

Part 2A of Form ADV: Firm Brochure

Item 1: Cover Page

**Menlo Equities VI LP
490 S. California Avenue, 4th Floor
Palo Alto, California 94306
(650) 326-9300**

www.menloequities.com

February 17, 2017

This brochure provides information about the qualifications and business practices of Menlo Equities VI LP (“MEVI”). If you have any questions about the contents of this brochure, please contact us at (650) 326-9300 (phone) or Kujawski@menloequities.com (e-mail). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Menlo Equities VI LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

This brochure (the “Brochure”) is for Menlo Equities VI LP (“MEVI”) registration with the SEC. Since the last published brochure, dated July 1, 2016, the following sections have been updated to reflect current practices and additional disclosures: (a) Item 5 has been updated to disclose additional information regarding fees and expenses; (b) Item 7 has been updated with respect to the types of clients advised by MEVI ; (c) Item 10 has been updated to include additional information about our affiliates; (d) Item 11 has been updated to enhance our discussion of potential conflicts of; and (c) Item 13 has been updated to add more detail regarding account reviews.

MEVI will deliver an updated Brochure annually to clients, together with a summary of material changes, within 120 days of the close of our fiscal year. MEVI may provide other ongoing disclosure information about material changes as necessary.

Based on changes in our operations or new information, MEVI will deliver a revised Brochure as necessary, at any time, without charge.

You may request a copy of our Brochure by contacting the Chief Compliance Officer, Kevin Kujawski, at 650-326-9300 or by email at Kujawski@menloequities.com.

Item 3: Table of Contents

<u>Item 1: Cover Page</u>	1
<u>Item 2: Material Changes</u>	2
<u>Item 3: Table of Contents</u>	3
<u>Item 4: Advisory Business</u>	4
<u>Item 5: Fees & Compensation</u>	5
<u>Item 6: Performance-Based Fees and Side-By-Side Management</u>	6
<u>Item 7: Types of Clients</u>	7
<u>Item 8: Method of Analysis, Investment Strategies and Risk of Loss</u>	7
<u>Item 9: Disciplinary Information</u>	9
<u>Item 10: Other Financial Industry Activities and Affiliations</u>	10
<u>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u>	10
<u>Item 12: Brokerage Practices</u>	10
<u>Item 13: Review of Accounts</u>	13
<u>Item 14: Client Referrals and Other Compensation</u>	14
<u>Item 15: Custody</u>	14
<u>Item 16: Investment Discretion</u>	14
<u>Item 17: Voting Client Securities</u>	14
<u>Item 18: Financial Information</u>	14

Item 4: Advisory Business

Menlo Equities VI LP (“MEVI”), a Delaware limited partnership, was established in 2016. MEVI, a privately-held, vertically integrated owner-operator and developer of commercial real estate, is engaged in the acquisition, development and operation of properties in select office markets in the Western United States, primarily in California. Menlo Legacy Holdings LP, a California limited partnership (100% owned by affiliates of Henry Bullock) is a 65% owner and Holmstrom Family LP, a Delaware limited partnership (100% owned by Richard Holmstrom) is a 35% owner of MEVI. Mr. Bullock and Mr. Holmstrom are the Managing Principals of MEVI.

MEVI provides advice regarding, and manages, real estate investments and special purpose entities organized to hold real estate investments for private funds and special purpose entities in the form of limited liability companies or limited partnerships (collectively, the “Funds”). MEVI performs these services for the Funds directly or indirectly through limited partnerships, limited liability companies, title holding corporations and other special purpose vehicles organized to hold real estate investments (collectively, “SPEs”) for the Funds or other Clients (as defined below). In connection with the foregoing, MEVI may also provide administrative services relating to the selection and disposition of real estate properties and their ongoing management.

MEVI focuses on high quality investments in commercial real estate in prime locations capitalized through a prudent use of leverage.

MEVI has organized and controls the managers and managing or general partners, which serve as the administrative managers, managing members or general partners (collectively, the “MEVI Managers”) to the Funds that are listed on Section 7.B.(1) of Part 1A of Form ADV.

As supervised persons of MEVI, the MEVI Managers intend to conduct their activities in accordance with the Investment Advisers Act of 1940, as amended, and the rules thereunder (the “Advisers Act”). Any employee of the MEVI Managers, and any other person acting on their behalf, is subject to the supervision and control of MEVI. The MEVI Managers are relying on MEVI’s registration under the Advisers Act and are not registering themselves. The MEVI Managers shall be included in all references “MEVI” herein.

MEVI may, from time to time, sponsor and manage investment vehicles on a transaction-by-transaction basis to allow certain persons to invest alongside one or more Funds in specific SPEs and other assets in which the Funds invest (each such vehicle, a “Co-Investment Fund,” and together with the Funds, the “Clients”). Co-Investment Funds are typically limited to investing in investments or assets relating to the transaction or transactions with respect to which they were organized.

The Clients are organized as US pooled investment vehicles, and an affiliate serves as general partner or managing member of the Funds. Subscriptions for interests in the Clients will generally be accepted only from investors who meet the definitions of “Accredited Investor” under Regulation D promulgated under the Securities Act of 1933,

as amended (“Securities Act”), and “Qualified Purchaser” under the Investment Company Act.

As of June 30, 2016, MEVI managed \$449,200,00 of assets on a discretionary basis.

Item 5: Fees & Compensation

MEVI receives its management fees and other compensation generally as follows:

1. As investment adviser to each of the Funds it manages, MEVI generally receives an annual management fee (“Management Fee”).

The Management Fee is equal to a specified percentage of the capital outstanding of each Fund investor from the initial closing of the Fund through the end of the Fund’s investment period. The Management Fee generally will be paid to MEVI by the Fund monthly in arrears. Management fees are deducted from the assets of each Fund and are generally payable out of current cash flow, disposition proceeds or from drawdowns of investors’ capital commitments to the Fund. The investment management agreement of a Fund may be terminated upon the winding up of the Fund or in the event a specified percentage of the investors vote to (i) remove the general partner for cause after the occurrence of certain specified events (e.g., willfully violated the anti-fraud provisions of the federal securities laws in connection with the activities of the Fund) or (ii) dissolve the Fund.

2. A promoted payout if the Funds earn above a priority return.

MEVI must achieve returns in excess of the priority return in order to receive the promoted payout.

3. Through MEVI’s position as an equity investor in the Funds.

MEVI together with related persons will maintain no lower than a 2.5% interest in the Funds and vehicles it manages. As a result, MEVI participates in all distributions and proceeds that are available to equity partners, earning a pro rata percentage of the priority return and the equity portion of the proceeds subject to a promoted payout.

This compensation structure is essentially the same for all Funds with some exceptions. The compensation structure for Co-Investment Funds varies, and investors in Co-Investment Funds should review their Governing Documents for details regarding compensation paid to MEVI and its affiliates. A complete description of the payment of fees is included within the respective Fund’s private placement memorandum (the “PPM”) and limited partnership agreement or operating agreement for the Fund or Co-Investment Fund (each, an “Operating Agreement”). The PPM, the Operating Agreement, any applicable subscription agreements, and any side letter or similar agreements entered into with a Client’s investors are referred to collectively herein as a Client’s “Governing Documents”.

MEVI, and/or its related entities, receives other compensation for investments in connection with the acquisition, operations and disposition of Client investments. This compensation can vary by property and by investment structure. It may include, but is not limited to:

1. Acquisition or structuring fees paid at the beginning of an investment;
2. Asset and property management fees;
3. Construction management fees for properties involving significant construction/renovations managed by MEVI or an affiliate;
4. Leasing commission fees for executing leases;
5. Refinancing fees paid when a property undergoes a refinancing; and
6. Disposition fees paid at the sale of an investment.

Typically, MEVI's fees are exclusive of the costs and expenses of any third party retained to provide services to a Fund, including transaction fees; under some circumstances outlined in the Governing Documents, MEVI may share certain fees with third parties.

The Funds are generally responsible for all expenses incurred in connection with their organization and ongoing operations, separate and apart from MEVI's management and other fees. These expenses typically include, without limitation: all expenses related to identifying and pursuing investments, regardless of whether consummated; expenses related to managing and disposing of investments; interest on and fees and expenses arising out of all borrowings, including any borrowings from MEVI and/or its related entities; fees for accounting, auditing, research, consulting and legal services; custody fees; brokerage services and other transaction fees and/or expenses associated with the organization and operation of the investment vehicle in which their assets are invested (i.e., break-up and topping fees, monitoring and directors' fees, set-up fees, investment banking fees, closing and transaction fees, and/or other similar fees); and litigation, insurance and indemnification expenses.

In addition, in connection with each transaction successfully consummated by a SPE, MEVI and/or the MEVI Managers may charge the SPE a fee, which is capped at a certain amount specified in the applicable Fund's Governing Documents, to reimburse MEVI and its affiliates for costs of prior failed transactions pursued on behalf of the Fund ("failed transaction pursuit cost") to which the SPE relates. The full amount of failed transaction pursuit cost fee may be borne by the related Fund or the Fund and certain other SPE investors that were sourced by MEVI and its affiliates, including Co-Investment Funds.

While Co-Investment Funds bear similar expenses, Co-Investment Fund investors should review the applicable Governing Documents for details regarding expenses.

Item 6: Performance-Based Fees

As discussed in Item 5, MEVI earns a promoted payout, which is a form of performance-based fee, from the Funds after a priority return to capital invested by the investors is reached on the investment. Typically, the promoted payout is fully vested at the time of its distribution but this may not always be the case. The preferred return is 6.0% annual cumulative non-compounding preferred return paid pro rata to each investor until cumulative preferred return is current, then 80% in proportion to capital contributions and 20% to MEVI. If the cumulative preferred return is current at the end of the calendar quarter occurring on December 31 of each calendar year, MEVI is entitled to an incentive allocation of equity equal to 20% of the amount by which the net asset value (“NAV”) of a Fund exceeds the highest NAV achieved or previously achieved or previously achieved by a Fund exclusive of adjustments pertaining to contributions and distributions. The preferred return rate and promoted payout percentage differ by investment and each Fund.

Item 7: Types of Clients

MEVI provides investment advisory services only to the Funds. Please also refer to Item 4 “Advisory Business” within this Brochure for a description of our clients. Investors participating in Clients may include banks or thrift institutions, pension and profit-sharing plans, family offices, corporations, charitable organizations, other institutional investors, trusts, estates, or individuals, including, directly or indirectly, principals or other employees of MEVI and its affiliates.

The minimum investment required by an investor varies depending on the Fund and in each case is subject to waiver by MEVI. In general, the Funds require a minimum investment of \$1,000,000 but this is subject to the discretion of MEVI and the amount could change. Investors should review the PPM for each relevant Fund for further information with respect to minimum requirements for investment.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

With respect to the Funds, MEVI evaluates investments based on a variety of factors that are described in each Fund’s PPM.

Investments for each Fund are identified and selected by MEVI. In evaluating a potential investment, extensive due diligence is conducted to analyze, among other things, the underlying investment fundamentals (e.g., financial statements, profitability and cash flow), market and competitive position within relevant real estate markets, cost, structures, tenant profiles, unique attributes, property management requirements, contingent liabilities (environmental, regulatory, accounting or otherwise) and potential growth opportunities and potential exit strategies. Financial projections are evaluated using risk-adjusted discounted cash flows.

Investment Strategies

The principal investment strategy for each Fund is described within the Fund's PPM. The material risks associated with each of these strategies is described within each Fund's PPM.

Generally, MEVI seeks to exploit immediate, medium and longer-term opportunities emerging from the current financial market dislocation by opportunistically investing in equity and commercial real estate assets. Investments may be made in performing and non-performing assets. When appropriate, MEVI will almost always use prudent levels of leverage to enhance the yield on its investments.

Investment Risks

Acquiring interests in a Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment in a Fund and can bear a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in the Fund's PPM.

Below are a few key risks associated with such investments.

General Risks

Investments in commercial real estate involve a high degree of risk, because it is generally considered a long-term investment and may be subject to risks not associated with investments in more liquid assets. For instance, real estate may experience fluctuations and cycles in value during any holding period. Some factors attributable to the marketability and value of real property include, but are not limited to the following:

1. changes in general or local economic conditions;
2. changes in supply or demand for the particular property type;
3. fluctuations in occupancy and rents for real property;
4. changes in interest rates;
5. government regulation related to land-use and zoning, environmental protection and occupational safety;
6. varying levels or even unavailability of mortgage funds, making acquisition, refinancing and property disposition difficult;
7. the financial condition of consumers of real property; and
8. natural disasters and threat of terrorism.

Cybersecurity Risks

MEVI, its affiliates, the service providers to the Clients and SPEs and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients and their investors, despite the efforts of MEVI, its affiliates and the service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of MEVI, its affiliates, the service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of MEVI's systems to disclose sensitive information in order to gain access to MEVI's data or that of the Clients' investors. A successful penetration or circumvention of the security of MEVI's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Client, the SPE, MEVI or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Leveraged Investments

While leveraged investments offer the opportunity for capital appreciation, such investments also involve a higher degree of risk and can increase the risk of loss during unfavorable economic conditions.

Illiquidity of Investments

Assets held by investment funds, and the interests in the investment funds themselves, can be illiquid, thus making them hard to value and liquidate, particularly in a falling market. Additionally, interests in investment funds are subject to restrictions on transfer pursuant to the Securities Act. Generally, Clients will be required to hold their investment for at least two years.

Geographic, Class and Tenant Concentration

Real estate investments exclusively in core and core-like office buildings, with a concentrated tenant base and a limited geographic area may lack a diversified pool of assets compared to other types of investment funds that trade in publicly traded securities.

Item 9: Disciplinary Information

MEVI and its management personnel have not been involved in any legal or disciplinary events in the past 10 years.

Item 10: Other Financial Industry Activities and Affiliations

Menlo Equities LLC, a California limited liability company, owned by Menlo Equities Inc. and Diamant Investments LLC, is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. More information about Menlo Equities LLC may be found at www.adviserinfo.sec.gov.

Menlo Equities V LLC, a California limited liability company, owned by Menlo Legacy Holdings LP and Diamant Investments LLC is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. More information about Menlo Equities V LLC may be found at www.adviserinfo.sec.gov.

In addition, the MEVI Managers are relying on MEVI's registration under the Advisers Act and are not separately registered as investment advisers. MEVI and the MEVI Managers operate as a single advisory business, and share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of the MEVI Managers are under common control with the MEVI, and are subject to the code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act by MEVI, Menlo Equities V LLC, and Menlo Equities LLC.

As discussed under Item 5 and Item 11, MEVI and its affiliates engage in transactions on behalf of, or provide services to, Clients and their SPEs and in doing so, they may, to the extent permitted by the applicable Governing Documents, engage in transactions with or provide services to parties affiliated with MEVI and may cause the Funds, Co-Investment Funds and SPEs to compensate or reimburse expenses incurred by such affiliates in connection with such transactions and services. While such arrangements have the potential to create conflicts of interest between MEVI and its Clients, particularly when the arrangements provide a financial benefit to MEVI and/or its affiliates, MEVI and the MEVI Managers believe that such conflicts are addressed by the restrictions and consent requirements related to such arrangements set forth in the Governing Documents, certain policies and procedures they have adopted, and their duties under the Advisers Act with respect to affiliate transactions.

The various Funds managed by MEVI are listed in Part 1A of Form ADV as found at www.adviserinfo.sec.gov.

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

Code of Ethics

MEVI has adopted a Code of Ethics ("Code") and policy on Insider Trading (the "Policy").

A copy of our Code of Ethics is available upon written request to Kujawski@menloequities.com.

Participation or Interest in Client Transactions and Personal Trading

MEVI and its affiliates engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of their Clients and others, and provide transaction-related, investment advisory, management and other services to Clients and their SPEs for which they receive fees and other compensation, including as described under Item 5 and Item 10. MEVI and its affiliates also participate in Client investments and earn various forms of compensation from Clients and their SPEs. As result, in the ordinary course of MEVI conducting activities on behalf of its Clients and their SPEs, the interests of a Client may conflict with the interests of MEVI or its affiliates, one or more other Clients, or one or more SPEs.

On any issue involving conflicts of interest, MEVI and the MEVI Managers will be guided by their good faith judgment as to a Client's best interests. If any matter arises that they determine in their good faith judgment constitutes an actual conflict of interest, MEVI and the MEVI Managers may take such actions as may be contemplated and/or required by the applicable Governing Documents or, if no specific actions are contemplated or required, as they believe to be necessary or appropriate to ameliorate the conflict. Certain of these conflicts of interest and the actions MEVI and the MEVI Managers have taken, or expect to take, to address them are discussed below in more detail.

Participation in Profits of SPEs by MEVI Affiliates.

MEVI may encounter various potential and actual conflicts of interest between itself and the Clients it manages. The arrangements and activities create incentives for MEVI and/or its affiliates that may be in conflict with the interests of investors in the Clients. The participation by MEVI and/or its affiliates in a larger share of profits than their share of capital contributions, as well as the greater share of participation in profits on a Client by Client basis, creates an incentive to make investments that have more risk than would be the case in the absence of an incentive compensation arrangement. The participation by MEVI and/or its affiliates in cash flow prior to the return of capital contributions may create an incentive to maximize cash flow at the expense of total return in some circumstances.

Affiliate Transactions

From time to time, MEVI or certain affiliates, may as a principal (within the meaning of Section 206(3) of the Advisers Act), buy securities from or sell securities to a Client (each, a "Principal Transaction"). Because Principal Transactions may create conflict between MEVI (or its affiliate) and a Client, prior to consummating a Principal Transaction, MEVI must obtain Client consent. The required consent may vary based on a Client's Governing Documents, but typically would require (i) consent of a majority in interest of the Client's investors, (ii) consent of a Limited Partner Advisory Committee (or similar body) that is authorized to give consent on behalf of the Client's investors, or (iii) approval from an unaffiliated independent agent authorized to give such consent.

In addition, there may be times when a Client or SPE engages in a transaction with another Client, SPE, MEVI or one of its affiliates that while not a Principal Transaction could nevertheless be deemed to involve a conflict of interest. Examples of such

transactions, include, without limitation: (i) transfers of SPE interests and rebalancing transactions in connection with the organization or restructuring of any parallel vehicles, feeder funds, alternative investment vehicles, or Co-Investment Funds and the admission or withdrawal of any Clients to or from SPEs; (ii) investments by one Client into another Client; (iii) transactions in which MEVI or an affiliate is retained to provide services to, and receives compensation from, a Client or SPE, such as property management, construction management, leasing, financing or refinancing services; (iv) instances in which MEVI or one of its affiliates leases space from a SPE. When engaging in or authorizing such transactions, MEVI and the MEVI Managers are required to comply with any restrictions or requirements in the applicable Governing Documents. They also maintain policies and procedures that are designed to ensure that they act in the best interests of the Client(s) when authorizing such arrangements. For example, prior to leasing space in any property owned by a Client, MEVI and the MEVI Managers assess whether a property has appropriate availability to meet their needs and determine the appropriate market rent to be paid for such space based on recent leases of comparable space at that location (or, if there have been no recent leases, based on broker recommendations).

Other Potential Conflicts of Interest.

The principals and employees of MEVI and its affiliates may carry on personal investment activities for their own account, for family members or for others who are not the its Clients. Per the terms of the Governing Documents, MEVI and/or its principals, partners, members, managers, and employees may invest in other securities or real estate not included in the Clients' portfolios for their own accounts, for family members or for others who are not Clients or MEVI, subject to certain rules implemented by MEVI regarding acceptable investments made outside of the Clients. The advice given, if any, and actions taken by the principals and employees to such persons may differ from advice given to, or securities recommended or bought for, the Clients even though their investment objectives may be the same or similar.

In addition, principals, partners, members, managers and employees of MEVI and its affiliates may, and do, directly or indirectly own, separately or jointly with others, an interest in one or more Funds and certain Co-Investment Funds. Subject to any limitations in the applicable Governing Documents, MEVI and the MEVI Managers may, in their sole discretion, present co-invest opportunities to certain affiliates of MEVI, Fund investors, or third parties, and such co-investments may be effected through Co-Investment Funds or directly in a particular SPE. To the extent that Co-Investment Funds exist, such vehicles may invest in one or more of the same securities as a Fund. Such involvement may create conflicts of interest between a Fund and any co-investors, particularly if the co-investors invest directly since MEVI will likely have less authority over such investor. Such principals, partners, members, managers and employees will seek to limit any such conflicts in a manner that is in accordance with MEVI's fiduciary duties to its Clients.

The structure of the Clients as limited liability companies or limited partnerships and the terms of the Operating Agreements, as the case may be, preclude the investors from active participation in investment decisions. Moreover, as MEVI and the MEVI Managers have retained investment discretion, the investors will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by MEVI and/or its affiliates in making decisions.

In addition, Clients typically have multiple investors, and these investors may have conflicting investment, tax and other interests with respect to their investments in a Client and/or the investors and/or their affiliates may engage in other activities, including other investment activity, that compete with or conflict with the Client or a SPE, including acting as a service provider to or a counterparty in a transaction with a Client or a SPE.

In making decisions on behalf of Clients, MEVI, and/or its affiliates, are subject to the investment parameters stated within the respective Governing Documents and their fiduciary obligations to the Clients and therefore will act in accordance what they believe is in the best interests of a Client overall, not the interests of a particular investor. As a result, conflicts of interest may arise in connection with decisions made by MEVI and the MEVI Managers that may be more beneficial for one investor than for another or that may negatively impact an investor's other interests, including its other investments. Even in situations where the investors vote on Client matters, a small group of investors with relatively large investments could have the requisite percentage of votes to determine the outcome of such decisions (although the concentration of voting power will not be known until the Client conducts a closing). Such concentration of voting power, if it occurs, could have the effect of limiting the ability of investors with relatively smaller investments to have a meaningful vote on matters requiring a vote of the investors.

Item 12: Brokerage Practices

MEVI does not enter brokerage transactions on behalf of its Clients. Therefore, a broker-dealer is not required to effect transactions for the Clients.

Item 13: Review of Accounts

All Client accounts are reviewed by senior investment professionals on a quarterly basis to determine their conformity with investment objectives and guidelines. The investment professionals involved in portfolio management of the Clients receive periodic updates of portfolio positions and transactions or otherwise periodically as appropriate to the type of investment. Senior investment professionals, with the assistance of other investment professionals, regularly review and discuss portfolio status, potential investments, performance, and related issues.

Investors in the Funds receive annual reports, including audited financial statements. In addition, investors typically receive quarterly reports which include unaudited summary financial information following the end of each financial quarter.

Item 14: Client Referrals and Other Compensation

MEVI does not compensate or accept client referrals from other individuals or institutions.

Unrelated third-parties may be compensated for assistance in arranging capital commitments in the Funds when it is legally permissible to do so. Any such arrangements are conducted pursuant to written agreements. The compensation to be paid to such unrelated parties is negotiated on an individual case basis.

Item 15: Custody

MEVI does not maintain physical custody of Client funds or securities. Such assets are held in custody by unaffiliated broker/dealers or banks that serve as qualified custodians; however as the general partner or managing member for the Clients, MEVI or its affiliates may be considered to have constructive custody of the Clients' funds or securities. The Funds are subject to annual audit by an independent public accountant, and investors receive a copy of the audited annual financial statements.

Item 16: Investment Discretion

MEVI has sole investment discretion with respect to its Clients. Its authority to exercise investment discretion is granted through the terms of the Operating Agreement of each of the Clients.

Item 17: Voting Client Securities

The Clients invest in real estate related assets. Due to the nature of these investments, MEVI does not anticipate having authority to vote proxies in a manner similar to investments in public securities.

Although MEVI invests (on behalf of the Funds) in fixed-income securities, which generally provide no voting rights, special circumstances may occur that permit voting or responding to another type of corporate action.

As part of its policies and procedures, MEVI has adopted proxy voting policies and procedures which provide for maintaining records of all proxy votes cast on behalf of its Clients. A copy of the proxy voting policy will be provided to investors at no charge upon request to Kevin Kujawski at 650-326-9300.

Item 18: Financial Information

There are no financial issues that are likely to impair MEVI's ability to meet its contractual commitments to its Clients.