment opportunities among a Fund and any of the other Funds, or an affiliate, or its affiliates in the future often will not be proportional. Therefore, such allocations potentially will be more advantageous one or more other Funds, Rockbridge or their affiliates under the circumstances over time considering such factors as such General Partner deems appropriate (including those set forth above). While a General Partner will allocate investment opportunities in a way that it believes in good faith is fair and equitable to a Fund, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the potential conflicts of interest to which a General Partner, or an affiliate, expects to be subject did not exist.

Prior to a final allocation decision, Rockbridge or an affiliate thereof could enter into a purchase and sale agreement or other binding agreement in connection with the acquisition or origination of an investment. After a final allocation decision, Rockbridge or its affiliate could assign all or any portion of such agreement to one or more Funds.

Certain investors in a Fund and/or strategic investors, third parties, lenders, consultants and other service providers, and/or the Manager's personnel and/or certain other persons associated with the Manager and its affiliates, are expected to be given the opportunity to invest in certain current and/or potential management companies or similar service providers to a Fund and/or its portfolio investments ("service providers"). Such opportunities are not expected to be shared with all Limited Partners, and could be determined based on a number of factors including: the expertise, knowledge and sophistication of the prospective investor with respect to the service provider or other characteristics that are relevant to the investment; the prospective investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective investor's investment process), and to otherwise execute the transaction, in a timely manner; the ability of the prospective investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed and the maximum number or the service provider's preferred number of investors that can realistically participate in the transaction; whether the prospective investor is considered "strategic" to the investment because it is able to offer the service provider certain services or benefits, or whether offering investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the service provider, the Manager or its affiliates; whether the prospective investor has a history of expressing interest in and/or consummating investments with the Manager or its affiliates; whether the prospective investor has any interests in any competitor of such service providers; the amount and/or timing of a Limited Partner's commitment to a Fund or another Rockbridge Fund, and other factors that Rockbridge considers important in connection with the specific transaction.

In addition to the foregoing and subject to any limitations in the relevant Advisory Agreement, the Manager and its affiliates, the key persons and personnel are permitted to carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities for vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. Such investments may be (directly or indirectly through

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investment vehicles sponsored by potential competitors) in the same industries as the Funds invest, and may compete with the Funds for investment opportunities, an/or compete with portfolio investments of the Funds.

A Fund is authorized to invest together with other Funds in the manner set forth in the relevant Advisory Agreements and/or the relevant General Partner's allocation policy. Potential conflicts are expected to arise when and to the extent a Fund makes an investment in a portfolio investment in conjunction with an investment made by another Fund or if it were to invest in the securities of a company in which another Fund has already made an investment. For instance, a Fund will likely not invest through the same investment vehicles, have the same access to credit, or employ the same hedging or investment strategies as such other Fund. This will likely result in differences in price, investment terms, leverage, and associated costs between a Fund and any other Fund. The relevant General Partner and its affiliates may express inconsistent views of such investments or of market conditions more generally. To the extent a Fund sells its interest in an investment to a third-party, it may impact the value of a Fund's interest in the same investment, and will give rise to the co-venturer risks discussed above. There can be no assurance that the Fund and the other Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions. In that regard, actions taken for one or more other Funds will potentially adversely affect a Fund.

A General Partner and the Manager also reserve the right to enter into cross-transactions on behalf of the Fund and/or other Funds, or co-investors or Co-Investment vehicles, in which a Fund buys securities from, or sells securities to, or co-invest with, such other Funds, vehicles or persons. In some cases, a portfolio investment of a Fund will potentially be merged with or into a portfolio investment owned by another Fund. Investments in a portfolio investment by more than one Fund raise potential conflicts of interest, including where the assets of a Fund are used to support positions taken by other Funds and/or the transactions allow the Manager or its affiliates to realize Carried Interest and/or obtain future management fees and/or Carried Interest with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Fund's Advisory Agreements or otherwise in the sole discretion of the applicable Funds' General Partners, such General Partner is authorized to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Rockbridge) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Board of Advisors) to such transactions. The Manager reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to a Fund under then-current market conditions, and therefore determine not to obtain any consent or fairness opinion (except where required by applicable law). Further, Funds nearing the end of their term are expected to sell their interest in commonly-held investments to other Funds with more time remaining in their term, which gives

rise to the conflicts of interest described herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the relevant General Partners are assigned varying percentages of Carried Interest from Funds in the same investment, or if economic terms performance or the potential for Carried Interest vary between Funds, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such Carried Interest to become "realized." Whether or not consent or an opinion is obtained, or a third-party invests, the Manager intends to conduct such transactions in a manner that the Manager believes to be fair and equitable to each Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each Fund, including the relative ownership percentages of the Funds in the applicable investment, the length of time remaining in a Fund's term and other factors similar to those discussed above regarding the allocation of investment opportunities. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances RBC generally will not seek a fairness opinion or Board of Advisors consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Advisory Agreements. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

Multiple Funds potentially will invest at the same, different, or overlapping levels of a portfolio investment's capital structure, which creates conflicts of interest in determining the terms of each such investment. Questions are likely to arise subsequently as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring will potentially raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio investment. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, other Funds could or could not provide such additional capital, and if provided, each such Fund generally will supply such additional capital in such amounts, if any, as determined by such Fund's general partner in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio investment, the Manager and its affiliates are expected to face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In certain circumstances a Fund is expected to be prohibited from exercising (or the Manager may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of such Fund may be subject to creditor claims regarding subordination of interests. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Funds.

A General Partner and the Manager will generally consider the investment objectives of a Fund as a whole, not the investment objectives of any Limited Partner individually. Consequently, certain decisions made by a General Partner or the Manager could be more beneficial to one type of Limited Partner than another type of Limited Partner. Although the Fund expects that it will have disposed of its investments prior to the termination of a Fund, a Fund could have to sell, distribute or otherwise

dispose of certain of its investments at a disadvantageous time as a result of termination. Rather than dispose of its investments at a disadvantageous time, a General Partner could seek to provide the Limited Partners with a liquidity solution through the recapitalization of the Fund and, in connection therewith, extend the term of the Fund.

A General Partner expects to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to a Fund. A General Partner, in its sole discretion, will allocate fees and expenses in accordance with the Advisory Agreement and in a manner that it believes in good faith is fair and equitable to a Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses will likely not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or its General Partner and/or its affiliates. The Manager intends to allocate fees and expenses in a manner it believes to be fair and equitable, but in its sole discretion. As a general matter, broken deal expenses are allocated among Limited Partners regardless of whether any individual Limited Partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. A Fund also expects to bear fees and expenses indirectly to the extent a portfolio investment (or intermediate entity) pays fees and expenses, and its General Partner reserves the right to charge fees and expenses to portfolio investments, capitalize fees and expenses into the cost basis of a transaction, or to the extent necessary or desirable for operational, administrative, tax or other reasons, charge fees and expenses at the level of an intermediate holding company between such Fund and portfolio investment. The amount of Fund expenses ultimately called or called at any one time may exceed expectations. We are permitted to determine final expense allocations among Rockbridge Funds only after certain expenses or other amounts have already become due and payable. In these circumstances, a Fund would be expected initially to bear the full amount of an upfront payment or expense, even if another Rockbridge Fund ultimately participates in the investment. In such a circumstance, the other Rockbridge Fund would reimburse the Fund for its proportionate share of such payment or expense when we determine the final allocation of the investment opportunity among a Fund and the other Rockbridge Funds, potentially without interest.

Additionally, a portfolio investment typically will reimburse RBC, Senior Advisors or service providers retained at RBC's discretion for expenses (including, without limitation, travel expenses) incurred by RBC, Senior Advisors or such other service providers in connection with the performance of services for such portfolio investment. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by RBC personnel. This subjects the General Partners to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Advisory Agreement and its internal reimbursement policies and practices, the relevant General Partner determines the amount of these reimbursements for such services in its own discretion.

A General Partner or its affiliates reserve the right to also employ or retain personnel (including Senior Advisors) with pre-existing ownership interests in or who were employed by or retained by portfolio investments owned by a Fund or multiple Funds; conversely, former personnel or

executives of the General Partners or their affiliates (including Senior Advisors) will potentially serve in significant management roles at portfolio investments or service providers recommended by the General Partners. Similarly, the General Partners and/or their personnel maintain relationships with (and reserve the right to invest in) financial institutions, service providers and other market participants, and their respective personnel, including managers of private funds, banks brokers, developers, advisors, consultants, finders (including executive finders and portfolio investment finders) executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio investment executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partners, and/or a Fund(s), and/or portfolio investments. A General Partner expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a service provider to the Fund or a portfolio investment owned by the Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the General Partner(s) information about markets and industries in which the General Partners or their affiliates operate (or are contemplating operations) or will provide other services that are beneficial to the General Partners or its affiliates. A General Partner also expects to be subject to a potential conflict of interest in making such recommendations, in that the General Partners have an incentive to maintain goodwill between itself and the former, existing and prospective portfolio investments for a Fund and other Funds, while the products or services recommended may not necessarily be the best available to a Fund and/or portfolio investments held by a Fund.

Over the life of a Fund, its General Partner generally expects to exercise its discretion to recommend to the Fund or to a portfolio investment thereof that it contract for services or enter into other transactions with various service providers, potentially including (in addition to the persons referenced in the paragraph above), among others: (i) a General Partner (or an affiliate, which is likely to include Senior Advisors and/or other portfolio investments of the Funds) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which a General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit, including joint-venturers or co-venturers, or relationships where General Partner personnel are seconded, or from which a General Partner receives secondees; or (iii) a Limited Partner or its affiliates. For example, a General Partner will potentially initiate transactions or services agreements between two or more portfolio investments of a Fund and/or other Funds, and is authorized to engage certain Limited Partners or their affiliates that are engaged in lending or other businesses to provide financing and/or other services in connection with a Fund's investments. In addition, one portfolio investment is authorized to provide goods or services to another portfolio investment, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio investment at a rate higher than could be obtained by such portfolio investment on the open market, or conversely, result in a portfolio investment providing services to another portfolio investment at a discounted rate. Additionally, a General Partner has incentives to engage Limited Partners to provide services to a Fund and/or its portfolio investments, including financing, to

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maintain goodwill with such Limited Partners including with respect to investments made or that may be made in such Fund or another Fund. As a result, in each case, the products or services recommended may not necessarily be the best or lowest cost option.

The foregoing subjects a General Partner to potential conflicts of interest, because although it intends to initiate transactions select lenders and other service providers that it believes are aligned with its operational strategies and that will enhance portfolio investment performance, a General Partner has an incentive to recommend the related or other person because of its financial or business interest, including a person's historical or potential future relationship with a General Partner and/or the investment (or amount of investment) to be made in a Fund by such person. Additionally, there is a possibility that a General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to a General Partner, a Fund or other Funds), would favor a transaction, retention or continuation of lending or other services even if a better price and/or quality of service provider could be obtained from another person. A General Partner will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) the foregoing expenses. Although a General Partner generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending services providers. Additionally, Rockbridge expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors and likely will be offered Co-Investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, Limited Partners should not expect service providers to RBC or any Fund to provide services that will be the most beneficial to any Limited Partner. Whether or not a General Partner has a relationship with or receives financial or other benefit from recommending a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Manager personnel also are permitted to serve in interim or part-time roles at projects, or will provide services to projects as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at the Manager. Under such arrangements, the relevant project generally will pay all or a portion of the compensation and benefits in respect of such personnel (including salary, bonus, insurance benefits and paid time off) which will not offset a Fund's Management Fee, or may supervise or oversee such personnel. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by the Manager as overhead in respect of those personnel would be borne by the project when they are secondees or other project personnel. Therefore, the Manager has an incentive to cause its personnel to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to projects. As secondees arrangements are often initiated to meet temporary project needs, they are expected to change over time, and in many cases will be ended by the Manager when the project is sold or when the position can be filled on a longer-term or permanent basis, at which point the secondees may or may not return to the Manager. It is possible that certain Manager personnel will serve as secondees or other

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personnel with respect to multiple projects and perform services that directly or indirectly benefit the Manager while serving as secondees or other project personnel. In other circumstances, former Manager personnel potentially will become personnel of, or service providers to, projects. No compensation earned by such former Manager personnel will offset a Fund's Management Fee.

Personnel of a General Partner and/or the Manager also have the ability to serve, and expect in the future to serve, as members of boards of directors of companies, including those not related to the Manager, and to have investments in such companies. Such companies are in the same industry as the Funds expect to invest in, and have the potential to compete with portfolio investments of the Funds. In such cases, such persons are expected to be subject to fiduciary and other obligations to the relevant companies, in addition to fiduciary obligations owed to the Funds. It would be expected that the interests of a competitor company would not be aligned with those of the Funds or the Funds' portfolio investments. This will potentially result in a conflict between the relevant individual's obligations to a portfolio investment or competing company and the interests of the applicable Funds. In some circumstances, having such individuals serve as directors, board members or interim executives of a portfolio investment of a Fund or another company is likely to restrict the ability of such Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Manager personnel are also permitted to serve on boards or act in other roles including for charitable and educational institutions, trade groups and industry associations. Subject to any limitations in the applicable Advisory Agreement, personnel of a General Partner and/or the Manager are expressly authorized to carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, whether or not through a formal family office or estate planning structure, and will potentially give advice and recommend securities to vehicles which will differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives are the same or similar. Such persons are also permitted to have capital investments in or alongside the Funds, or in prospective portfolio investments. Such investments also may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industries as the Funds invest. Such personnel also potentially will pay or receive compensation relating to these arrangements.

As discussed above, if a Fund enters into any indebtedness with one or more other investment Funds on a joint and several basis, the Manager is expected to enter into one or more agreements that provide each Rockbridge Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Manager may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances, the Funds may be prohibited from exercising (or the Manager may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. The Manager intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Rockbridge Fund to bear its proportionate share of the applicable indebtedness.

The fact that a General Partner's Carried Interest is based on a percentage of net profits creates an incentive for a General Partner to cause a Fund to make riskier and more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because a Fund has a

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fixed commitment period after which capital from Limited Partners generally could only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the invested capital the Fund, the Management Fee structure could create an incentive for a General Partner to deploy capital when it might not otherwise have done so.

The Manager or its affiliates, its personnel and family members, investors, and other associates of the Manager or its affiliates are likely to stay at projects for discounted rates or at no cost, receive gifts or donate rooms for charitable use, which generally reduces the revenue of such projects and affects project returns. It is a common industry practice to offer such discounts or complimentary stays to customers other than the Manager as part of their standard commercial practices in an effort to expand their respective customer bases or otherwise further their interests. The Manager believes that the likelihood of such discounted or complimentary stays resulting in a material negative impact on project returns is remote. The Manager founded RTRX (Rock the Road), a leadership and innovation conference. All profits from the conference are donated to Pelotonia, a 501(c)(3) charity that provides funds for high-risk, high-reward cancer research at The James Cancer Hospital at The Ohio State University. The Fund could provide discounted or donated rooms, amenities, meals or other benefits to support Pelotonia or the conference (directly or indirectly) and therefore Limited Partners will bear such amounts.

A General Partner generally is permitted to receive a distribution in-kind from a Fund, including in connection with investment dispositions or the payment in kind of amounts owed to a General Partner as Carried Interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between a General Partner (and its beneficial owners) and the Limited Partners. For example, a General Partner and its beneficial owners may intend to hold the investment for a different time period than Rockbridge deems suitable for the Funds. Although a General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following a Fund's disposition thereof, neither such Fund nor its Limited Partners will benefit from the increase, and over time the economic benefit to a General Partner and its beneficial owners could exceed the value of a General Partner's pro rata interest in such Fund and the amount of Carried Interest owed. To the extent the beneficial owners of a General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Funds or their Limited Partners.

RBC, its affiliates, and equity holders, officers, key persons and personnel of RBC and its affiliates reserve the right to buy or sell securities or other instruments that RBC has recommended to the Funds. In addition, RBC's officers and principals reserve the right to buy securities in transactions offered to but deemed unsuitable for a Fund, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Advisory Agreements and any related policies and procedures of the Manager. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of a Fund.

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Personnel and related persons of RBC are permitted to have capital investments in or alongside a Fund, or in prospective portfolio investments, directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

Because the Manager and its affiliates are permitted to retain certain director's fees, consulting fees and similar "Advisory Fees" as set forth in the Advisory Agreement in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, such Advisory Fees are based on enterprise value or other metrics relating to a portfolio investment but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of such Advisory Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio investment. In certain circumstances, the Manager expects that co-investors, lenders, consultants or other parties are permitted to negotiate the right to share a portion of such Advisory Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons. Any Advisory Fees with respect to an investment or potential investment (including unconsummated transactions) generally will be allocated to a Fund only to the extent of such Fund's relative ownership or anticipated ownership of such investment or potential investment on a fully-diluted basis. Advisory Fees and origination fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of such Advisory Fees and origination fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former RBC employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that the Manager employs a person that previously received compensation from a portfolio investment, Limited Partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Manager, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, the Manager expects that Co-Investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, the Manager, its personnel, affiliates or others designated by the Manager, including Senior Advisors and other service providers, are permitted to receive compensation in the form of portfolio investment securities. To the extent any such securities are received, after any applicable offset provisions in the Advisory Agreements are applied, the Manager and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio investment and/or the Manager or retain such securities for a period consistent with their own financial and investment objectives, which is likely to differ from those of a Fund). In addition, the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio investment awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio investment cash or liquidity needs, and regardless of whether the portfolio investment is undergoing financial stress,

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the General Partner reserves the right to accrue, defer or forego payments of Advisory Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Advisory Agreements, Limited Partners will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received. For the avoidance of doubt, the General Partner also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio investments. Each of the foregoing conditions is expected to reduce the amount of Advisory Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to RBC over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for RBC to seek to increase such amounts.

In connection with its services to a Fund and its investments, a General Partner, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Manager's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Manager's and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to a Fund or its portfolio investment (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Rockbridge Information"). In many cases, Rockbridge Information will include tools, procedures and resources developed by the Manager to organize or systematize Rockbridge Information for ongoing or future use. Although the Manager expects a Fund and its portfolio investments generally to benefit from the Manager's possession of Rockbridge Information, it is possible that any benefits will be experienced solely by other or future funds or portfolio investments and not by a Fund or its portfolio investments from which the Rockbridge Information was originally received. Rockbridge Information will be the sole intellectual property of the Manager and solely for the use of the Manager. The Manager reserves the right to use, share, license, sell or monetize Rockbridge Information, without offsetting or otherwise reducing Management Fees, and a Fund or portfolio investment will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to a Fund or portfolio investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio investments, the Funds or Limited Partners; no such rewards will offset the Management Fee.

As with other private real estate fund sponsors, as part of the Manager's business, the key persons, the Manager and its personnel have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, developers, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and personnel of current and former portfolio investments and former personnel and members of the Manager or prior firms of the key persons. Certain of these third parties are expected to: (i) introduce investment opportunities to the Manager; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio investments; (iii) introduce portfolio investments to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio investments; or (v) solicit investors for the Funds; and/or (vi)

provide investment banking, consulting, legal or advisory services to the Manager, such Funds and/or portfolio investments. Such third parties are also expected to provide goods or services to or have business, personal, political, financial or other relationships with the key persons and to provide gifts and entertainment to Manager personnel in respect of services provided to the Funds or its portfolio investments even though the Funds and portfolio investments bear such service provider costs. In addition, such third parties are permitted to invest in one or more Funds; co-invest in one or more portfolio investments; or provide other significant business or investment services to the Manager, its Funds and/or their portfolio investments. These relationships have the potential to influence the Manager and the Manager in deciding whether to select or recommend any such third-party to perform services for a Fund or a portfolio investment. The cost of any services provided by such third parties generally will be borne directly or indirectly by a Fund or its portfolio investments, as applicable.

In certain cases, the General Partners will have the opportunity (but generally no obligation unless otherwise agreed to with Limited Partners in Side Letters or the Advisory Agreements) to identify one or more secondary transferees of interests in a Fund. In such cases, the General Partners will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors as described below, and unless required by the Advisory Agreements, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Limited Partners. However, RBC is also authorized to purchase Limited Partner interests for its own account and generally has no obligation to offer such interests to Limited Partners.

The relevant liability standards under insurance coverage procured by the Manager are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Advisory Agreements. Limited Partners generally will be responsible for insurance premiums, as set forth in the applicable Advisory Agreement, regardless of whether the liability and/or indemnity standards in RBC's insurance coverage are higher or lower than that set forth in the Advisory Agreements.

Co-Investments and Conflicts Associated with Co-Investments. A General Partner is authorized, in its sole discretion, to offer to one or more Limited Partners and/or strategic investors, third parties, (including joint venture partners) Senior Advisors, lenders, consultants and other service providers, and/or the Manager's personnel and/or certain other persons associated with the Manager and its affiliates, the opportunity to co-invest alongside the Fund in particular investments through a Co-Investment vehicle. A General Partner retains discretion as to how and to whom Co-Investment opportunities are allocated and such Co-Investment opportunities will not necessarily be shared by all partners. A General Partner could potentially commit to provide Co-Investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by a General Partner in its sole discretion. No Limited Partner will have the right to participate in or be offered an opportunity to participate in any such Co-Investment opportunities unless agreed to by a General Partner. In determining the allocation of Co-Investment opportunities, a General Partner could consider some or all of a wide range of factors, which could include factors that benefit the

General Partner, such as: whether the prospective co-investor has expressed an interest in evaluating Co-Investment opportunities, including the perceived degree of that interest; the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise successfully and efficiently execute the transaction, in a timely manner with respect to the timeframe in which a General Partner believes favorable transaction terms could be achieved based on their history of consummating Co-Investment opportunities; any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that could arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the perceived ease of process in coordinating or completing the investment with the prospective co-investor or prospective co-investors similar thereto; a General Partner's perception of whether the investment opportunity could subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair a General Partner's ability to execute the relevant transaction in the desired time or on desired terms; the size of the investment allocation available to a General Partner (and not being allocated to a Fund), and the practicality of splitting the allocation into smaller tranches; the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number or a General Partner's preferred number of investors that can realistically participate in the transaction; any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction, whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Rockbridge-managed investment vehicle or a General Partner or any of their respective affiliates certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether a General Partner believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships (including formal or informal strategic relationships) that have the potential to provide longer-term benefits to any of the relevant Rockbridge-managed investment vehicles, a General Partner or their respective affiliates; whether the prospective co-investor has a history of consummating Co-Investment opportunities with a General Partner or its affiliates; whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a Co-Investment opportunity (including the financial resources to fund its pro rata share of any future follow-on investments); the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio investment, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to a General Partner and assume a more passive role in governing the investment); whether the prospective co-investor has any interests in any competitor of the underlying investment; the expected investment holding period;

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the services provided by the prospective co-investor in connection with the investment and/or to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment), including sourcing, establishing relationships, participating in diligence, providing operational or financial services post-closing and other services; the size of the prospective co-investor's interest to be held in the underlying portfolio investment as a result of a Rockbridge-managed investment vehicle's investment (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such Rockbridge Hospitality Fund); the size and/or timing of the prospective co-investor's commitment to a Fund or any other Rockbridge-managed investment vehicle; whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the prospective co-investor has previously been provided a greater amount of Co-Investment opportunities relative to other prospective co-investors; the likelihood that the prospective co-investor could invest in a Fund and/or a future fund sponsored by a General Partner or its affiliates and other factors that a General Partner considers important in connection with the specific transaction or investment. It is anticipated that a co-investor or a Co-Investment vehicle will (i) pay asset management fees to a General Partner or its affiliates and (ii) make Carried Interest distributions to a General Partner or its affiliates, which do not offset the Management Fee. Depending on the nature of a Co-Investment (x) a Fund could bear 100% of the expenses and liabilities associated with potential investments involving a Co-Investment vehicle or co-investors that are not consummated, such as breakup fees or broken deal expenses, and could provide any guaranties made in connection with a project or its affiliates, and (y) any other investment-related fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring and disposition of consummated Co-Investments will typically be allocated between a Fund and the Co-Investment vehicle or co-investors on a pro rata basis.

The allocation of such Co-Investment opportunities could create conflicts of interests among a Fund, Senior Advisors, the Partners, and/or any co-investor. In the event that a Co-Investment is made through a Co-Investment vehicle that includes other Funds, ventures, managed accounts, investment vehicles and/or similar arrangements that are advised, managed or operated by a General Partner or its affiliates or in which the General Partner, its affiliates or Manager's personnel receive economic benefits therefrom (e.g., Carried Interest distributions or asset management fees), conflicts of interest are more likely to arise among the interests of the Limited Partners, a General Partner and/or its affiliates, the Manager (or its personnel), the Fund and/or other investors in such Co-Investment vehicle.

Conflicts could arise in determining the amount of an investment, if any, to be allocated among a Fund and any Co-Investment vehicle and the respective terms thereof. Although a Fund generally expects to have control in such Co-Investment arrangements, it is possible a Fund will not always have complete control over such investments or all aspects thereof. For example, certain co-investors could negotiate rights that are typical in real estate partnerships, joint ventures (i.e., rights similar to what a Fund would enter into with its third-party joint venture partners) or other entities or arrangement. Therefore, a Fund could have a limited ability to protect its position. Such

investments could involve risks in connection with the co-investors' involvement, including those described in "Investments in Partnership and Other Entities" above.

A Fund is permitted to initially consummate a portfolio investment and then transfer any or all of its interests to certain Co-Investment vehicles or other persons in accordance with an Advisory Agreement.

Additional conflicts of interest could arise even if a Fund and a Co-Investment vehicle invests in the same securities at the same time. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Fund and/or such Co-Investment vehicle could not be the same. Additionally, the Fund and such Co-Investment vehicle could have different termination dates and/or investment objectives (including return profiles) and a General Partner and its affiliates, as a result, could have conflicting goals with respect to the price and timing of disposition opportunities.

To the extent that a Fund holds interests that are different (or more senior or junior) than those held by such Co-Investment vehicles, a General Partner and the Manager may be presented with decisions involving circumstances where the interests of such Co-Investment vehicles are in conflict with those of a Fund. The Fund's interest may be subordinated or otherwise adversely affected by virtue of such Co-Investment vehicle's involvement and actions relating to its investment. While a General Partner could attempt to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other unaffiliated participant in such transaction could seek to contract with only one entity or group of entities which could result in (i) a Fund being solely liable with respect to its own and a Co-Investment vehicle's share of the applicable obligation and/or (ii) any of a Fund and/or such Co-Investment vehicles being jointly and severally liable for the full amount of such applicable obligation, in each case which could (or could not) result in a Fund and/or such Co-Investment vehicles entering into a back-to-back or other similar reimbursement agreements. A Fund could also choose to extend financing in such situations, including as described in "Investments in Partnerships and Other Entities," "Leveraged Investments" and "Subscription Line, Asset-Backed Facilities and Fund-Level Borrowing" above. In any of the foregoing situations, a Fund or the Co-Investment vehicle generally will not be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty and actions could be taken for the Co-Investment vehicles that are adverse to a Fund or vice-versa.

Affiliates of a Fund's General Partner or the Manager could provide services to or on behalf of and/or transact with a Co-Investment vehicle (or a subsidiary thereof) at the same rates as provided to a Fund or as otherwise agreed upon with the Co-Investment vehicle. While a General Partner believes that: (i) the responsiveness and synergies of doing business with such related parties provide a potential benefits to a Fund, a portfolio investment, a project or the applicable affiliate and (ii) it is intended that such service or transaction will be structured in a manner that aligns the interests of a Fund, a portfolio investment or a project and the applicable affiliate, as applicable, it is possible for conflicts to arise between the interests of the affiliate providing such service or activity and a Fund, its Partners, a portfolio investment, the project, and/or the Manager or its affiliates and there can be no assurance that a superior result will be achieved. The General Partners and the Manager expect to make decisions regarding whether and to whom to offer Co-Investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-Investment opportunities typically will be offered to some and not to other Limited Partners, and its

consideration of relevant factors in determining Co-Investment allocations likely will result in certain investors receiving opportunities to co-invest while other expressing interest in Co-Investments have the potential to receive none. When and to the extent that personnel and related persons of the Manager make capital investments (directly or indirectly through a General Partner) in or alongside a Fund, a General Partner and the Manager are subject to potentially conflicting interests in connection with these investments. The General Partners' and the Manager's allocation of Co-Investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations could be more or less advantageous to some such persons relative to others. In exercising its sole discretion in connection with such Co-Investment opportunities, the relevant General Partner and the Manager will consider some or all of a wide range of factors, which could include the likelihood that an investor could invest in a future Fund. A Fund is permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments are likely to involve risks not present in investments where a third party is not involved, including those described in "Investments in Partnerships and Other Entities" In the event that a transaction in which a Co-Investment was planned, including a transaction for which a Co-Investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the relevant General Partner and the Manager, ultimately is not consummated, all fees and expenses, or other liabilities or obligations, incurred for transactions not consummated relating to such proposed transaction are permitted to be borne by a Fund and not by any potential co-investors that were to have participated in such transaction. Typically, a Fund will bear such fees and expenses regardless of whether any co-investor(s) had yet been identified or confirmed, or whether any Co-Investment vehicle had yet been formed in connection with the relevant transaction.

In addition, a General Partner in order to consummate a transaction or facilitate the acquisition of a portfolio investment and ensure a Fund is afforded an investment opportunity or otherwise, is permitted to cause a Fund to fund (or commit to fund) on behalf of certain co-investors with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. A Fund may or may not receive compensation for such activities. If a Fund does not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from a Fund, a Fund is likely to have an allocation to an investment that is larger than originally anticipated. In addition, a Fund will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. If the excess portion of such investment has not been sold, a Fund generally will bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio investment and could realize lower than expected returns from such investment. In addition, to the extent a Fund makes use of a credit facility to invest in a portfolio investment or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility and co-investors will not have any obligations under such facility.

Impaired Value Investments. The Advisory Agreements provide Rockbridge with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect RBC's compensation. In making such determinations, RBC is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for RBC or its

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affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and Carried Interest compensation arrangements. RBC expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger Carried Interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, RBC will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Advisory Agreements do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, RBC is incentivized to pursue such transactions. Additionally, the amount of Carried Interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Advisory Agreements.

RBC's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Advisory Agreements, neither the relevant General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. RBC is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Advisory Agreements. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of RBC's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although RBC intends to operate in accordance with the Advisory Agreements, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Conflicts Attributable to Portfolio Sales. While commercial real estate could be valued through a variety of methods (e.g., replacement cost approach, income approach, comparable sales approach), hotel properties are often valued based the going concern value of the hotel as a business as well as the value of tangible real property and personal property. A hotel's going concern value could

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include start-up costs, an assembled workforce, business organization, non-realty leases and contracts, hotel franchise agreements, a web presence, reservation system and residual intangible assets. A hotel's tangible personal property is usually subject to a faster depreciation schedule than its real property. Allocating proceeds from the purchase and sale of any hotel property among its component parts could result in different financial results depending on the differential in tax rates between real and personal property, title insurance rates, the allocation of basis for income tax purposes, and the segregation of readily depreciable assets from non-depreciable assets. Where multiple hotel properties are acquired or sold in the same bulk sale or portfolio transaction, buyers and sellers could also realize different returns by allocating value to different jurisdictions where properties are located. Conflicts could arise among the parties to a transaction regarding the manner in which the purchase price is allocated among different properties and assets based on income, property, and transfer tax savings for different parties to any purchase and sale agreement.

If any hotel property or portfolio is purchased or sold by a Fund and one or more Co-Investment vehicles or affiliated entities, conflicts of interest could arise in determining the extent to which the value realized in connection with such transaction should be allocated among assets or properties. While purchase agreements in larger transactions often seek to allocate the purchase price through express allocation provisions, agreements regarding allocation methodologies, agreements to finalize allocations at a future date, and/or dispute resolution mechanisms to resolve allocation issues post-closing, there can be no assurance that such allocation mechanisms will alleviate all such conflicts. Moreover, states take different positions regarding the enforceability of these provisions and could rely instead on affidavits or tax returns to determine the extent to which state, local, or county transfer taxes could be collected as a pre-condition to recording one or more deeds in any transaction. In all such cases, a General Partner will seek to establish consistent policies and procedures to allocate value among different assets or portfolios, however, it is not necessarily the case that such policies and procedures will be approved by other parties to a transaction or tax or regulatory authorities.

The Manager could include certain of a Fund's portfolio investments in a portfolio sale with investments from different capital sources, including other investment vehicles sponsored or managed by the Manager or its affiliates in accordance with the Manager's Portfolio Sales Allocation Policy, which is permitted to be amended by the Manager. A copy of such policy is available upon request. Because a portfolio sale could involve the allocation by the Manager or its affiliate of a purchase price amongst assets with different capital sources, certain conflicts could arise as a result of the application of the Manager's Portfolio Sales Allocation Policy. If the Manager includes certain of a Fund's portfolio investments in a portfolio sale, it will do so because the aggregate value of the portfolio sale is expected to realize greater value than would be realized if such portfolio investment(s) were sold individually. However, there can be no assurance a portfolio sale will result in a higher realized sale price for each portfolio investment for a Fund.

Upon the disposition or other realization of any portfolio investment or project, the Manager is permitted to require the retention of any service provider as a condition of the sale or transfer, including an affiliated service provider. This subjects the Manager to conflicts of interest. For example, the requirement of the retention of any such service provider could reduce the demand for

such investment or otherwise reduce purchase price of such an investment to the detriment of a Fund's investors and the benefit of the Manager and its affiliates. However, the Manager believes any such risks would be mitigated by its fiduciary duties to a Fund and its investors and its strong alignment of interest with such Fund's investors due to its Carried Interest in such Fund.

Conflicts Attributable to Certain Affiliates of a General Partner. Under some circumstances, affiliates of a General Partner, the Manager or affiliates thereof could be in competition with a Fund in connection with the acquisition, sale, or operation of properties in which a Fund could invest. Affiliates of a General Partner or the Manager also perform services or other business arrangements for other clients and real estate investment vehicles similar to the services or arrangements to be performed for a Fund, and a General Partner, the Manager, and certain of the key persons are likely to serve similar roles with respect to these other clients and real estate investment vehicles. Subject to the restrictions described in a Advisory Agreement, the Manager and its affiliates, key persons and personnel also invest in real estate (including hotels) for their own accounts or for the accounts of their family members, friends, or other clients, including investing in other real estate investment funds (and could have investment objectives and policies comparable to those of a Fund and could be in competition with a Fund), and the Manager and its affiliates, key persons and personnel may give advice and recommend securities to investment vehicles which could differ from advice given to, or securities recommended or bought for, a Fund, even though their investment objectives could be the same or similar, which could pose conflicts of interest in the allocation of the time of the affiliates of a General Partner and the allocation of investments. Such investments could also be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as a Fund invests, and could compete with a Fund for investment opportunities, and/or compete with projects of a Fund. In addition, subject to the restrictions described in the Advisory Agreement, a General Partner, the Manager, or their respective affiliates could cause a Fund to make an investment in any project with respect to which other third-party clients of the Manager or its affiliates have or formerly had an investment. Further, subject to the restrictions described in the Advisory Agreement, under some circumstances, affiliates of the Manager is likely to provide services to or enter into transactions (including leases, which could survive the disposition of a project) with or on behalf of a Fund, a portfolio investment, a project or an affiliate thereof and a Fund, a portfolio investment, a project or affiliate thereof could waive certain contractual rights with such affiliates of the Manager in a General Partner's sole discretion. Affiliates of a General Partner or the Manager intend to provide services to or on behalf of and/or transact with a Fund, a portfolio investment, a project, or an affiliate at approved rates. While a General Partner believes that: (i) the responsiveness and synergies of doing business with such related parties provide a potential benefits to a Fund, portfolio investment, project or the applicable affiliate and (ii) it is intended that such service or transaction will be structured in a manner that aligns the interests of a Fund, the portfolio investment or the project and the applicable affiliate, as applicable, it is possible for conflicts to arise between the interests of the affiliate providing such service or activity and a Fund, its Partners, a portfolio investment, a project, and/or the Manager or its affiliates and there can be no assurance that a superior result will be achieved. For example, the termination of an affiliate performing related-party work could trigger a termination or cancellation fee. In addition, while a General Partner intends to structure such transactions in a manner that reduces the potential for a divergence of interests, it is possible that the disposition of certain portfolio investments could be impacted by such activity. For instance, in situations where the Manager or its affiliates owns intellectual

property being used by a project, it will work to negotiate a use agreement (e.g., a lease or license agreement) with a potential buyer whereby such buyer would be entitled to use such intellectual property. If the Manager or its affiliates are unable to reach agreement with such potential buyer, the value of the portfolio investment could be impacted. Moreover, such affiliates of the Manager could provide such services or enter into transactions with unaffiliated third parties some of whom could be in competition with a Fund. It is likely that cash belonging to a Fund, a project or a portfolio investment will be used to satisfy depository requirements of other vehicles at various banking institutions and cash belonging to other vehicles will be used to satisfy depository requirements of a Fund, a project or a portfolio investment so long as there is no right of offset (however, there could be a right of offset for a Fund's own cash on loan related to a Fund, project or portfolio investment).

Intellectual Property. A General Partner, the Manager and their respective affiliates shall each acquire, hold, and/or retain ownership of, and all rights, title, and interests in and to, all intellectual property created, developed or acquired by a Fund, any project or the Manager during the term of a Fund notwithstanding the fact that a Fund (directly or indirectly) paid for the creation, acquisition or development of some or all such intellectual property; provided that a Fund will have a non-exclusive, non-assignable, non-sublicensable, royalty free license to use such intellectual property of its General Partner, the Manager, and their respective affiliates created, acquired or developed for a project for the purposes contemplated by of a Advisory Agreement. While the Manager expects such intellectual property to provide a benefit to a Fund and/or its projects, such intellectual property is also expected to benefit the Manager, its affiliates and/or other Funds, and such benefits have the potential to be significant to such other parties. For example, the Manager and/or its affiliates are expected to create hotel branding related intellectual property in connection with a Fund's acquisition and development of hotels without making separate payment therefor, and to use such intellectual property in connection with other investments owned by the Manager and/or its affiliates (including the other Funds), which poses potential benefits to the Manager and/or its affiliates that own such other investments, notwithstanding that such parties will not pay a Fund or any project for such intellectual property. The value of such intellectual property could be or become substantial. In addition, the Manager and/or its affiliates have the potential to monetize such intellectual property through sale, licensing or otherwise.

A General Partner could institute a program under which portfolio investments are given the option to participate in purchasing, vendor or similar arrangements with a General Partner, its affiliates and other portfolio investments of other Rockbridge-managed investment vehicles. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Participants could voluntarily participate in the program without cost or a General Partner could allocate fees and third-party administration costs for the program among the relevant Rockbridge-managed investment vehicles or projects. A General Partner and its affiliates could also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio investments participating therein. No such amounts will result in additional offsets to the Management Fee. A General Partner believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of a Fund) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market. Rockbridge expects a Fund or its projects to participate in a master insurance program (the

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"Insurance Program"), whereby a Fund or each project is insured under a single insurance policy along with other Rockbridge investment vehicles or projects of other Rockbridge investment vehicles. The Insurance Program presents certain risks and conflicts of interest. Claims made under the Insurance Program with respect to one project could limit or impact the coverage available to other projects covered under the Insurance Program even though all projects pay Insurance Program premiums (which are generally allocated based on Rockbridge's policies in Rockbridge's sole discretion). There also could be conflicts of interest among the owners of a project with respect to coverage of such project under the Insurance Program. Further, because each project is subject to different risks, the underwriting properties will vary within the Insurance Program and there can be no guarantee that the Insurance Program will provide adequate coverage for all projects or that the premiums applicable to a Fund will not be higher than they otherwise would if projects of other Rockbridge investment vehicles had not been included within the Insurance Program. Further, the availability of coverage for, or the premiums incurred by, a Fund or a project could be negatively impacted by insurance claims by other projects or investment vehicles.

Conflicts related to Fund Leverage. In borrowing on behalf of a Fund, a General Partner is subject to conflicts of interest between repaying a Fund's obligations and retaining such borrowed amounts for the benefit of a Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the Limited Partners would otherwise be entitled had a General Partner called capital, and thus could result in the relevant General Partner receiving Carried Interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a Limited Partner could pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to Limited Partners will be commensurate with such costs.

Fees and Expenses. To the extent that Senior Advisors, the Manager, its affiliates or related parties are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain projects or a Fund will bear a greater share of such compensation due to the utilization of such persons' services at a time when fewer of the other Funds or their portfolio investments make use of such persons. Under many of these arrangements, including where Senior Advisors are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by such persons.

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Conflicts related to Activities of Certain Other RBC Affiliates. Under some circumstances, personnel or affiliates of RBC may be in competition with one or more Fund. This competition may include, without limitation, (i) competition amongst Funds managed by RBC and (ii) competition between a Fund managed by RBC and a real estate investment managed or under the control of an RBC affiliate, subject to the restrictions described in the Advisory Agreements of each Fund.

Furthermore, RBC personnel or affiliates may also invest in real estate for their own accounts or for the accounts of their affiliates, including investing in other real estate investment funds (and such affiliates and other clients may have investment objectives and policies comparable to those of the Funds and may be in competition with the Funds). In addition, subject to the restrictions described in the applicable Advisory Agreements, the Manager of each Fund, RBC or their respective affiliates may cause a Fund to make an investment in any project with respect to which other third-party clients of RBC or its affiliates had an investment. Subject to agreed restrictions described in the Advisory Agreements, conflicts may arise among RBC, the Manager and their affiliates in connection with investment decisions being made for or on behalf of the Funds.

To the extent permitted under a Fund's applicable Advisory Agreements, a Complementary Company may provide services to, or enter into business arrangements with, a Fund or its portfolio investments at rates approved by the Board of Advisors for the applicable Fund. Moreover, certain affiliates of RBC may provide services or enter into transactions with unaffiliated third parties some of whom may be in competition with a Fund. RBC, the Manager, and their respective affiliates may each retain ownership of, and all rights, title, and interests in and to, all intellectual property created or acquired during the term of a Fund notwithstanding the fact that a Fund (directly or indirectly) may have paid for the development of some or all such intellectual property; provided that such Fund will have a non-exclusive, non-assignable, non-sublicensable, royalty free license to use such intellectual property of the RBC, the Manager, and their respective affiliates created for an for the purposes of such Fund.

Conflicts related to Hotel/Hospitality Discounts. In certain instances, RBC or its affiliates, its personnel and family members, investors, and other associates of RBC or its affiliates stay at Rockbridge hotels for discounted rates or at no cost. Because Rockbridge hotels offer such discounts to customers other than RBC and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, RBC believes that the potential for conflicts of interest relating to such discounts is mitigated. RBC, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a Rockbridge hotel to RBC, any other portfolio investment or third parties have the potential to affect the returns of such hotel. We believe this arrangement has no material adverse impact to the performance of the Fund(s). In addition, we monitor these arrangements with our associates to ensure compliance with our applicable policies.

Any of these situations subjects RBC and/or its affiliates to potential conflicts of interest. RBC attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by RBC's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the

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circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, RBC will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, RBC consults and receives consent to conflicts from a Board of Advisors consisting of Limited Partners of the relevant Fund(s) and such other investment vehicles.

In addition to the above, we take the following steps to mitigate other identified conflicts:

- Require that personnel of RBC and certain affiliates, seek prior approval of outside business activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- Legal approval of all entry into all Side Letters or other supplemental agreements with Limited Partners and/or investors which may provide for unique rights and obligations. These arrangements are made on a case by case basis and in limited circumstances.
- Pre-approval of certain political contributions.
- Pre-approval of gifts over a certain limit.
- Pre-approval of personal trades in private investments

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 the evaluation of RBC and the Funds. RBC has no information applicable to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Rockbridge has the following affiliated activities and affiliated entities:

BridgePoint Hospitality Holdings, LLC and other RBC affiliates, have acquired or may acquire in the future a direct or indirect interest in one or more hospitality management companies, including and without limitation, Hospitality Ventures Management, LLC or other hospitality goods or services providers that may provide services (including hotel management services) to projects in which the Rockbridge Funds may invest, provided that such services are at market rates or at rates approved by the Board of Advisors of the applicable Fund.

RB Investment Services LLC, an affiliate of RBC ("RB Investment Services"), is in the business of providing servicing, special servicing, and asset management services to real estate lenders and other capital providers. In the event a Fund makes a portfolio investment, for example, in a mezzanine loan, subordinated tranche of a mortgage loan (e.g., a "B Note"), or other participation interest in a mortgage loan, RB Investment Services is permitted to provide these services for the senior note held by a third party-lender or for any other portion of such loan held by third-party lenders and be paid fees from such third party-lenders for these services at rates negotiated with such third-party lenders. RB Investment Services provides these services with respect to the Funds' portfolio investments in mezzanine loans, B Notes, or other participation interests in the mortgage

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loans at no charge to the Funds. RB Investment Services is also permitted to provide certain services on behalf of third-party lenders or other capital providers with respect to financing on projects in which a Fund has an equity investment and be paid a fee from such third-party lenders for these services at rates negotiated with such third parties.

Makeready, LLC, an affiliate of RBC ("Makeready"), provides management services, design, conceiving, branding, development management, procurement, pre-opening, and other management-related services for boutique, independent, and soft-branded hotels, including services in connection with hotel operations, restaurant operations, retail operations and related amenities. Makeready is permitted to provide such services to one or more of the Funds and their respective portfolio investments at market rates or those that are further described in the Funds' applicable Advisory Agreements.

RB Hotel Development, LLC, a construction management affiliate of RBC ("RBHD"), drives the execution of RBC's investment and commercial strategies at the property level. The RBHD team is responsible for executing renovation and redevelopment efforts on behalf of RBC's equity investments as well as providing consultation and oversight on many high-yield debt or preferred equity investments. RBHD is permitted to provide such services to one or more of the Funds and their respective portfolio investments at market rates or those that are approved by a Fund's Board of Advisors, as further described in the Funds' applicable Advisory Agreements.

RBX Media, LLC, an affiliate of RBC ("RBX"), is in the business of providing interior and exterior advertising, digital out-of-home media, signage, and other creative content solutions and branded advertisement opportunities for its sign owner clients. As is described in greater detail in each Funds' applicable governing or offering documents, RBX is permitted to provide such services, or a Fund, portfolio investment or an affiliate is permitted to enter into a lease arrangement with a sign owner client of RBX (which in certain instances could be RBX or an affiliate of RBX) whereby RBX receives fees from third parties; provided that, such services are performed at rates that have been disclosed in the Advisory Agreement, or approved or consented to by the Board of Advisors or Limited Partners and the lease revenue is equal or better than the approved rates. Generally the portfolio investments of a Fund do not pay any fees to RBX, but rather receive rental / lease payments from RBX's sign owner clients (such arrangement is generally tantamount to a cell tower lease, a common practice in the hospitality industry).

RB Hospitality Advisors, LLC, an affiliate of RBC ("RBHA"), is in the business of providing certain consulting and asset management services to developers, operators and owners of hospitality and other real estate projects. RBHA provides its services to such developers, operators and owners (including, without limitation, certain co-investors that invest alongside a Fund in a portfolio investment) at negotiated rates. To the extent RBHA provides any services to any Funds or any of their respective portfolio investments, any fees paid to RBHA by such Fund or any of its respective portfolio investments are applied as a management fee offset in accordance with the Funds' applicable Advisory Agreements.

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RB Hospitality Management, LLC ("RBHM") is a dedicated asset management and hotel operational oversight platform. RBHM provides oversight support between assets of the Rockbridge Funds and RBC.

Foreside Financial Services ("Foreside") is utilized by RBC to carry certain of our associates FINRA registered representative brokerage licenses in order to comply with certain regulations pertaining to private fund offerings. RBC is not affiliated with Foreside in any capacity.

Item 11 - Code of Ethics

RBC has adopted and maintains a "Code of Ethics." RBC's Code of Ethics describes the firm's fiduciary duties and responsibility to investors, requiring personnel to put client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. The Code of Ethics incorporates our insider trading policies, personal trading policies, gifts and entertainment, outside business and charitable contributions which are described in greater detail below. All officers and personnel of RBC are deemed "Access Persons" and are subject to the Code of Ethics. At the discretion of the Chief Compliance Officer, other individuals may be deemed Access Persons, including, but not limited to, on-site consultants or other temporary and/or short-term personnel. Access Persons are required to report any violation of the Code of Ethics promptly to our Chief Compliance Officer.

RBC will provide a copy of its Code of Ethics to any investor of a Fund or prospective investor of a Fund upon request.

RBC and its affiliated persons could potentially come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, RBC and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of RBC. Pursuant to RBC policy, RBC personnel are to promptly report the possession of material non-public information to the Chief Compliance Officer.

Accordingly, should RBC or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, RBC generally would be prohibited from communicating such information to clients, and RBC will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of RBC personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Access Persons of RBC may personally invest in securities identical to or different than those recommended to investors. It is the express policy of RBC that no person employed by RBC shall prefer his or own interests to that of any investor or make personal investment decisions based on

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the investment decisions of investors. Given the typically private nature of a Fund's transactions in real estate, the risk of a RBC employee investing in an identical security is almost zero.

RBC requires all Access Persons to provide initial and annual securities holdings and quarterly transaction reports to Compliance. Additionally, Access Persons are required to obtain approval from the Chief Compliance Officer prior to investing in any IPOs and private placements (limited offerings).

RBC requires that all personnel must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. RBC's Chief Compliance Officer shall determine whether or not the Code of Ethics has been violated and recommend disciplinary action where appropriate.

All RBC associates are required to report gifts and entertainment, given or received, to Compliance, and must obtain pre-approval for gifts over a preset amount.

All RBC associates must report any charitable contributions given on behalf of RBC, and in addition, the firm adheres to a "Political Contributions Policy" ("Pay to Play"), and follows the restrictions outlined in Rule 206(4)-5 of the Advisers Act. Our Political Contributions Policy is available to any investor upon request to the Chief Compliance Officer at RBC's principal address.

RBC utilizes MyComplianceOffice for reporting related to our Code of Ethics, Political Contributions policy, and other required compliance obligations.

Item 12 - Brokerage Practices

Due to the nature of our business, RBC does not expect to utilize traditional securities brokers for any purchases. As such, RBC does not participate or engage in any soft dollar arrangements. In the event that RBC buys or sells publicly-traded securities for a client, Rockbridge will consider a number of factors in selecting a broker-dealer pursuant to its "Best Execution" policy.

RBC, through the Advisory Agreements, has the authority to (i) originate and recommend to a General Partner's investment opportunities that are consistent with the purposes of a Fund, (ii) evaluate, provide investment management services with respect to, and dispose of, investments, and (iii) provide such other services related thereto as a Fund and a General Partner's reasonably request. In executing the investment strategy on behalf of a Fund, RBC may select brokers (such as commercial real estate brokers or commercial mortgage bankers) for various functions in the acquisition or disposition of an investment. RBC selects brokers on behalf of a Fund on the basis of expertise, experience, cost, location, and other factors that RBC determines are appropriate. RBC typically negotiates the commission rates and expenses associated with the engagement of such brokers.

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RBC generally does not advise more than one Fund to invest in a given project. In limited circumstances, as provided in each Fund's applicable Advisory Agreements, or as otherwise approved by the applicable Funds' Boards of Advisors, two or more Funds may invest in the same project. Because a Fund's investment by nature is not readily divisible, when RBC advises Funds invested in a project to hire a real estate broker to assist in the sale of that project, the benefit and the cost of hiring such a broker is naturally shared by those Funds in proportion to their interests in that project.

Item 13 - Review of Accounts

Review of Accounts

RBC maintains direct supervision of a Fund's accounts and each of those accounts and the Fund's investments are monitored on an ongoing basis. RBC's Asset Management team ("Asset Management") generally assigns an "Asset Manager" and support to oversee each investment of a Rockbridge Hospitality Fund. Asset Management will generally maintain regular and on-going oversight of the investment. Asset Management generally meets periodically as needed to review the status of the Funds' investment portfolios and address any issues related to a particular investment. Asset Management provides the senior management of RBC with regular updates with respect to an investment as needed. RBC's senior management regularly discusses the status of the Funds' investment portfolios and disposition strategies. Members of RBC's senior management team monitor the activities of BridgePoint on an ongoing basis. RBC maintains regular communication with BridgePoint's portfolio investment to review its performance. RBC's senior management regularly discusses the status of BridgePoint's performance and management related issues.

Reports to Clients

RBC generally provides investors in each Fund with quarterly and/or annual written reports which generally provide an assessment of the market and a review of such Fund's: (i) investment portfolio including realized and projected returns, (ii) investment and disposition activities, (iii) capitalization (including fund-level leverage), and (iv) other significant activity. Investors also receive an annual report for each Fund in which they have invested which includes audited financial statements prepared in accordance with generally accepted accounting principles (GAAP) along with a review of the market, a report of the portfolio activities, and a schedule of investments and performance. Certain Fund investors may have specific reporting requirements or request information related to such Fund, and to the extent such information may be obtained without unreasonable effort or cost, RBC will generally provide such information. As a result, such investors may possess information that is not known to other investors and may be able to make decisions based on such information.

Item 14 - Client Referrals and Other Compensation

RBC may utilize a third-party placement agent to assist in raising capital for certain Rockbridge Funds. RBC previously paid placement agent fees, and may pay placement agent fees in the future. This is the only arrangement by which a third party receives an economic benefit for Fund investor referrals related to RBC's investment advisory business.

Item 15 - Custody

RBC generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "Custody Rule")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with qualified custodians.

Item 16 - Investment Discretion

RBC, through its affiliation with a Fund's General Partner's, maintains the authority to manage the assets of a Fund on a discretionary basis, subject to the limitations contained in the Advisory Agreements and the Funds' applicable Advisory Agreements.

Item 17 - Voting Client Securities

Proxy Voting Policy

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies on behalf of its clients, as well as a duty to cast such votes in the best interests of its clients and to not subrogate client interests to its own. Rule 206(4)-6 under the Advisers Act (the "Proxy Voting Rule") places specific requirements on RIAs with proxy voting authority. Due to the nature of the investment strategies deployed by RBC, equity securities will generally not be a portion of the investments of RBC. The Funds invest, directly or indirectly, substantially all of their assets in real estate, or similar structures, which are private partnerships, limited liability companies, or similar entities. These types of securities do not typically convey traditional voting rights to the holder, and the occurrence of corporate governance or other notices for this type of investment is substantially less than that encountered in connection with registered equity securities.

Nevertheless, because RBC generally has discretionary authority over these investments held by the clients, RBC is viewed as having proxy voting authority over such interests. To the extent that we, or our clients receive notices or proxies, proxy statements, or similar notices in connection with our investments, RBC has proxy voting responsibilities. Accordingly, RBC is subject to the Proxy Voting Rule. To meet its obligations under this rule, RBC has adopted written "Proxy Voting Policies and Procedures," which are available upon request. These policies and procedures are

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reasonably designed to ensure that RBC votes proxies in the best interests of its clients, and to address how RBC will resolve any conflict of interest that may arise when voting proxies.

The Chief Compliance Officer is responsible for ensuring that we provide our clients with (i) a description of our proxy voting policies and procedures and how clients may, upon request, obtain a copy of our Proxy Voting Policies and Procedures; and (ii) instructions about how clients may obtain information on how RBC voted with respect to the Funds' securities. The Chief Compliance Officer is responsible for responding to requests from Fund investors regarding how we voted proxies.

Investors may request a copy of RBC's Proxy Voting Policies and Procedures and the voting records relating to proxies as provided by the Rule by contacting RBC's Chief Compliance Officer, Eric B. Phipps, at (614) 750-1138 or ebphipps@rockbridgecapital.com.

Item 18 - Financial Information

RBC is required to provide you with certain financial information or disclosures about RBC's financial condition. Under no circumstances do we require or solicit payment in excess of \$1,200 per client more than 6 months in advance of services rendered, therefore we are not required to include a financial statement with this brochure. RBC does not have any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients, and has not been the subject of a bankruptcy proceeding.